

THE CITY OF SISTERSVILLE

Water Revenue Bonds, Series 2010 A
(United States Department of Agriculture)

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THE CITY OF SISTERSVILLE
Water Revenue Bonds, Series 2010 A
(United States Department of Agriculture)

BOND ORDINANCE

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THE CITY OF SISTERSVILLE

ORDINANCE AUTHORIZING THE PAYMENT OF THE PRIOR NOTES AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF SISTERSVILLE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF SISTERSVILLE OF NOT MORE THAN \$856,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

ARTICLE I

**STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS**

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

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

A. The Issuer currently owns and operates a public waterworks system and desires to acquire, construct and operate certain additional public waterworks facilities consisting of additions, betterments and improvements to such existing waterworks facilities, with all appurtenant facilities.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that

there be acquired and constructed certain additions, betterments and improvements to the existing waterworks system of the Issuer, consisting of replacement of water distribution system in the Klondike Avenue and Virginia Terrace areas of the City and replacing the North Water Storage Tank together with all necessary appurtenances (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Clerk of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, betterments and improvements, are herein called the "System". The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Series 2010 A Bonds and the Prior Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein and in the Prior Ordinance.

D. The Issuer has heretofore temporarily financed the design and other preliminary costs of the Project by the issuance of the WesBanco Bank, Inc Note, dated February 21, 2007 issued in the original aggregate principal amount of \$160,000 (the "Prior Note").

E. It is deemed necessary and desirable for the Issuer to pay the Prior Note.

F. The estimated maximum cost of the acquisition and construction of the Project is \$1,987,000 of which \$856,000 will be obtained from the proceeds of sale of the Series 2010 A Bonds herein authorized; \$692,100 will be obtained as a grant from the Purchaser, and \$438,900 will be obtained from a grant from the U.S. Environmental Protection Agency.

G. It is necessary for the Issuer to issue its Water Revenue Bonds Series 2010 A (United States Department of Agriculture) in one or more series, in the aggregate principal amount not to exceed \$856,000 (collectively, the "Series 2010 A Bonds"), to pay the Prior Notes and finance a portion of the cost of acquisition and construction of the Project. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the acquisition of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2010 A Bonds prior to and during acquisition and construction, and for a period not exceeding six months after completion of such acquisition or construction, of the Project; engineering, fiscal agents 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 Project, administrative expense, and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2010 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

H. The period of usefulness of the System, as herein defined, after completion of the Project is not less than forty years.

I. Upon payment of the Prior Note, the Issuer has outstanding its Water Refunding Revenue Bonds, Series 2003, dated November 21, 2003, issued in the original aggregate principal amount of \$910,000, (the "Series 2003 Bonds" or the "Prior Bonds"). The Series 2010 A Bonds are payable from and secured by a first lien on the Gross Revenues (as hereinafter defined) of the System.

The Series 2010 A Bonds shall be issued on a parity with the Series 2003 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 2010 A Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 2003 Bonds are met. The Series 2003 Bonds do not require consent. 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.

J. It is in the best interest of the Issuer that the Series 2010 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated June 15, 2006, and any amendments, thereto (collectively, the "Letter of Conditions").

K. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2010 A Bonds, or will have so complied prior to issuance of the Series 2010 A Bonds, including, among other things and without limitation, obtaining a certificate of convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03 Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2010 A Bonds by those who shall be the Registered Owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2010 A Bonds.

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

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

“Bond Legislation” or “Ordinance” means this Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

“Bond Registrar” or “Registrar” means the Issuer, which shall usually so act by its Clerk.

“Bonds” means collectively, the Series 2010 A Bonds, the Prior Bonds and where appropriate, any bonds on a parity herewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

“Clerk” means the Clerk of the Issuer.

“Closing Date” means the date upon which there is an exchange of the Series 2010 A Bonds for the proceeds, or at least a de minimus portion, thereof representing the purchase price of the Series 2010 A Bonds from the Purchaser.

“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.

“Consulting Engineer” means S&S Engineers, Charleston, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

“Depository Bank” means the bank designated as such in the Supplemental Resolution and its successors and assigns, which is a member of FDIC (herein defined).

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

“FDIC” means the Federal Deposit Insurance Corporation.

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

“Governing Body” or “Council” means the Council of the Issuer.

“Government Obligations” means direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America.

“Herein” or “herein” means in this Bond Legislation.

“Issuer” or “Borrower” means The City of Sistersville, a municipal corporation and political subdivision of the State of West Virginia, in Tyler County, West Virginia, and includes the Governing Body.

“Letter of Conditions” means, collectively, the Letter of Conditions of the Purchaser dated June 19, 2006, and all amendments thereto, if any.

“Mayor” means the Mayor of the Issuer.

“Minimum Reserve” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in the then current or any succeeding year.

“Net Revenues” means the balance of the Gross Revenues, as defined below, remaining after deduction only of Operating Expenses, as defined below.

“Operating Expenses” means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, materials and supplies, pumping costs, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Series 2010 A Bonds and into the respective reserve accounts and the Renewal and Replacement Fund have been made to the last monthly date prior to the date of such retention.

“Prior Bonds” means the Series 2003 Bonds.

“Prior Note” or “WesBanco Bank, Inc. Note” means the WesBanco Bank, Inc. Note, dated February 21, 2007 issued in the original aggregate principal amount of \$160,000.

“Prior Note Ordinance” means the ordinance of the Issuer authorizing the Prior Notes.

“Prior Ordinance” means the Ordinance of the Issuer authorizing the Prior Bonds.

“Project” shall have the meaning stated in Section 1.02B above.

“Project Construction Account” means the Project Construction Account established pursuant to section 4.01 hereof.

“Purchaser” or “Government” means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

“Qualified Investments” means and includes any of the following, to the extent such investments are permitted by law:

- (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 (hereinbefore defined) 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 Board of Treasury Investments pursuant to Chapter 12, Article 6C 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 or Standard & Poor's Corporation.

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Series 2010 A Bonds.

"Renewal and Replacement Fund" means the renewal and replacement Fund established by Prior Ordinance.

"Reserve Accounts" means, the respective reserve accounts for the Series 2010 A Bonds and the Prior Bonds.

"Revenue Fund" means the Revenue Fund established by Prior Ordinance.

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

"Series 2003 Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2003, dated November 21, 2003, issued in the original aggregate principal amount of \$910,000.

“Series 2010 A Bonds” means the Issuer’s Waterworks System Design Revenue Bonds, Series 2010 A (West Virginia Water Development Authority).

“Series 2010 A Bonds” means the Water Revenue Bonds, Series 2010 A,(United States Department of Agriculture) issued in one or more series authorized by this Ordinance.

"Series 2010 A Bonds Reserve Account" means the Series 2010 A Bonds Reserve Account established by Section 4.02 hereof.

"Series 2010 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 2010 A Bonds in the then current or any succeeding year.

“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 2010 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2010 A Bonds, and not so included may be included in another Supplemental Resolution.

“System” means the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks systems, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the Waterworks system from any source whatsoever.

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

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; and any requirement for execution or attestation of the Series 2010 A Bonds or any certificate or other document by the Mayor or the Clerk shall mean that such Series 2010 A Bonds, certificate or other documents may be executed or attested by an Acting Mayor or Acting Clerk.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT AND PAYMENT OF THE PRIOR NOTE

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 not to exceed \$1,987,000, 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 2010 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

The estimated maximum cost of the acquisition and construction of the Project is \$1,987,000 of which \$856,000 will be obtained from the proceeds of sale of the Series 2010 A Bonds herein authorized; \$692,100 will be obtained as a grant from the Purchaser, and \$438,900 will be obtained from a grant from the U.S. Environmental protection Agency.

Section 2.02. Authorization of Payment of Prior Note. The Prior Note outstanding as of the date of issuance of the Series 2009 Bonds are hereby ordered to be paid in full, and the pledge of assets, if any, in favor of the Holders of the Prior Note, and the monies in the funds and accounts created by the Prior Note pledged to payment of the Prior Note, if any, and any other funds pledged to pay of the Prior Note, if any, are hereby ordered terminated, discharged and released upon the payment to the Holder of the Prior Note from the proceeds of the Series 2009 Bonds and from other monies available therefor, of the following: an amount equal to the fiscal and paying agent charges to become due and payable in connection with the Prior Note and an amount which will provide for the payment of the entire outstanding principal of and all accrued interest on the Prior Note, plus the premium, if any, on the Closing Date.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Bond Legislation, the Series 2010 A Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2010 A (United States Department of Agriculture)", are hereby authorized to be issued in the principal amount of not to exceed \$856,000 with such terms as set forth hereinafter and in the Supplemental Resolution for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2010 A Bonds shall be issued in one or more series, only as a fully registered Bond, and shall be dated on the date of delivery thereof. The Series 2010 A Bonds shall bear interest from date of delivery, payable monthly at the rate not to exceed 4.375% per annum, with such terms as set forth hereinafter and in the Supplemental Resolution, and shall be sold for the par value thereof.

The Series 2010 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03 Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2010 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2010 A Bonds, and the right to the principal of and stated interest on the Series 2010 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2010 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2010 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2010 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2010 A Bonds.

Section 3.04 Bond Registrar. The Issuer shall be the Bond Registrar and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2010 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2010 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2010 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2010 A Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2010 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of

America. So long as the Series 2010 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2010 A Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2010 A Bonds shall cease to be such officer of the Issuer before the Series 2010 A Bonds so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2010 A Bonds had not ceased to hold such office. The Series 2010 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 Series 2010 A Bonds shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2010 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2010 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2010 A Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2010 A Bonds the Issuer may pay the same, and, if such Series 2010 A Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of the Series 2010 A Bonds shall be secured forthwith by a first lien on the Gross Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Series 2010 A Bonds on a parity with the Prior Bonds. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2010 A Bonds and the Prior Bonds and to make the payments as hereinafter provided and in the Prior Ordinance, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2010 A Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2010 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any ordinance enacted after the date of enactment hereof and prior to the issuance thereof:

(FORM OF SERIES 2010 A Bond)

THE CITY OF SISTERSVILLE

WATER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$ _____

No. AR-1

Date: _____, 2010

FOR VALUE RECEIVED, THE CITY OF SISTERSVILLE (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ DOLLARS (\$ _____), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on _____, 2010 and a Supplemental Resolution duly adopted by the Issuer on _____, 2010, authorizing issuance of this Bond (collectively, the "Ordinance").

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

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

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 WATER REFUNDING REVENUE BONDS, SERIES 2003, DATED NOVEMBER 21, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$910,000 (THE "SERIES 2003 BONDS" OR THE "PRIOR BONDS").

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

IN WITNESS WHEREOF, THE CITY OF SISTERSVILLE has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, all as of the date hereinabove written.

THE CITY OF SISTERSVILLE

[CORPORATE SEAL]

Mayor

P.O. Box 460
Sistersville, West Virginia 26416

ATTEST:

Clerk

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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 \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____
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
Borrower with full power of substitution in the premises.

Dated: _____, _____.

In presence of:

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01 Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created (or continued if previously established by Prior Ordinance) and established with, and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund (established by Prior Ordinance and continued hereby);
- (2) Renewal and Replacement Fund (established by Prior Ordinance and continued hereby); and
- (3) Project Construction Account.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by Prior Ordinance) 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 2003 Bonds Sinking Fund (established by Prior Ordinance and continued hereby);
- (2) Series 2003 Bonds Reserve Account (established by Prior Ordinance and continued hereby);
- (3) Series 2010 A Bonds Reserve Account.

Section 4.03. Bond Proceeds; Project Construction Account. The proceeds of sale of the Series 2010 A Bonds shall be deposited upon receipt by the Issuer in the Project Construction Account. The monies in the Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

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

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the

due date, such sums as shall be from time to time required to make the monthly installment payments on the Series 2010 A Bonds if there are not sufficient Gross Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

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

Section 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Series 2010 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2010 A Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2010 A Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Series 2010 A Bonds as follows:

A. **REVENUE FUND.** The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinance 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 the Prior Ordinance and this Bond Legislation.

B. **DISPOSITION OF REVENUES.** All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Ordinance not otherwise modified herein:

(1) The Issuer shall first, each month, on or before the due date thereof, transfer from the Revenue Fund and simultaneously remit (i) to the Commission for deposit in the Series 2003 Sinking Fund Bonds the amount required by the Prior Ordinance to pay the interest on the Series 2003 Bonds; and (ii) to the National Finance Office the amounts required to pay interest on the Series 2010 A Bonds.

(2) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously (i) on or before the due date thereof, remit to the Commission the amount required by the Prior Ordinance to pay the principal of the Series 2003 Bonds; and (ii) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2010 A Bonds, the amount required to amortize the principal of the Series 2010 A Bonds over the life of the bond issue.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the Commission, the amount required by the Prior Ordinance to be deposited in the Series 2003 Bonds Reserve Account; and (ii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, thereafter, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 2010 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount each month, until the amount in the Series 2010 A Bonds Reserve Account equals the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 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 2010 A Bonds Reserve Requirement.

(4) The Issuer shall next, each month, pay from the Revenue Fund the Operating Expenses of the System.

(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 Renewal and Replacement Fund, an amount equal to 2 ½ % of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement 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 Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

Whenever the monies in the Series 2010 A Bonds Reserve Account shall be sufficient to prepay the Series 2010 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2010 A Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the

Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2010 A Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and Electronically transferred to the Commission on the dates required hereunder.

The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day if each month), deposit with the Commission the required reserve account payments with respect to the 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 Revenue Fund and the Renewal and Replacement Fund shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2010 A Bonds and the interest thereon, but the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates on a parity and pro rata with respect to the Prior Bonds.

The Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2010 A Bonds Reserve Account and the Renewal and Replacement Fund invested and reinvested to the fullest extent possible, in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. 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 interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2010 A Bonds Reserve Account so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK AND FISCAL AGENT. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank and Fiscal Agent if the Depository Bank should cease for any reason to serve or if the Governing Body determines by

resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2010 A Bonds, provide evidence that there will be at least 803 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission or the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in lawful manner for securing deposits of State and municipal funds under the laws of the State of West Virginia.

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

H. GROSS REVENUES. The Gross Revenues of the System shall only be used for purposes of the System.

Section 4.05. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of proceeds of the grants and advances of principal of the Series 2010 A Bonds, the Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed \$456,000 (the "Notes"). The Notes shall be in the form of a line of credit from a commercial bank or other lender, and the Issuer is hereby authorized to enter into a credit agreement with such bank or other lender. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the credit agreement.

The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Series 2010 A Bonds. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth herein.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2010 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2010 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2010 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2010 A Bonds.

Section 5.02. Rates. Prior to the issuance of the Series 2010 A Bonds, the Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as (i) will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the maximum annual debt service on the Series 2010 A Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes; and (ii) so long as the Prior Bonds are Outstanding to provide for all reasonable expenses of operation, repair, maintenance of the System and to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for the payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues; provided that, in the event that an amount equal to or in excess of the reserve requirements for the Bonds prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any Fiscal year for the payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues.

Section 5.03. 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 Ordinance. Additionally, the System will not be sold without the prior written consent of the Purchaser so long as the Series 2010 A Bonds are outstanding.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no additional Parity Bonds or obligations payable out of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

So long as the Series 2010 A Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2010 A Bonds, representing 75% of the then-outstanding principal indebtedness.

So long as the Prior Bonds are Outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the 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 expected 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 Ordinance then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues expected 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 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 Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period herein above 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, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Ordinance with respect to the Series 2010 A Bonds and Prior 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 such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation and the Prior Ordinance.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2010 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2010 A Bonds.

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

D. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF THE ISSUER ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code

Section 38-2-39. Workers' Compensation coverage will be maintained as provided by law.

E. FLOOD INSURANCE to be procured, to the extent available at reasonable cost to the Issuer; provided, however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

F. FIDELITY BONDS will be provided as to every member of the Governing Body and as to every officer and employee of the Issuer having custody of the Revenue Fund or of any Revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

G. Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2010 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2010 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2010 A Bonds and shall be for the equal benefit of the Series 2010 A Bonds on a parity with the Prior Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

A. Failure to make payment of any monthly amortization installment upon the Series 2010 A Bonds at the date specified for payment thereof;

B. Failure to duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2010 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law, or

C. If default occurs with respect to the Prior Bonds or the Prior Ordinance.

Section 5.08. Enforcement. 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 Series 2010 A 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 Series 2010 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2010 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2010 A Bonds shall be on a parity with each other and with those of the Holders of the Prior Bonds. Any Registered Owner of the Bonds, by proper legal action, compel the performance of the duties of the Issuer under this 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 the Bonds 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 the 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.

Section 5.09. Fiscal Year; Budget. While the Series 2010 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Clerk on the date of adoption hereof, subject to permitted changes.

Section 5.11. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

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

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2010 A Bonds are outstanding.

Section 5.13. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules.

A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the rate ordinance of the Issuer enacted on August 11, 2008 which rate ordinance is incorporated herein by reference as a part hereof.

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

C. All delinquent fees, rates and charges for services or facilities of the System shall be a lien on the premises served if not paid when due. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges, including, without limitation, any right and power of foreclosure under the Act and/or such other applicable provisions of law.

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

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

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

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

H. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide revenues to meet its payments and obligations provided hereunder, but in any event, not less than 110% of the annual debt service on the Bonds Outstanding after the Prior Bonds are paid in full.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2010 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2010 A Bonds, the pledge of Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2010 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2010 A Bonds, the Issuer may not defease the Series 2010 A Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2010 A Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2010 A Bonds, no modification or amendment of this Ordinance, or any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Mayor is hereby authorized and directed to cause the Series 2010 A Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2010 A Bonds.

Section 7.05. Conflicting Provisions Repealed. Except for the Prior Ordinance, all ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption and enactment 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, 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.

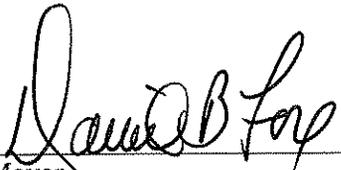
Section 7.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Council to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in the *Tyler Democrat*, being qualified newspapers of general circulation in The City of Sistersville, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted, and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Ordinance is on file in the office of the Clerk of the Issuer for review by interested parties during regular office hours. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Section 7.09. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Passed on First Reading: December 14, 2009

Passed on Second Reading: January 11, 2010

Passed on Final Reading
Following Public Hearing: February 8, 2010

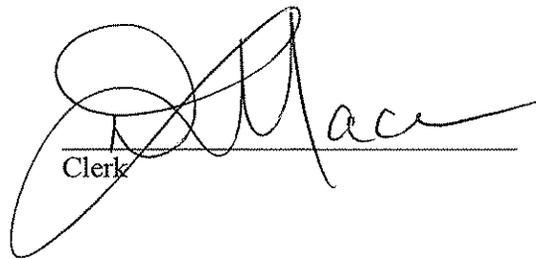


Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of The City of Sistersville on the 8th day of February, 2010.

[SEAL]


Clerk

02.03.10
827720.00003

THE CITY OF SISTERSVILLE

Water Revenue Bonds, Series 2010 A
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2010 A OF THE CITY OF SISTERSVILLE, AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of The City of Sistersville (the "Issuer") has duly and officially adopted and enacted a bond ordinance, February 8, 2010 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF SISTERSVILLE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF SISTERSVILLE OF NOT MORE THAN \$856,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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 Water Revenue Bonds, Series 2010 A, of the Issuer (the "Series 2010 A Bonds"), in an aggregate principal amount not to exceed \$856,000 and has authorized the execution and delivery of the documents relating to the Bonds, all in accordance with Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted;

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

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 following bonds of the Issuer:

A. Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered AR-1 in the principal amount of \$456,000. The Series 2010 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 4% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2010 A Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of \$1,948 on the corresponding day of each month, except that the final installment shall be paid at the end of forty years from the date of the Series 2010 A Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2010 A Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2010 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

Section 2. The Mayor and the 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 February 26, 2010, to the Purchaser.

Section 3. The Issuer does hereby appoint and designate Union Bank, Inc., Sistersville, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 4. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 5. Series 2010 A Bonds proceeds in the amount of \$108,861.81 shall be delivered to WesBanco Bank, Inc., Sistersville, West Virginia in the form of a check to pay the outstanding principal balance of and all accrued interest on the Issuer's WesBanco

Bank, Inc. Note, dated February 21, 2007 issued in the original aggregate principal amount of \$160,000 (the "Prior Note").

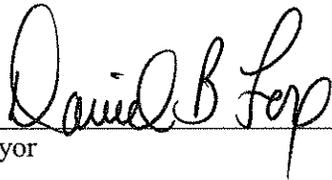
Section 6. The payment of the Prior Note and the acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 7. The cost of the Project is estimated not to exceed \$1,587,000, which \$456,000 will be obtained from proceeds of the Series 2010 A Bonds, \$692,100 will be obtained as a grant from the Purchaser and \$438,900 will be obtained from a U.S. Environmental Protection Agency grant.

Section 8. This Supplemental Resolution shall be effective immediately following adoption hereof.

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Adopted this 8th day of February, 2010.

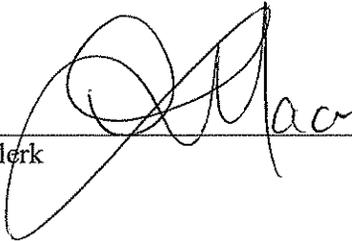


Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Sistersville on the 8th day of February, 2010.

[SEAL]


Clerk

02.03.10
827720.00003



United States Department of Agriculture
Rural Development
West Virginia State Office

June 15, 2009

~~The Honorable David B. Fox
Mayor, City of Sistersville
200 Diamond Street
Sistersville, WV 26175~~

RE: Amendment No. 1 to
Letter of Conditions

Dear Mayor Fox:

This letter, with Attachment No. 1 amends the letter of conditions dated June 19, 2006 and further establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an initial Rural Development loan in the amount of \$456,000, an initial Rural Development grant in the amount of \$359,100, a subsequent Rural Development grant in the amount of \$333,000, and other funding in the amount of \$438,900, for a total project cost of \$1,587,000. The other funding is planned in the form of a grant from the Environmental Protection Agency.

Subject to the requirements noted herein, all of the conditions of the June 19, 2006 letter of conditions remain in effect and must be satisfied prior to loan and grant closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted.

Enclosed are the following:

Attachment No. 1 - Project Construction Budget (All Copies)

The conditions referred to above are as follows:

- 1. Subsequent Grant – The subsequent grant amount is \$333,000.

Federal Building • 75 High Street • Suite 320 • Morgantown, WV 26705-7500
Phone: (304) 284-4860 OR 1-800-295-8228 • Fax: (304) 284-4893 • TDD: (304) 284-4836
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Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

2. Bond Counsel Services – A copy of this letter should be provided to your bond counsel immediately.
3. Public Service Commission Approval - You must obtain PSC approval of the project's proposed financing and user rates.
4. Users – This conditional commitment is based upon you providing evidence that there will be at least 784 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a certification from you that identifies and attests to the number of users that are actually connected to the City's existing water system which is to be partially replaced by the new system, at the time you request authorization to advertise the project for construction bids.

Before Rural Development can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and currently using the system.

5. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided (you must also provide us with a copy of the minutes showing the adoption of the forms associated with the original letter of conditions):

RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"
Form 1940-1 – "Request for Obligation of Funds"
Form RD 1942-46 - "Letter of Intent to Meet Conditions"

If the conditions set forth in this letter are not met within six (6) months from the date hereof, Rural Development reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the six-month period and it is determined the City still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If, during that review, it is determined the budget is no longer current and/or adequate, Rural Development reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely,

Dianne Goff Chrysler
DIANNE GOFF CHRYSLER
Acting State Director

Enclosures

cc: Page 3.

cc: Area Director
Parkersburg, WV

Smith, Cochran, and Hicks, PLLC
Charleston, WV

Ryan J. Morgan, Esquire
Step toe & Johnson, PLLC
Charleston, WV

John C. Stump, Esquire
Step toe & Johnson, PLLC
Charleston, WV

S & S Engineers, Inc.
Charleston, WV

West Virginia Bureau of Public Health
Charleston, WV

Project Construction Budget

<u>PROJECT COST</u>	<u>RUS SUB. GRANT</u>	<u>EPA STAG</u>	<u>RUS GRANT</u>	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 166,000	\$ 438,900	\$ 215,600	\$ 253,000	\$ 1,073,500
CONST. CONTINGENCY			\$ 41,750	\$ 14,750	\$ 56,500
LAND & RIGHTS			\$ 1,000	\$ 2,000	\$ 3,000
LEGAL FEES			\$ 4,500	\$ 6,000	\$ 10,500
BOND COUNSEL			\$ 6,500	\$ 8,000	\$ 14,500
ACCOUNTING			\$ 2,000	\$ 2,000	\$ 4,000
ENGINEERING FEES	\$ 139,000		\$ 75,900	\$ 90,192	\$ 305,092
Basic - \$189,992					
Insp. - \$97,100					
Special - \$18,000					
ENGINEERING ADDENDUM NO. 4	\$ 28,000				\$ 28,000
INTEREST				\$ 39,900	\$ 39,900
ADMINISTRATION				\$ 20,000	\$ 20,000
PERMITS			\$ 2,300	\$ 2,700	\$ 5,000
PROJECT CONTG.			\$ 9,550	\$ 17,458	\$ 27,008
TOTAL	\$ 333,000	\$ 438,900	\$ 359,100	\$ 456,000	\$ 1,587,000

Rates

Available for general domestic, commercial, and industrial service.

First	6,000	gallons @	\$ 13.00	per M gallons
Next	14,000	gallons @	\$ 11.00	per M gallons
Over	20,000	gallons @	\$ 8.00	per M gallons

Unmetered \$58.50

Minimum Charge

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

5/8" x 3/4"	meter	\$ 39.00	per month
3/4"	meter	\$ 58.50	per month
1"	meter	\$ 97.50	per month
1 1/2"	meter	\$ 195.00	per month
2"	meter	\$ 312.00	per month
3"	meter	\$ 585.00	per month
4"	meter	\$ 975.00	per month
6"	meter	\$ 1,950.00	per month
8"	meter	\$ 3,120.00	per month

Minimum Monthly Bill \$ 39.00 for 2,500 gallons

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any bill is not paid within sixty (60) days after date, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge

\$350.00

Reconnection Charge

\$25.00

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

CITY OF SISTERSVILLE
WATER SYSTEM IMPROVEMENTS PROJECT

BILL ANALYSIS - PROFORMA ANNUAL

	NUMBER OF USERS	USAGE	MINIMUM RATES	MINIMUM BILL REVENUE	FIRST 6M GALLONS	NEXT 14M GALLONS	ALL OVER 20M GALLONS
5/8 Inch (3,000 gallons)	5,561	9,368.0	39.00	216,879.00			
3/4 Inch Meter	-	-	58.50	-			
1 Inch Meter	74	161.0	97.50	7,215.00			
1 1/2 Inch Meter	-	-	195.00	-			
2 Inch Meter	44	324.0	312.00	13,728.00			
3 Inch Meter			585.00	-			
4 Inch Meter			975.00	-			
6 Inch Meter			1,950.00	-			
8 Inch Meter			3,120.00	-			
Unmetered	20	-	58.50	1,170.00			
3,001 - 6,000 gallons	2,678	12,837.0			12,837.0		
6,001 - 20,000 gallons	902	8,218.0			5,412.0	2,806.0	
All over 20,000 gallons	125	8,997.0			750.0	1,750.0	6,497.0
TOTALS	9,404	39,905.0			18,999.0	4,556.0	6,497.0
RATES					\$13.00	\$11.00	\$8.00
PROCEEDS				\$ 238,992.00	\$246,987.00	\$50,116.00	\$51,976.00
Avg. monthly bill(4.0M gallons)	\$ 52.00						588,071.00
Avg. monthly bill(4.5M gallons)	\$ 58.50						0.98
							<u>576,310</u>

Monthly Revenue Error Factor

Adjusted Annual Revenues

CITY OF SISTERSVILLE
OPERATING BUDGET

OPERATING INCOME

Metered Sales	574,030	
Penalties	8,715	
Other Income	1,236	
Miscellaneous	338	
Unmetered Sales	2,280	
TOTAL OPERATING INCOME		<u>\$ 586,599</u>

NON OPERATING INCOME

Interest income	524	
TOTAL NON OPERATING INCOME		<u>\$ 524</u>

TOTAL INCOME

\$ 587,123

EXPENSES

O & M	423,369	
Taxes	10,286	
Replacement of Short-Lived Assets	25,000	
TOTAL EXPENSES		<u>\$ 458,655</u>

INCOME AVAILABLE FOR D/S

\$ 128,468

DEBT SERVICE

Existing Bond P & I	82,440	
Proposed Bond P & I	24,684	
TOTAL DEBT SERVICE		<u>\$ 107,124</u>

REQUIRED RESERVES

Existing Debt Service Reserve	0	
Proposed Debt Service Reserve	2,469	
Existing Depreciation Reserve (2.5%)	14,665	
TOTAL REQUIRED RESERVES		<u>\$ 17,134</u>

SURPLUS (DEFICIT)

\$ 4,210

DEBT COVERAGE (A/B)

120%



United States Department of Agriculture
Rural Development
West Virginia State Office

June 19, 2006

The Honorable David B. Fox
Mayor, City of Sistersville
200 Diamond Street
Sistersville, WV 26175

Dear Mayor Fox:

This letter, with Attachments 1 through 12 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of \$456,000, an RUS grant in the amount of \$359,100, and other funding in the amount of \$438,900, for a total project cost of \$1,254,000. The other funding is planned in the form of a grant from the Environmental Protection Agency.

The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

- Attachment No. 1 - Project Construction Budget (All Copies)
- Attachment No. 2 - Water and Waste Processing Checklist (All Copies)
- Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
- Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)
- Attachment No. 5 - RUS Instruction 1780, Subpart D (Attorney and Bond Counsel Copies)
- Attachment No. 6 - RUS Supplemental General Conditions (Engineer Copy)
- Attachment No. 7 - RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Project with RUS Financial Assistance"

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- Attachment No. 8 - Government Auditing Standards (Revision 1994) (Accountant Copy)
- Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
- Attachment No. 10 - RUS Bulletin 1780-31, "Water Programs Compliance Supplement for OMB Circular A-133 Audits"
- Attachment No. 11 - RUS Policy regarding Use of Remaining Funds
- Attachment No. 12 - Various other RD Forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.375% interest rate and a monthly amortization factor of 0.00451, which provides for a monthly payment of \$2,057.00. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

You are reminded that your authority may be required to refinance (graduate) the unpaid balance of its RUS loan, in whole or in part, upon the request of RUS if at any time it shall be determined the authority is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

2. Security - The loan must be secured by a statutory lien of equal priority with the City's existing water revenue bonds, a pledge of the system's revenues and other agreements between you and RUS as set forth in the bond ordinance which must be properly adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.
3. Users - This conditional commitment is based upon you providing evidence that there will be at least 803 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a certification from you that identifies and attests to the number of users that are actually connected to the City's existing water system which is to be

partially replaced by the new system, at the time you request authorization to advertise the project for construction bids.

Before RUS can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and currently using the system.

4. Bond Counsel Services - The services of a recognized bond counsel are required. The bond counsel will prepare the form of ordinance to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.
5. Engineering Services - It will be necessary for you to obtain the services of an engineer. EJCDC No. E-510, "Standard Form of Agreement between Owner and Engineer for Professional Services" (Funding Agency Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RUS.
6. Legal Services - It will be necessary for you to obtain the services of a local attorney. For your convenience an RUS "Legal Services Agreement" is enclosed for your use.
7. Accounting Services - It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:
 - a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).
 - b. Prior to loan/grant closing, your accountant must certify that the accounts and records as required by your bond ordinance have been established and are operational.

The Accountant's Agreement should be submitted to RUS for review. Compensation in the contract should include only those services identified above and not include payment for construction management services from the accountant unless RUS concurrence is obtained.

RUS regulations (Attachment No. 3) outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your City. The attached booklets, "Government Auditing Standards (Revised 2003)" (Attachment No. 8), and RUS Bulletins 1780-30 1780-31 (Attachment Nos. 9 and 10) outline audit requirements.

You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends \$500,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:

- a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
 - b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the City already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.
 - c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.
 - d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.
 - e. On the day of loan closing, the City's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the City has already acquired real property(s) (land or facilities), the City's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.
9. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:
- West Virginia Department of Highways
 - State Department of Health
 - Department of Environmental Protection
10. Public Service Commission Approvals - You must obtain the following from the West Virginia Public Service Commission:
- a. A Certificate of Convenience and Necessity.
 - b. Approval of user charges that are acceptable to you and the Rural Utilities Service.

- c. Approval of financing for the project's proposed financing arrangements.

The "Rule 42" Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its "Rule 42" Exhibit must be provided for review.

- 11. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:
 - a. Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.
 - b. Workers' Compensation - In accordance with appropriate State laws.
 - c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time.

The minimum coverage acceptable to RUS once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

- d. Real Property Insurance - Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.
- 12. Contract Documents, Final Plans and Specifications -
 - a. The contract documents should consist of the following:
 - (1) EJCDC Document No. 1910-8-A-1-FA, 1997 Edition, "Standard Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. 1910-8-FA, "Standard General Conditions of the Construction Contract - Funding Agency Edition", and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.
 - (2) "RUS Supplemental General Conditions."

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance," is

enclosed for use by your engineer in the preparation of the contract documents (Attachment No. 7).

b. The contract documents must provide, as a minimum, the following insurance:

(1) Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. This coverage must include indemnification of the City and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.

(2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.

(3) Workers' Compensation - In accordance with applicable State laws.

c. The contract documents and final plans and specifications must be submitted to RUS for approval.

d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.

13. State Prevailing Wage Law - You should ensure that all requirements of Article 5A of the West Virginia State Prevailing Wage Law, "Wages for Construction of Public Improvements" are met during construction of the project.

14. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of the City, over 30 day periods. Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account.

Public Bodies - Interest earned on grant funds in excess of \$100 per year will be submitted to RUS at least quarterly as required in 7 CFR 3016.

The City will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess of \$100,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

The City must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RUS.

15. Other Project Funds - Prior to advertisement for construction bids, you must provide evidence showing the approval of any other project funds. This evidence should include a copy of the funding award. Prior to award of the contract(s) to the contractor(s), you must provide evidence that the other project funds are available for expenditure. This evidence should consist of at least a letter from the funding agency stating the funds are available for expenditure.
16. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

Form RD 1940-1 - "Request for Obligation of Funds"
RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"
RUS Bulletin 1780-27 - "Loan Resolution (Public Bodies)"
Form RD 400-1 - "Equal Opportunity Agreement"
Form RD 400-4 - "Assurance Agreement"
Form AD 1047 - "Certification Regarding Debarment - Primary"
Form AD 1049 - "Certification Regarding Drug-Free Workplace"
Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"
FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"
Certification of Compliance
Form RD 1942-46, "Letter of Intent to Meet Conditions"

17. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan and grant docket. All the items listed must be included in the loan and grant docket when it is forwarded to the USDA - Rural Development State Office with a request for loan closing instructions to be issued.
18. Upon receipt of the loan and grant docket, which contains all the items required above, RUS may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RUS with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

The "RUS Policy Regarding Use of Remaining Funds" is attached for your information and use (Attachment No. 11). This policy should be adhered to when addressing the use of bid underrun funds, as well as any funds remaining after project construction is complete.

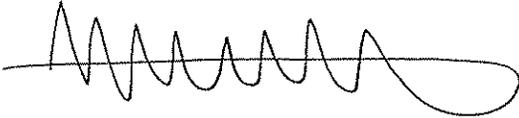
After providing for all authorized costs, any remaining RUS project funds will be considered to be RUS grant funds and refunded to RUS. If the amount of unused RUS project funds exceeds

the RUS grant, that part would be RUS loan funds and would be applied as an extra payment toward the loan balance.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the twelve-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Robert M. Steptoe III". The signature is fluid and cursive, with a long horizontal stroke at the end.

ROBERT M. STEPTOE III
State Director

Enclosures

cc: Rural Development Specialist (RUS)
Parkersburg, WV

Smith, Cochran, and Hicks, PLLC
Charleston, WV

Ryan J. Morgan, Esquire
Sistersville, WV

West Virginia Bureau of Public Health
Charleston, WV

S&S Engineers
Charleston, WV

Project Construction Budget

<u>PROJECT COST</u>	<u>EPA STAG</u>	<u>RUS GRANT</u>	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 438,900	\$ 215,600	\$ 253,000	\$ 907,500
CONST. CONTINGENCY		\$ 41,750	\$ 49,000	\$ 90,750
LAND & RIGHTS		\$ 7,000	\$ 8,000	\$ 15,000
LEGAL FEES		\$ 4,500	\$ 6,000	\$ 10,500
BOND COUNSEL		\$ 6,500	\$ 8,000	\$ 14,500
ACCOUNTING		\$ 2,300	\$ 2,700	\$ 5,000
ENGINEERING FEES		\$ 69,600	\$ 81,000	\$ 150,600
Basic - \$				
Insp. - \$				
Special - \$				
INTEREST			\$ 32,150	\$ 32,150
PERMITS		\$ 2,300	\$ 2,700	\$ 5,000
PROJECT CONTG.		\$ 9,550	\$ 13,450	\$ 23,000
TOTAL	\$ -	\$ 438,900	\$ 359,100	\$ 456,000

Rates

Available for general domestic, commercial, and industrial service.

First	2,000	gallons @	\$ 11.66	per M gallons
Over	2,000	gallons @	\$ 7.15	per M gallons
Unmetered			\$41.20	

Minimum Charge

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

5/8" x 3/4"	meter	\$ 23.32	per month
3/4"	meter	\$ 34.98	per month
1"	meter	\$ 58.30	per month
1 1/2"	meter	\$ 116.60	per month
2"	meter	\$ 186.56	per month
3"	meter	\$ 349.80	per month
4"	meter	\$ 583.00	per month
6"	meter	\$ 1,166.00	per month
8"	meter	\$ 1,865.60	per month

Minimum Monthly Bill \$ 23.32 for 2,000 gallons

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any bill is not paid within sixty (60) days after date, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge

\$250.00

Reconnection Charge

\$20.00

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

CITY OF SISTERSVILLE
 USE AND INCOME ANALYSIS
 EXISTING SYSTEM

Blocking	Cust.	Gal/ Mo.	Minimum Bills	Unmetered	First 2,000	Over 2,000	TOTAL REVENUE
0 - 2,000	331	531.00	331	4	944.00	2,029.00	
Over 2,000	472	2,973.00					
Monthly Total	803.00	3,504.00	331.00	4.00	944.00	2,029.00	
Proposed Rates			\$ 23.32	\$ 41.20	\$ 11.66	\$ 7.15	
Monthly Revenues			\$ 7,718.92	\$ 164.80	\$ 11,007.04	\$ 14,507.35	\$ 33,398.11
Annual Revenues			\$ 92,627.04	\$ 1,977.60	\$ 132,084.48	\$ 174,088.20	\$ 400,777.32

Adjustment Factor 1.01557
 Adjusted Revenues \$ 407,017.42

CITY OF SISTERSVILLE
 USE AND INCOME ANALYSIS
 RESALE CUSTOMER

Customer	Cust.	Gal/ Mo.	Minimum Bills	FIRST 1,000	NEXT	NEXT	NEXT	OVER	TOTAL REVENUE
Friendly PSD	2	1853		1853					
Monthly Total	2	1853	0	1853	0	0		0	
Proposed Rates				\$ 2.63					
Monthly Revenues			\$ -	\$ 4,873.39	\$ -	\$ -			\$ 4,873.39
Annual Revenues			\$ -	\$ 58,480.68	\$ -	\$ -			\$ 58,480.68

Adjustment Factor 0.9749032
 Adjusted Revenues \$ 57,013.00

CITY OF SISTERSVILLE
OPERATING BUDGET

OPERATING INCOME

Metered Sales	407,017	
Penalties	8,297	
Other Income	972	
Miscellaneous	364	
Sales for Resale	57,013	
TOTAL OPERATING INCOME		<u>\$ 473,663</u>

NON OPERATING INCOME

Interest income		
TOTAL NON OPERATING INCOME		<u>\$ -</u>

TOTAL INCOME		<u>\$ 473,663</u>
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EXPENSES

O & M	340,000	
Taxes	8,270	
TOTAL EXPENSES		<u>\$ 348,270</u>

INCOME AVAILABLE FOR D/S		<u>\$ 125,393</u>
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DEBT SERVICE

Existing Bond P & I	82,440	
Proposed Bond P & I	24,684	
TOTAL DEBT SERVICE		<u>\$ 107,124</u>

DEBT SERVICE RESERVE

Existing Debt Service Reserve	0	
Proposed Debt Service Reserve	2,469	
TOTAL DEBT SERVICE RESERVE		<u>\$ 2,469</u>

SURPLUS (DEFICIT)		<u>\$ 15,800</u>
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DEBT COVERAGE (A/B)		117%
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**UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL UTILITIES SERVICE
 Water and Waste Processing Checklist**

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		Have	3
	DUNS Number	1		Applicant		Have	3
	CAIVRS Number	1		RUS			CPAP Form
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		Have	3
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		Have	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney			5
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney			2
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant			1
	Staff Review Financial Statements	1	S.I. 1780.2	RUS		Have	1
	EJCDC No. 1910-1-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer		

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney		Have	5
	Site Visit		S.I. 1780-2	RUS		Have	3
	Processing Conference	1	1780.39(a)	RUS		Have	3
	Environmental Report	2	1794	Applicant		Have	3
	Environmental Assessment	2	1794	RUS/ Engineer		Have	3
	Adoption of Environ. Review by other Fed. Agency	2	1794 Case Record	RUS		Have	3
	FONSI/ Evidence of Publication	1	Exhibit 1 RUS 1794 News Ad	RUS/ Applicant		Have	3
	Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		Have
Staff Engineer PER Review		1	1780.33(c)	RUS		Have	3
Bill Analysis for existing system(s)		2	1780.33(c)	Applicant/ Engineer		Have	8
Rate Tariff		2	1780.33	Applicant		Have	8
Applicant's IRS Tax Number(TIN)		1	1780.33(g)	Applicant		Have	3
Agency Determination on the Availability of "Other Credit" with Documentation		1	1780.7(d)	RUS		Have	3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Documentation on Service Area	1	1780.11	RUS		Have	3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS			1
	Letter of Conditions	7	1780.41 (a)(5)	RUS			3
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	Applicant			5
	Minutes Adopting Drug-Free Workplace Program	1	LOC	Applicant			5
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant			2
CPAP Form	Project Information	3	1780.41(a)	RUS			1
CPAP Form	Underwriting Documentation	3	1780.41(a)	RUS			2
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/ Applicant			2
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	RUS/ Applicant			2
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant			3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant			5
	Relationships/Associations with Agency Employees	1	1780.1(f)	RUS			3

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
RD 1910-11	Applicant Certification, Federal Collect- ion Policies	1	1780.33(h)	Applicant			3
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant			5
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant			6
RD 400-4	Assurance Agreement	1	1901-E	Applicant			3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel			5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant		Have	5
	Verification of Users	1	1780.44(b)	RUS			3
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant			3
	DOH Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RUS			6
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
	Evidence of "Other Funds"	1	1780.44(f)	Applicant			2
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5

Subpart D - Information Pertaining to Preparation of Notes or Bonds and Bond Transcript Documents for Public Body Applicants

§1780.80 General.

This subpart includes information for use by public body applicants in the preparation and issuance of evidence of debt (bonds, notes, or debt instruments, referred to as bonds in this subpart) and other necessary loan documents.

§1780.81 Policies related to use of bond counsel.

The applicant is responsible for preparation of bonds and bond transcript documents. The applicant will obtain the services and opinion of recognized bond counsel experienced in municipal financing with respect to the validity of a bond issue, except for issues of \$100,000 or less. With prior approval of the approval official, the applicant may elect not to use bond counsel. Such issues will be closed in accordance with the following:

- (a) The applicant must recognize and accept the fact that application processing may require additional legal and administrative time;
- (b) It must be established that not using bond counsel will produce significant savings in total legal costs;
- (c) The local attorney must be able and experienced in handling this type of legal work;
- (d) The applicant must understand that it will likely have to obtain an opinion from bond counsel at its expense should the Agency require refinancing of the debt;
- (e) Bonds will be prepared in accordance with this regulation and conform as closely as possible to the preferred methods of preparation stated in §1780.94; and
- (f) Closing instructions must be issued by OGC.

§1780.82 [Reserved]

§1780.83 Bond transcript documents

Any questions relating to Agency requirements should be discussed with Agency representatives. Bond counsel or local counsel, as appropriate, must furnish at least two complete sets of the following to the applicant, who will furnish one complete set to the Agency:

- (a) Copies of all organizational documents;
- (b) Copies of general incumbency certificate;
- (c) Certified copies of minutes or excerpts from all meetings of the governing body at which action was taken in connection with the authorizing and issuing of the bonds;
- (d) Certified copies of documents evidencing that the applicant has complied fully with all statutory requirements incident to calling and holding a favorable bond election, if one is necessary;
- (e) Certified copies of the resolutions, ordinances, or other documents such as the bond authorizing resolutions or ordinances and any resolution establishing rates and regulating use of facility, if such documents are not included in the minutes furnished;
- (f) Copies of the official Notice of Sale and the affidavit of publication of the Notice of Sale when State statute requires a public sale;
- (g) Specimen bond, with any attached coupons;
- (h) Attorney's no-litigation certificate;
- (i) Certified copies of resolutions or other documents pertaining to the bond award;
- (j) Any additional or supporting documents required by bond counsel;
- (k) For loans involving multiple advances of Agency loan funds, a preliminary approving opinion of bond counsel (or local counsel if no bond counsel is involved) if a final unqualified opinion cannot be obtained until all funds are advanced. The preliminary opinion for the entire issue shall be delivered at or before the time of the first advance of funds. It will state that the applicant has the legal authority to issue the bonds, construct, operate and maintain the facility, and repay the loan, subject only to changes occurring during the advance of funds, such as litigation resulting from the failure to advance loan funds, and receipt of closing certificates;
- (l) Final unqualified approving opinion of bond counsel, (and preliminary approving opinion, if required) or local counsel if no bond counsel is involved, including an opinion as to whether interest on bonds will be exempt from Federal and State income taxes. With approval of the State program official, a final opinion may be qualified to the extent that litigation is pending relating to Indian claims that may affect title to land or validity of the obligation. It is permissible for such opinion to contain language referring to the last sentence of Section 306 (a)(1) or to Section 309A (h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926 (a)(1) or 1929a (h)).

§§1780.84 and 1780.86 [Reserved]

§1780.87 Permanent instruments for Agency loans.

Agency loans will be evidenced by an instrument determined legally sufficient and in accordance with the following order of preference:

(a) First preference - Form RD 440-22, "Promissory Note". Refer to paragraph (b) of this section for methods of various frequency payment calculations.

(b) Second preference - single instruments with amortized installments. A single instrument providing for amortized installments which follows Form RD 440-22 as closely as possible. The full amount of the loan must show on the face of the instrument, and there must be provisions for entering the date and amount of each advance on the reverse or an attachment. When principal payments are deferred, the instrument will show that "interest only" is due on interest-only installment dates, rather than specific dollar amounts. The payment period including the "interest only" installment cannot exceed 40 years, the useful life of the facility, or State statute limitations, whichever occurs first. The amortized installment, computed as follows, will be shown as due on installment dates thereafter.

(1) Monthly payments. Multiply by twelve the number of years between the due date of the last interest-only installment and the final installment to determine the number of monthly payments. When there are no interest-only installments, multiply by twelve the number of years over which the loan is amortized. Then multiply the loan amount by the amortization factor and round to the next higher dollar.

(2) Semiannual payments. Multiply by two the number of years between the due date of the last interest-only installment and the due date of the final installment to determine the correct number of semiannual periods. When there are no interest-only installments, multiply by two the number of years over which the loan is amortized. Then multiply the loan amount by the applicable amortization factor.

(3) Annual payments. Subtract the due date of the last interest-only installment from the due date of the final installment to determine the number of annual payments. When there are no interest-only installments, the number of annual payments will equal the number of years over which the loan is amortized. Then multiply the loan amount by the applicable amortization factor and round to the next higher dollar.

(c) Third preference - single instruments with installments of principal plus interest. If a single instrument with amortized installments is not legally permissible, use a single instrument providing for installments of principal plus interest accrued on the principal balance. For bonds with semiannual interest and annual principal, the interest is calculated by multiplying the principal balance times the interest rate and dividing this figure by two. Principal installments are to be scheduled so that total combined interest and principal payments closely approximate amortized payments.

(1) The repayment terms concerning interest only installments described in paragraph (b) of this section apply.

(2) The instrument shall contain in substance provisions indicating:

(i) Principal maturities and due dates;

(ii) Regular payments shall be applied first to interest due through the next principal and interest installment due date and then to principal due in chronological order stipulated in the bond; and

(iii) Payments on delinquent accounts will be applied in the following sequence:

(A) billed delinquent interest;

(B) past due interest installments;

(C) past due principal installments;

(D) interest installment due; and

(E) principal installment due.

(d) Fourth preference - serial bonds with installments of principal plus interest. If instruments described under the first, second, and third preferences are not legally permissible, use serial bonds with a bond or bonds delivered in the amount of each advance. Bonds will be numbered consecutively and delivered in chronological order. Such bonds will conform to the minimum requirements of §1780.94. Provisions for application of payments will be the same as those set forth in paragraph (c)(2)(ii) of this section.

(e) Coupon bonds. Coupon bonds will not be used unless required by State statute. Such bonds will conform to the minimum requirements of §1780.94.

§1780.88 [Reserved]

§1780.89 Multiple advances of Agency funds using permanent instruments.

Where interim financing from commercial sources is not used, Agency loan proceeds will be disbursed on an "as needed by borrower" basis in amounts not to exceed the amount needed during 30-day periods.

§1780.90 Multiple advances of Agency funds using temporary debt instruments.

When none of the instruments described in §1780.87 are legally permissible or practical, a bond anticipation note or similar temporary debt instrument may be used. The debt instrument will provide for multiple advances of Agency funds and will be for the full amount of the Agency loan. The instrument will be prepared by bond counsel, or local counsel if bond counsel is not involved, and approved by the State program official and OGC. At the same time the Agency delivers the last advance, the borrower will deliver the permanent bond instrument and the canceled temporary instrument will be returned to the borrower. The approved debt instrument will show at least the following:

- (a) The date from which each advance will bear interest;
- (b) The interest rate as determined by §1780.13;
- (c) A payment schedule providing for interest on outstanding principal at least annually; and
- (d) A maturity date which shall be no earlier than the anticipated issuance date of the permanent instruments and no longer than the 40-year statutory limit.

§§1780.91 - 1780.93 [Reserved]

§1780.94 Minimum bond specifications.

The provisions of this section are minimum specifications only and must be followed to the extent legally permissible.

- (a) Type and denominations. Bond resolutions or ordinances will provide that the instruments be either a bond representing the total amount of the indebtedness or serial bonds in denominations customarily accepted in municipal financing (ordinarily in multiples of not less than \$1,000). Single bonds may provide for repayment of principal plus interest or amortized installments. Amortized installments are preferred by the Agency.
- (b) Bond registration. Bonds will contain provisions permitting registration for both principal and interest. Bonds purchased by the Agency will be registered in the name of "United States of America" and will remain so registered at all times while the bonds are held or insured by the Government. The Agency address for registration purposes will be that of the Finance Office.

(c) Size and quality. Size of bonds and coupons should conform to standard practice. Paper must be of sufficient quality to prevent deterioration through ordinary handling over the life of the loan.

(d) Date of bond. Bonds will normally be dated as of the day of delivery. However, the borrower may use another date if approved by the Agency. Loan closing is the date of delivery of the bonds or the date of delivery of the first bond when utilizing serial bonds, regardless of the date of delivery of the funds. The date of delivery will be stated in the bond if different from the date of the bond. In all cases, interest will accrue from the date of delivery of the funds.

(e) Payment date. Loan payments will be scheduled to coincide with income availability and be in accordance with State law.

(1) If income is available monthly, monthly payments are recommended unless precluded by State law. If income is available quarterly or otherwise more frequently than annually, payments must be scheduled on such basis. However, if State law only permits principal plus interest (P&I) type bonds, annual or semiannual payments will be used.

(2) The payment schedule will be enumerated in the evidence of debt, or if that is not feasible, in a supplemental agreement.

(3) If feasible, the first payment will be scheduled one full month, or other period, as appropriate, from the date of loan closing or any deferment period. Due dates falling on the 29th, 30th, and 31st day of the month will be avoided. When principal payments are deferred, interest-only payments will be scheduled at least annually.

(f) Extra payments. Extra payments are derived from the sale of basic chattel or real estate security, refund of unused loan funds, cash proceeds of property insurance and similar actions which reduce the value of basic security. At the option of the borrower, regular facility revenue may also be used as extra payments when regular payments are current. Unless otherwise established in the note or bond, extra payments will be applied as follows:

(1) For loans with amortized debt instruments, extra payments will be applied first to interest accrued to the date of receipt of the payment and second to principal.

(2) For loans with debt instruments with P&I installments, the extra payment will be applied to the final unpaid principal installment.

(3) For borrowers with more than one loan, the extra payment will be applied to the account secured by the lowest priority of lien on the property from which the extra payments was obtained. Any balance will be applied to other Agency loans secured by the property from which the extra payment was obtained.

(4) For assessment bonds, see paragraph (k) of this section.

(g) The place of payments on bonds purchased by the Agency will be determined by the Agency.

(h) Redemptions. Bonds will normally contain customary redemption provisions. However, no premium will be charged for early redemption on any bonds held by the Government.

(i) Additional revenue bonds. Parity bonds may be issued to complete the project. Otherwise, parity bonds may not be issued unless acceptable documentation is provided establishing that net revenues for the fiscal year following the year in which such bonds are to be issued will be at least 120 percent of the average annual debt serviced requirements on all bonds outstanding, including the newly-issued bonds. For purposes of this section, net revenues are, unless otherwise defined by State statute, gross revenues less essential operation and maintenance expenses. This limitation may be waived or modified by the written consent of bondholders representing 75 percent of the then-outstanding principal indebtedness. Junior and subordinate bonds may be issued in accordance with the loan resolution.

(j) Precautions. The following types of provisions in debt instruments should be avoided:

(1) Provisions for the holder to manually post each payment to the instrument.

(2) Provisions for returning the permanent or temporary debt instrument to the borrower in order that it, rather than the Agency, may post the date and amount of each advance or repayment on the instrument.

(3) Provisions that amend covenants contained in RUS Bulletins 1780-27 or 1780-28.
[Revision 2, 06/04/99]

(4) Defeasance provisions in loan or bond resolutions. When a bond issue is defeased, a new issue is sold which supersedes the contractual provisions of the prior issue, including the refinancing requirement and any lien on revenues. Since defeasance in effect precludes the Agency from requiring refinancing before the final maturity date, it represents a violation of the statutory refinancing requirement; therefore, it is disallowed. No loan documents shall include a provision of defeasance.

(k) Assessment bonds. When security includes special assessment to be collected over the life of the loan, the instrument should address the method of applying any payments made before they are due. It may be desirable for such payments to be distributed over remaining payments due, rather than to be applied in accordance with normal procedures governing extra payments, so that the account does not become delinquent.

(l) Multiple debt instruments. The following will be adhered to when preparing debt instruments:

(1) When more than one loan type is used in financing a project, each type of loan will be evidenced by a separate debt instrument or series of debt instruments;

(2) Loans obligated in different fiscal years and those obligated with different terms in the same fiscal year will be evidenced by separate debt instruments;

(3) Loans obligated for the same loan type in the same fiscal year with the same term may be combined in the same debt instrument;

(4) Loans obligated in the same fiscal year with different interest rates that will be closed at the same interest rate may be combined in the same debt instrument.

Revision 2

RUS Instruction 1780

§1780.95 Public bidding on bonds.

Bonds offered for public sale shall be offered in accordance with State law and in such a manner to encourage public bidding. The Agency will not submit a bid at the advertised sale unless required by State law, nor will reference to Agency's rates and terms be included. If no acceptable bid is received, the Agency will negotiate the purchase of the bonds.

§§1780.96 - 1780.100 [Reserved]

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: October 7, 2009

FINAL

10/27/2009

CASE NO. 09-0965-W-CN

CITY OF SISTERSVILLE
a municipality, Tyler County.

Application for a Certificate of Convenience and
Necessity to construct certain additions and
improvements to its existing waterworks distribution
system, and for approval of the financing thereof.

RECOMMENDED DECISION

On June 11, 2009, the City of Sistersville ("City") filed with the Public Service Commission ("Commission"), pursuant to W.Va. Code §24-2-11, an application for a certificate of convenience and necessity to construct certain additions and improvements to its existing waterworks distribution system, and for approval of the project's financing. Supporting documentation was filed.

Also on June 12, 2009, the Commission directed the City to publish a Notice of Filing, which required that any protest be filed no later than thirty days after the date of publication.

On June 24, 2009, by Order, the Commission referred this matter to the Division of Administrative Law Judges for decision no later than November 24, 2009, if timely substantial protest was received, and no later than October 26, 2009, if no such protest was filed.

On July 1, July 27, and August 20, 2009, the City filed further information.

On July 29, 2009, the City filed an affidavit of publication of the Notice of Filing on June 24, 2009, in the Tyler Star News.

On September 10, 2009, the Final Joint Staff Memorandum was filed.

On September 30, 2009, a Further Final Joint Staff Memorandum was filed.

FINDINGS OF FACT

1. On June 11, 2009, the City of Sistersville filed with the Public Service Commission an application for a certificate of convenience and necessity to construct certain additions and improvements to its existing waterworks distribution system, and for approval of the project's financing. (See application).
2. The Notice of Filing was published on July 29, 2009, in the Tyler Star News, and no protest was filed. (See July 29, 2009 filing; case file generally).
3. The project consists of replacing the existing water distribution system in the Klondike Avenue and Virginia Terrace areas of the City by installing approximately 50 linear feet of four-inch line and 3,800 feet of eight-inch water lines, and replacing the existing North Water Storage Tank with a new 496,000-gallon tank, and appurtenances. (See application; Final Joint Staff Memorandum filed September 10, 2009).
4. The State of West Virginia Office of Environmental Health Services on August 21, 2007, issued a permit, Permit No. 17,645, for the line replacement, and, on April 17, 2009, issued an amendment thereto, Permit No. 18,291, which added the water storage tank replacement to the project. Not all needed permits have been filed. (See application; filing of July 29, 2009; Final Joint Staff Memorandum filed September 10, 2009).
5. The project is estimated to cost \$1,587,000, which includes an estimated construction cost of \$1,073,500. The project has not been bid. (See application; Final Joint Staff Memorandum).
6. The project has been approved by the West Virginia Infrastructure and Jobs Development Council and will be funded by a \$438,900 State and Tribal Assistance Grant, a \$692,100 grant from the Rural Utilities Service, and a \$456,000 loan from RUS, payable over 40 years at an interest rate of 4.375%. The City has also obtained interim funding for the project in the form of a line of credit from WesBanco Bank, Inc., in the amount of \$160,000 at an interest rate of 5.780%, to be repaid when the permanent funding has been received. All of the funding has been committed. (See application; Final Joint Staff Memorandum).
7. The rates provided for by the City's tariff will be adequate to cover the costs of the project. (See application; Final Joint Staff Memorandum).
8. The present water tank is severely corroded and the present mains are undersized, failing to provide adequate water pressure. Staff recommended that the application be granted and the project be approved, contingent upon the receipt and filing of the outstanding permits prior to beginning construction. Staff also recommended that the funding be approved. (See Final Joint Staff Memorandum; Further Final Joint Staff Memorandum filed September 30, 2009).

CONCLUSIONS OF LAW

1. It is appropriate to grant the application, pursuant to W.Va. Code §24-2-11, and to approve the project, contingent upon receipt of the outstanding permits, because the public convenience and necessity require it and no protest to it was filed.
2. It is appropriate to approve the project's financing.

ORDER

IT IS, THEREFORE, ORDERED that the application filed on June 11, 2009, by the City of Sistersville for a certificate of convenience and necessity to construct certain additions and improvements to its existing waterworks distribution system is granted and the project is approved, contingent upon the Town's receipt and filing of all outstanding permits.

IT IS FURTHER ORDERED that the permanent funding for the project, consisting of a \$438,900 State and Tribal Assistance Grant, a \$692,100 grant from the Rural Utilities Service, and a \$456,000 loan from RUS, payable over 40 years at an interest rate of 4.375%, is approved.

IT IS FURTHER ORDERED that the interim funding for the project, a line of credit from WesBanco Bank, Inc., in the amount of \$160,000 at an interest rate of 5.780%, to be repaid when the permanent funding has been received, is approved.

IT IS FURTHER ORDERED that, if there is any change in the cost of the project, estimated at \$1,587,000, which affects rates, or in the scope, design or funding of the project, the City of Sistersville file a petition with the Commission for approval of such revisions.

IT IS FURTHER ORDERED that, if there are any changes in the project costs that do not affect rates, the City of Sistersville file herein an affidavit duly executed by its accountant verifying that the Town's rates and charges are not affected.

IT IS FURTHER ORDERED that the City of Sistersville comply with all rules and regulations of the Division of Highways regarding the use of its rights-of-way.

IT IS FURTHER ORDERED that the City of Sistersville submit a copy of the bids to the Commission, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated.

IT IS FURTHER ORDERED that the City of Sistersville notify the Commission when its engineer has performed the substantial completion inspection and file the certificate of substantial completion as soon as it is received.

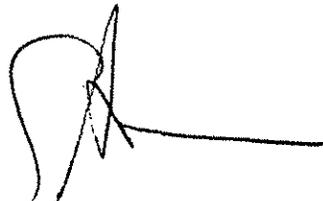
IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

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

A handwritten signature in black ink, appearing to read 'Sunya Anderson', with a long horizontal line extending to the right.

Sunya Anderson
Administrative Law Judge

SA:s
090965a.wpd

LOAN RESOLUTION
(Public Bodies)

COPY

A RESOLUTION OF THE _____ Council

OF THE _____ City of Sistersville

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING
PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS
Water System Improvements Project

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

WHEREAS, it is necessary for the _____ City of Sistersville
(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

FOUR HUNDRED FIFTY-SIX THOUSAND AND XX / 100 DOLLARS (\$456,000.00)pursuant to the provisions of Article 8, Chapter 19, West Virginia Code ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

- 11. To acquire and maintain such fra and fidelity bond coverage as may be required by Government.
- 12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
- 13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
- 14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities, and replacement of short lived assets.
- 15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
- 16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
- 17. To accept a grant in an amount not to exceed \$ 359,100.00

under the terms offered by the Government; that Mayor

and Recorder of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

Yeas 6 Nays 0 Absent 2

IN WITNESS WHEREOF, the Council of the

City of Sistersville has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 25th day of July, 2006.

City of Sistersville

By David B. Fox
Title Mayor

(SEAL)

Attest: Diana Mace
Title Recorder

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Recorder of the City of Sistersville

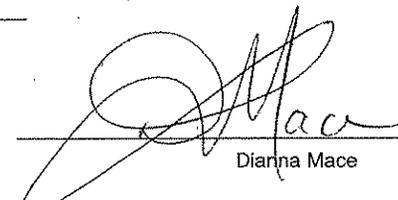
hereby certify that the Council of such Association is composed of

8 members, of whom, 6 constituting a quorum, were present at a meeting thereof duly called and

held on the 25th day of July 2006; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of February 26, 2010,
the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been
rescinded or amended in any way.

Dated, this 26th day of February 2010



Dianna Mace
Title Recorder

THE CITY OF SISTERSVILLE

Water Revenue Bonds, Series 2010 A
(United States Department of Agriculture)

RECEIPT FOR BOND

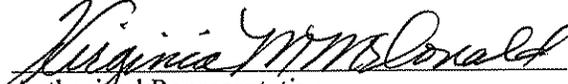
The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies as follows:

1. On the 26th day of February, 2010, at Sistersville, West Virginia, the undersigned received for the Purchaser the single, fully registered The City of Sistersville Water Revenue Bonds, Series 2010 A (United States Department Agriculture), No. AR-1 (the "Series 2010 A Bonds"), in the principal amount of \$456,000, dated as of the date hereof, bearing interest at the rate of 4% per annum, and payable in monthly installments as stated in the Bond.

2. At the time of such receipt, the Series 2010 A Bonds had been executed and sealed by the designated officials of The City of Sistersville (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of \$192,200 being a portion of the principal amount of the Series 2010 A Bonds. The balance of the principal amount of the Series 2010 A Bonds, will be paid to the Issuer as acquisition and construction of the Project progresses.

WITNESS my signature on this 26th day of February, 2010.


Authorized Representative

02.03.10
827720.00003

SPECIMEN

THE CITY OF SISTERSVILLE

WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

\$456,000

No. AR-1

Date: February 26, 2010

FOR VALUE RECEIVED, THE CITY OF SISTERSVILLE (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of FOUR HUNDRED FIFTY-SIX THOUSAND DOLLARS (\$456,000), plus interest on the unpaid principal balance at the rate of 4% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$1,948, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on February 8, 2010 and a Supplemental Resolution duly adopted by the Issuer on February 8, 2010, authorizing issuance of this Bond (collectively, the "Ordinance").

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

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

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 WATER REFUNDING REVENUE BONDS, SERIES 2003, DATED NOVEMBER 21, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$910,000 (THE "SERIES 2003 BONDS" OR THE "PRIOR BONDS").

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF SISTERSVILLE has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, all as of the date hereinabove written.

THE CITY OF SISTERSVILLE

[CORPORATE SEAL]

Caedra Fox

Mayor

P.O. Box 460
Sistersville, West Virginia 26416

ATTEST:

[Signature]

Recorder

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$192,200	February 26, 2010	(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 \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ 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 Borrower with full power of substitution in the premises.

Dated: _____, _____.

In presence of:

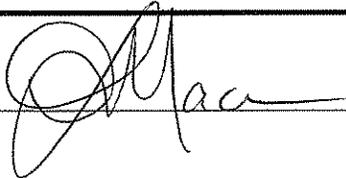
THE CITY OF SISTERSVILLE

WATER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$456,000

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	February 26, 2010	United States Department of Agriculture	

02.03.10
827720.00003

CH5151459.1



Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.stepToe-johnson.com

Writer's Contact Information

February 26, 2010

The City of Sistersville
Water Revenue Bonds, Series 2010 A
(United States Department of Agriculture)

The City of Sistersville
Sistersville, West Virginia

United States Department of Agriculture
Elkins, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The City of Sistersville, in Tyler County, West Virginia (the "Issuer"), of its \$456,000 Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), dated the date hereof (the "Series 2010 A Bonds"), pursuant to Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and a bond ordinance of the Issuer duly enacted on February 8, 2010, as supplemented by Supplemental Resolution duly adopted on February 8, 2010 (collectively, the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

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

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

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with full power and authority to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Series 2010 A Bonds, pursuant to the provisions of the Act and other applicable provisions of law.
2. The Bond Legislation has been duly adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. Pursuant to the Act, the Bond Legislation creates a valid lien on the Gross Revenues of the System for the security of the Series 2010 A Bonds on a parity with the Issuer's Water Refunding Revenue Bonds, Series 2003, dated November 21, 2003, issued in the original aggregate principal amount

9

CH5151474.1

of \$910,000 (the "Prior Bonds"). Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2010 A Bonds as to liens, pledge and/or source of and security for payment.

4. The Series 2010 A Bonds have been duly authorized, executed and delivered by the Issuer and is a valid and binding special obligation of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

5. The Series 2010 A Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes; therefore, the interest on the Series 2010 A Bonds is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Series 2010 A Bonds.

6. The Series 2010 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia, and the other taxing bodies of said State, and interest on the Series 2010 A Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

7. With proceeds from the Series 2010 A Bonds, the Prior Note has been paid in full, and the covenants, agreements and other obligations of the Issuer to the owners of such Note has been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the receipt of payment from the owners of such Note that they have received payment for the entire outstanding principal of such Note and all interest accrued thereon on the date hereof and that such Note has been paid in full.

It is to be understood that the rights of the holder of the Series 2010 A Bonds and the enforceability of the Series 2010 A Bonds, 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 the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,


STEPH & JOHNSON PLLC

February 26, 2010

The City of Sistersville
Water Revenue Bonds, Series 2010 A
(United States Department of Agriculture)

The City of Sistersville
Sistersville, West Virginia

Ladies and Gentlemen:

We are counsel to The City of Sistersville, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "Issuer"). As such counsel, I have examined a copy of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a bond ordinance of the Issuer duly enacted on February 8, 2010 and a Supplemental Resolution duly adopted by the Issuer on February 8, 2010 (collectively, the "Bond Legislation"), and other documents and papers relating to the Issuer and the above-captioned Bonds of the Issuer (the "Bonds"). Terms used in the Bond Legislation and not otherwise defined herein shall have the same meanings as in the Bond Legislation when used herein.

We are of the opinion that:

1. The Issuer is duly created and validly existing as a municipal corporation and a political subdivision of the State of West Virginia.
2. The Mayor, Clerk and members of the Council of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
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 consummation of the transactions contemplated by the Bonds 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 agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.
5. All permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the

acquisition and construction of the Project, the operation of the System and the imposition of rates and charges have been entered and/or received, including, without limitation, all requisite orders, certificates, consents and approvals from the Public Service Commission of West Virginia, and the Issuer has duly 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, the time for appeal of which has expired prior to the date hereof without appeal.

6. The Issuer has received all orders, certificates and authorizations from the Public Service Commission of West Virginia necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the implementation of rates and charges, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received a Recommended Decision of the Public Service Commission of West Virginia entered October 7, 2009, which became Final Order on October 27, 2009 in Case No. 09-0965-W-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Order has expired prior to the date hereof.

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

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

Very truly yours,



STEPTOE & JOHNSON PLLC

02.03.10
827720.00003

RESERVED

THE CITY OF SISTERSVILLE

Water Revenue Bonds, Series 2010 A
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. AUTHORIZATION AND AWARD OF BOND
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. PUBLICATION AND NO PROTEST
5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
6. SIGNATURES, ETC.
7. CERTIFICATION OF COPIES OF DOCUMENTS
8. INCUMBENCY AND OFFICIAL NAME, ETC.
9. DELIVERY AND PAYMENT AND USE OF PROCEEDS
10. LAND AND RIGHTS OF WAY
11. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
12. CONTRACTORS' INSURANCE, ETC.
13. CONNECTIONS, ETC.
14. MANAGEMENT
15. CONFLICT OF INTEREST
16. PROCUREMENT OF ENGINEERING SERVICES
17. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and CLERK of The City of Sistersville, in Tyler County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, acting for the Issuer and in its name, hereby state and certify on this 26th day of February, 2010, in connection with The City of Sistersville Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), No. AR-1, fully registered, dated the date hereof, in the principal amount of \$456,000, and bearing interest at the rate of 4% per annum (the "Series 2010 A Bonds") as follows:

1. AUTHORIZATION AND AWARD OF BOND: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Series 2010 A Bonds have been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions from the Purchaser, dated June 19, 2006, as amended, and as appears in Section 7.03 of the Bond Ordinance duly enacted on February 8, 2010, as supplemented by Supplemental

Resolution duly adopted by the Issuer on February 8, 2010, authorizing issuance of the Bond (collectively, the "Ordinance" or "Bond Ordinance"). Terms used herein and not otherwise defined herein shall have the same meaning as defined in the Bond Ordinance when used herein. The Series 2010 A Bonds are being issued on this date to permanently finance a portion of the cost of acquisition and construction of the Project located within the boundaries of the Issuer and to pay costs of issuance thereof.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the issuance and delivery of the Series 2010 A Bonds or receipt of any grant moneys committed for the System; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2010 A Bonds; nor in any way questioning or affecting the validity of the grants committed for the System or the Series 2010 A Bonds, or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of the Gross Revenues or any other moneys 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 pledge or application of moneys and security or the collection of the Gross Revenues; nor questioning the existence, powers or proceedings of the Issuer or the Council of the Issuer (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the waterworks system of the Issuer (the waterworks system, as improved and expanded by the Project, as defined in the Ordinance, is herein called the "System") or the acquisition and construction of the Project being financed in part out of the proceeds of sale of the Series 2010 A Bonds; nor questioning the rates and charges provided for services of the System

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2010 A Bonds have been duly and timely obtained and remain in full force and effect, the time for appeal of which or rehearing having expired. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on October 7, 2009 which became Final Order on October 27, 2009 in Case No. 09-0965-W-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, and approving the financing for the Project. The time for appeal of the Commission Order has expired prior to the date hereof. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Order. Such Order remains in full force and effect.

The Issuer enacted water rates and charges for the System on August 11, 2008. The time for appeal of such rates has expired prior to the date hereof without any timely appeals having been filed.

4. PUBLICATION AND NO PROTEST: Notice of public hearing upon the Bond Ordinance as supplemented, was duly published as required by law.

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

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

The Issuer has outstanding its Water Refunding Revenue Bonds, Series 2003, dated November 21, 2003, issued in the original aggregate principal amount of \$910,000 (the "Series 2003 Bonds" or the "Prior Bonds"). The Series 2010 A Bonds are payable from and secured by a first lien on the Gross Revenues of the System. The Series 2010 A Bonds shall be issued on a parity with the Series 2003 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 2010 A Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 2003 Bonds are met. The Series 2003 Bonds do not require consent. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues of the System.

The Issuer is not in default under the terms of the Prior Bonds, the ordinance and resolution authorizing the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

6. SIGNATURES, ETC.: The undersigned Mayor and Clerk did, for the Issuer on the date hereof, officially execute and seal the Series 2010 A Bonds with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures and said officers are the duly elected or appointed (as applicable), qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Series 2010 A Bonds for the Issuer.

7. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they

purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended, supplemented or changed in any way unless modification appears from later documents also listed below.

Bond Ordinance

Supplemental Resolution

Public Service Commission Orders

United States Department of Agriculture Loan Resolution

Specimen Series 2010 A Bond

Charter

Oaths of Office of Officers and Council Members

Resolution on Open Governmental Proceedings

Water Rate Ordinance

Affidavit of Publication on Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinance

Affidavit of Publication on Bond Ordinance

Minutes on Adoption and Enactment of Bond Ordinance

United States Department of Agriculture Letter of Conditions and Closing Instructions

Receipt of Depository Bank

8. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "The City of Sistersville." The Issuer is a municipal corporation in Tyler 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, a Clerk and 5 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>
Dave Fox, Mayor	April 1, 2008	March 31, 2012
Vance Ash	May 14, 2007	March 31, 2010
Ann Doig	April 1, 2008	March 31, 2012
David Dieterich	April 1, 2008	March 31, 2012
Richard Long	April 1, 2006	March 31, 2010
Michael Tuttle	April 1, 2006	March 31, 2010
Doug Williams	April 1, 2008	March 31, 2012

The duly appointed Clerk is Diana Mace and the duly appointed and acting Counsel to the Issuer is Steptoe & Johnson PLLC in Charleston, West Virginia.

9. DELIVERY AND PAYMENT AND USE OF PROCEEDS: On the date hereof, the Series 2010 A Bonds were delivered to the Purchaser at Sistersville, West Virginia, by the undersigned Mayor for the purposes herein set forth, and at the time of such delivery, the Series 2010 A Bonds had been duly and fully executed and sealed on behalf of the Issuer in accordance with the Bond Ordinance.

At the time of delivery of the Series 2010 A Bonds, the amount of \$192,200 was received by the undersigned Mayor, being a portion of the principal amount of the Series 2010 A, the balance to be paid as acquisition and construction of the Project progresses.

The Series 2010 A Bond is dated the date hereof and interest on advances thereon at the rate of 4% per annum is payable from the date of each respective advance.

The Series 2010 A Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

10. LAND AND RIGHTS OF WAY: All land in fee simple and all rights of way and easements necessary for the acquisition and construction of the Project, 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 Series 2010 A Bonds.

11. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the acquisition, construction,

operation and financing of the Project and the System were authorized, enacted or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Charter of the Issuer and any Rules of Procedure of the Governing Body and all applicable statutes, including particularly and without limitation, Chapter 6, Article 9A of the 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 published and/or posted were so published and/or posted.

12. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions of the Purchaser, as amended, and the Bond Ordinance.

13. CONNECTIONS, ETC.: The Issuer will serve at least 803 bona fide full time users of the System, upon completion of the Project, in full compliance with the requirements of the Purchaser.

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

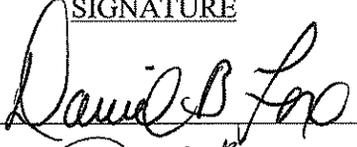
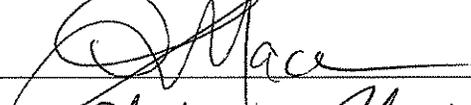
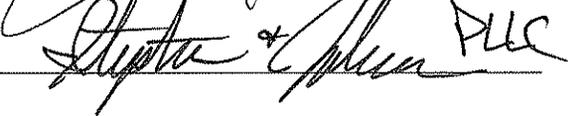
15. CONFLICT OF INTEREST: No officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bond, the Bond Ordinance and/or the Project, including, without limitation, with respect to the Depository Bank, as defined in the Bond Ordinance. 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.

16. 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.

17. 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 corporate seal of THE CITY OF SISTERSVILLE on the day and year first written above.

[CORPORATE SEAL]

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

02.03.10
827720.00003

THE CITY OF SISTERSVILLE

Water Revenue Bonds, Series 2010 A
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

I, Ashok Sanghavi, Registered Professional Engineer, West Virginia License No. 6177, of S&S Engineers, Inc., Charleston, West Virginia, hereby certify that my firm is the engineer for the acquisition and construction of improvements to the existing waterworks system (the "Project") of The City of Sistersville (the "Issuer"), to be acquired and constructed in Tyler County, West Virginia, which acquisition and construction are being financed in whole or in part by the above-captioned revenue bonds of the Issuer.

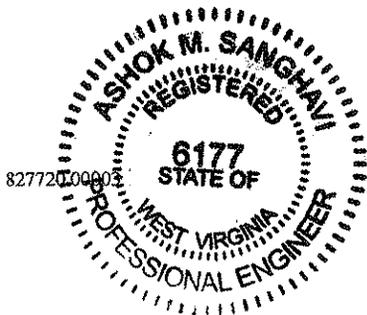
I further certify that the Project will, to the best of my knowledge, be constructed in accordance with plans and specifications prepared by my firm and that such system and Project are situate wholly or chiefly within the boundaries of the Issuer.

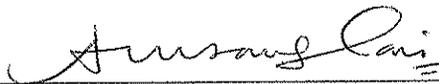
I further certify that the Project is adequate for the purposes for which it was designed and that all necessary governmental approvals, consents, authorizations, certificates and permits for the acquisition and construction thereof have been obtained or can and will be obtained.

WITNESS my signature on this 19th day of February, 2010.

S&S ENGINEERS, INC.

(SEAL)





Ashok Sanghavi, P.E.
West Virginia License No. 6177

City of Sistersville - Water System Improvements Project
Construction Budget

<u>PROJECT COST</u>	<u>RUS SUB. GRANT</u>	<u>EPA STAG</u>	<u>RUS GRANT</u>	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION		438,900.00	183,142.50	190,100.00	812,142.50
CONST. CONTINGENCY	7,392.50		45,907.50		53,300.00
LAND & RIGHTS			1,000.00	2,000.00	3,000.00
LEGAL FEES			2,100.00	8,400.00	10,500.00
BOND COUNSEL				14,500.00	14,500.00
ACCOUNTING				4,000.00	4,000.00
ENGINEERING FEES	43,592.00		115,100.00	174,400.00	333,092.00
Basic - \$217,992					
Insp. - \$97,100					
Special - \$18,000					
INTEREST				39,900.00	39,900.00
ADMINISTRATION				20,000.00	20,000.00
EQUIPMENT	174,000.00				174,000.00
PROPOSED CHANGE ORDER	65,000.00				65,000.00
MATERIALS	25,557.50				25,557.50
PERMITS			2,300.00	2,700.00	5,000.00
PROJECT CONTG.	17,458.00		9,550.00		27,008.00
TOTAL	333,000.00	438,900.00	359,100.00	456,000.00	1,587,000.00



Smith, Cochran & Hicks, P.L.L.C.
Certified Public Accountants

Oak Hill Charleston Montgomery

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February 26, 2010

The City of Sistersville
Water Revenue Bonds, Series 2010 A
(United States Department of Agriculture)

The City of Sistersville
Sistersville, West Virginia

United States Department of Agriculture
Parkersburg, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the water rate ordinance enacted by The City of Sistersville (the "Issuer") on August 11, 2008, and projected operation and maintenance expenses and anticipated customer usage as furnished to me by S&S Engineers, Inc., consulting engineers, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses 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 Water Revenue Bonds, Series 2010 A (United States Department of Agriculture) (the "Series 2010 A Bonds"), and the Issuer's outstanding Water Refunding Revenue Bonds, Series 2003, dated November 21, 2003, issued in the original aggregate principal amount of \$910,000 (the "Prior Bonds").

It is further my opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2010 A Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2010 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2010 A Bonds and the Prior Bonds currently outstanding.

SMITH COCHRAN & HICKS

CHARTER
OF THE CITY OF
SISTERSVILLE, WEST VIRGINIA

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EDITOR'S NOTE: The Sistersville Charter was enacted by the Legislature of West Virginia on February 16, 1899. Dates appearing in parentheses following section headings indicate those sections were subsequently amended, added or repealed on the date given.

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CHARTER
OF THE CITY OF
SISTERSVILLE, WEST VIRGINIA

SECTION 1. CITY OF SISTERSVILLE INCORPORATED.

The inhabitants of so much of the county of Tyler as is within the bounds prescribed by Section 2 of this Act, and their successors, shall be and remain, and they are hereby made, a body politic and corporate; by the name of "The City of Sistersville," and as such shall have perpetual succession and a common seal, and by that name may sue and be sued, plead and be impleaded, purchase, lease and hold, real estate, personal property, necessary to the purpose of said corporation.

SECTION 2. BOUNDARIES.

The corporate limits of said City shall hereafter be as follows: Beginning at a point in the Ohio river, at low water mark, at the mouth of Forsyth's run, thence up said run, with meanders thereof, 61.5 rods to a rock below falls; thence south two degrees east, 73.3 rods to a stone in line between Shay and Woods; thence south 37 degrees and 55 minutes west, 82.6 rods to a stone in the line between McCoy heirs and J.B. McCoy; thence with said line north 48 degrees and 16 minutes west, 28 rods to a stone; thence south 42 degrees and 4 minutes west, 93.2 rods to a stone; thence north 33 degrees and 11 minutes west, to the Ohio river, at low water mark; thence up said river with the meanders thereof to the place of beginning.

SECTION 3. WARDS.

The territory of said City shall be divided as follows:

First Ward. Beginning at a point where the center of Charles Street intersects the Ohio river at low water mark; thence southeast along the center of Charles Street to the easterly line of said City of Sistersville; thence south 42 degrees and 4 minutes west, to a stone, being the stone at the southeasterly corner of said City of Sistersville; thence south 33 degrees and 11 minutes west, to the Ohio river, at low water mark; thence up the Ohio river with the meanders thereof to the place of beginning.

Second Ward. Beginning at a point where the center of Wells Street intersects the center of Charles Street, thence westerly along the center of Charles Street to the Ohio river at low water mark; thence up the Ohio river with the meanders thereof, to a point where the center of Hill Street intersects the Ohio river, at low water mark; thence up the center of Hill Street northeasterly to where the center of Wells Street intersects the center of Hill Street; thence southerly along the center of Wells Street to the center of Charles Street, the place of beginning.

Third Ward. Beginning at a point where the center of Wells Street intersects the center of Hill Street, thence easterly along the center of Hill Street and the continuation thereof to Slaughter House run, and up Slaughter House run on the southerly side thereof, to the easterly line of said City of Sistersville; thence south 37 degrees and 55 minutes west, to a stone; thence north 48 degrees and 16 minutes west, 28 poles to a stone; thence south 42 degrees and 4 minutes west, to the center of Charles Street; thence westerly along the line of the center of Charles Street to a point where the center of Wells Street intersects the center of Charles Street; thence up Wells Street and along the center thereof to the center of Hill Street, the place of beginning.

Fourth Ward. Beginning at a point where the center of Hill Street intersects the Ohio river, at low water mark, thence up the Ohio river with the meanders thereof to a point, at low water mark, in the middle of the mouth of Forsyth's run; thence along said run with the meanders thereof 61.5 rods to a rock below falls; thence south 2 degrees, east, 73.3 rods to a stone in the line between Shay and Woods; thence south 37 degrees and 55 minutes west, to the southerly bank of Slaughter House run; thence down Slaughter House run on the southerly side thereof and with the meanders thereof to the extension of Hill Street; thence down the center of Hill Street to the Ohio river, at low water mark, the place of beginning.

Number Boundaries. The number and boundaries of wards of said City may be changed by the Council thereof.

SECTION 4. COUNCIL; HOW FORMED; COMPENSATION.

The Municipal authorities of said City shall consist of a Mayor and eight Councilmen, who together shall form a common Council, and who shall receive such compensation as the Council shall from time to time determine, and which shall not be increased or diminished during their term of office.

SECTION 5. CORPORATE POWERS TO BE EXERCISED; BY WHOM.

All the corporate powers of said corporation shall be exercised by said Council or under their authority; except when otherwise provided.

SECTION 6. QUALIFICATION OF OFFICERS.

The Mayor, Assessor and Councilmen, at the time of their election, shall be freeholders in said City, and be entitled to vote for the member of the common Council of said City, as residents and legal voters therein.

SECTION 7. OFFICERS.

There shall be a Chief of Police, City Attorney, Superintendent of Streets, Commissioner of Water Works, City Physician, City Clerk and Treasurer, and City Surveyor.

The City Attorney, City Physician, City Surveyor, and City Clerk and Treasurer shall be appointed by the common Council, to hold their respective offices for the term of one year from the first Monday in April of each year, beginning in 1960, and until their respective successors shall be appointed and qualified. The City Clerk and Treasurer shall perform the duties and have the authority provided in this Charter to be performed and had by the City Collector and Treasurer and by the City Clerk. (Amended November 4, 1958.)

SECTION 8. ELECTION AND TERM OF MAYOR.

On the fourth Thursday in March 1922, and on said day of each succeeding second year thereafter, there shall be elected by the qualified voters of said City a Mayor, who shall hold his office for two years and until his successor shall be elected and qualified. (Amended November 4, 1958.)

SECTION 9. COUNCILMEN.

On the same day first mentioned in the preceding section, two members of the Council shall be elected in each ward in said City, who shall reside in the ward for which they are elected; and the candidate receiving the highest number of votes shall be elected for two years, from the first Monday in April succeeding his election, and the candidate receiving the next highest number of votes, shall be elected for one year from the first Monday in April succeeding his election; and on the same day of each succeeding year, one member of the Council shall be elected in each ward in the City, whose term of office shall be two years from the first Monday in April succeeding his election, and until his successor shall be elected and qualified.

Each ward shall constitute an election precinct, and the Council shall establish a voting place in each, and the election of Councilmen shall be by wards. No voter shall be entitled to vote at any City election, except in the ward in which he resides, and if any voter shall vote for any person for Councilman, who is not a resident of the ward in which he is voted for, such vote or votes shall not be counted for such person or persons.

SECTION 10. VOTING.

Every male person residing in said City, shall be entitled to vote for all officers elected under this Act, but no person who is a minor or of unsound mind, or a pauper, or who is under conviction of treason, felony, or bribery in an election, or who has not been a resident of this State for one year, and of the City of Sistersville for six months, and is a bona fide resident of the ward in which he offers to vote; and each voter shall be entitled to vote for only two Auditors.

SECTION 11. MODE OF VOTING.

In all elections by the people the mode of voting shall be by ballot; but the voter shall be left free to vote by open, sealed or secret ballot as he may elect.

Municipal elections under this Charter amendment shall be conducted as follows: Any person eligible to office may become a candidate and have his name placed upon the ballot, upon his own motion, by filing with the City Recorder a declaration of his candidacy and a certificate of his eligibility, duly acknowledged by him, within sixty days next preceding the day of the election. Said declaration and certificate shall be accompanied by an announcement fee as follows: If a candidate for Mayor, the fee shall be twenty dollars (\$20.00); if a candidate for councilman, the fee shall be ten dollars (\$10.00); and, if a candidate for any other election office, the fee shall be ten dollars (\$10.00); which fee shall be paid to the Recorder, who shall pay the same over to the Treasurer of the City. The names of all candidates for elective offices of the City shall appear on one ballot at the

election held on the fourth Thursday in March, 1960, and all elections thereafter; such ballot having a column, for each office to be filled at that election, one for Mayor; one for any other elective office; and, one for each ward within the City; and thereafter the ballot shall have a column for each office for the candidates to be elected at such election, and the ballot shall be without party emblem or designation. The whole number of ballots to be printed for the election of Mayor, one for any other elective office and councilmen, shall be divided by the greater number of candidates for any one office and the quotient so obtained shall be the number of ballots in each series of ballots to be printed.

The form of the declaration of candidacy and certificate of eligibility of candidates shall be substantially as follows:

I, _____, hereby certify that I am a candidate for the office of _____ and desire my name printed on the official ballot to be voted for at the city election to be held on the _____ day of _____, 19____; that I am a qualified voter of the City of Sistersville, county of Tyler, State of West Virginia; that I reside in ward No. _____, in said City; and that my residence number is _____ in said City; that I am eligible to hold the said office; and that I am a candidate for said office in good faith.

Signature of candidate

Subscribe to and acknowledged before the undersigned authority by

_____ this _____ day of _____, 19____.

Mayor, Recorder or notary public.

The names of candidates shall be arranged in alphabetical order in each column, and the first series of ballots printed. The first name in the column shall be placed last therein and the next series of ballots printed and this process shall be repeated until each name in each column shall have been first. These ballots shall then be combined into tablets in the order of the series with no two of the same series together.

The ballot to be used for the election of officers shall be in the form as follows:

Mayor	Any other elective office but named specif- ically.	Councilman, First Ward.	Councilman Second Ward.	Councilman Third Ward.	Councilman Fourth Ward.
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Vote for only one candidate in each column by putting a cross mark in the square opposite the name of the candidate for whom you desire to vote. Do not mark more than one candidate in each column. If you spoil this ballot, tear it across and hand to the election officer in charge and he will give you another.

A valid ballot shall be one on which the voter has clearly expressed his choice of one or more candidates. If a voter express the same choice for more than one candidate in any column his vote, as to that column, shall be void.

The candidate in each column receiving the highest number of votes cast for the office for which he is a candidate, indicated by such column, shall be declared elected. During the counting of the votes all ballots or votes not counted shall be marked by the election commissioners of each precinct with the words "not counted" written upon the ballot or opposite the vote not counted, together with a statement with the reasons for not counting, and the total number of invalid ballots marked thus and not counted shall be ascertained by them at the conclusion of the counting, and be shown upon the precinct return certificate and subtracted from the total number of ballots taken from the ballot box.

At least eight weeks before any City election the Mayor shall issue his proclamation calling the same, which shall be published in one or more newspapers published in said City for one week. At least fifteen days before the day of an election the City Council shall prepare the ballots for such election, and shall select three commissioners and two poll clerks for each voting place, and may provide for a counting board for each voting place. The commissioners and poll clerks shall be qualified voters of the City and have such other qualifications as provided by general laws of the State for such officers at state, county, and district elections. The Council shall, by ordinance, provide such additional regulations in conformity with the provisions of this act and the general law of the State as are necessary for the proper conduct of elections. Elections under this Act shall be conducted, returned and the results thereof ascertained and declared in the manner prescribed by the constitution and laws of the State, insofar as said laws are not inconsistent with this Act, and all penalties prescribed by said laws of the State insofar as consistent, shall be applicable unto this act.

The duties required by the clerk of the circuit and county courts under the election laws of West Virginia, shall be performed by the Recorder of said City. The duties required of commissioners of the county court under the provisions of said laws shall be performed by the Council of said City. The duties required of the sheriff under the provisions of said laws shall be performed by the Chief of Police of said City, and the duties required of any constable under the provisions of said laws shall be performed by any member of the police force, or member of the Council, of said City. Whenever the word "county" appears in said laws, the same shall be taken to refer to the City of Sistersville, and whenever the words "election precinct" appears in said laws, the same shall be taken to refer to the election precinct or precincts for the municipal election, and whenever the word "court house" shall appear in said laws as designating the place of meeting of election officers, the same shall be taken to refer to the Council chamber." (Amended November 4, 1958)

SECTION 12. TIE VOTES.

Whenever two or more persons shall receive an equal number of votes for Councilman or other City officer, such tie shall be decided by the Council in being.

SECTION 13. CONTESTED ELECTIONS.

All contested elections shall be heard and decided by the common Council for the time being; and the contest shall be made and conducted in the same manner as provided for in contest for county and district officers; and the common Council shall conduct their proceedings in such cases, as nearly as practicable, in conformity with proceedings of the county court in such cases.

SECTION 14. VACANCIES.

Whenever a vacancy shall occur, from any cause, in the office of Mayor, Councilman, City Collector and Treasurer, Chief of Police, Superintendent of Streets, Commissioner of Water Works, the Council for the time being, shall, by a vote of the majority of those present, fill the vacancy until the next election, at which time a successor to fill the unexpired term of such office, shall be elected by the people, or be appointed by the Council.

SECTION 15. APPOINTIVE OFFICERS.

The Chief of Police, Superintendent of Streets, Commissioner of Water Works, City Attorney, City Physician, and City Surveyor, shall be appointed by the Council.

Authority of Council to Appoint Officers. The Council shall also have authority to provide by ordinance for the appointment of such other officers as shall be necessary and proper to carry into full force any authority, power, capacity or jurisdiction, which is or shall be vested in the said City, or in the Council, or in the Mayor, or any officer or body of officers, thereof, and to grant to the officers, so appointed, the power necessary or proper for the purpose above mentioned.

Duties of Officers; How Defined; Compensation. The Council shall, by ordinance, define the duties of all officers so appointed or elected as aforesaid, and allow them reasonable compensation, which shall be by monthly salaries, and not otherwise, except as to the collection to taxes, and which compensation shall not be increased or diminished during their term of office; and shall require and take from all those whose duty it shall be to receive its funds, assets or property, or have charge of the same, such bonds, obligations or other writings, as they shall deem necessary or proper to insure the faithful performance of their several duties.

Removal From Office. All officers so appointed or elected, may be removed from office for malfeasance, nonfeasance or misfeasance, by the Council, and, unless their term of office be otherwise fixed by ordinance, they shall be considered as holding their respective offices at the pleasure of the Council.

Powers of Chief of Police. The Chief of Police shall have all powers, rights, and privileges within the corporate limits of said City in regard to the arrest of persons, the collection of claims, the execution and return of processes, that can be legally exercised by a constable of a district within the same, and he and his sureties shall be liable to all fines, penalties and forfeitures, that a constable of a district is

legally liable to, for any failure or dereliction in his said office; to be recovered in the same manner and in the same courts that the said fines, penalties and forfeitures are now recovered against such district constable. It shall be the duty of the Collector and Treasurer, to collect City taxes, licenses, levies, assessments, and such other City claims as are placed in his hands for collection, by the Council, and may distrain and sell for State taxes; and he shall have, in all other respects, the same powers as a Sheriff to enforce the payment and collection thereof.

Officers Must be Residents. All officers appointed by the Council must be residents of the City at the time of their appointment.

SECTION 16. BONDS; HOW PAYABLE.

All bonds, obligations or other writings, taken in pursuance of any provisions of this Act, shall be made payable to "The City of Sistersville;" and the respective persons, and their heirs, executors, administrators and assigns bound thereby, shall be subject to the same proceedings on the said bond, obligation and other writing, for enforcing the conditions of the terms thereof, by motion or otherwise, before any court of record held in and for the county of Tyler, that collectors of county levies and other sureties are or shall be subject to on their bonds, for enforcing the payment of the county levies.

SECTION 17. OFFICERS TO GIVE BONDS; OATH.

The Mayor and Council and all other officers provided for in this Act, shall each, before entering upon the duties of their office, and within one week from the date of their election or appointment, give the bond required from any office by Section 15 of this Act, and take the oath prescribed by law for all officers of this State, and make oath that they will truly, faithfully and impartially, to the best of their ability, discharge the duties of their respective offices, so long as they continue therein.

Said oath or affirmation may be taken before any person authorized to administer oaths, under the laws now in force, or before the Mayor or City Clerk of said City.

SECTION 18. TERM OF OFFICE.

The Mayor shall enter upon the duties of his office on the first Monday of April, 1922, and on said day of every second year thereafter, as soon as he is qualified, and shall continue therein for a term of two years, or until his successor is elected, or appointed, and qualified.

(Amended November 4, 1958)

SECTION 19. ELECTION OF PERSON INELIGIBLE.

If any person elected to the office of Mayor, Councilman, Collector and Treasurer, Auditor, or City Clerk, shall not be eligible to such office, under the provisions of this Act, or shall fail to qualify as herein required, the Council for the time being, shall declare his said office vacant, and shall proceed to fill the vacancy as required by this Act.

SECTION 20. MAYOR.

The Mayor shall be the Chief Executive officer of the City, and shall take care that the orders, by-laws, ordinances, acts and resolutions of the Council thereof, are faithfully executed. He shall be ex-officio a justice and conservator of the peace within the City; and shall, within the same, have, possess, and exercise all the powers and perform all the duties, vested by law in a justice of the peace, except that he shall have no jurisdiction in civil cases, or causes of action arising out of corporate limits of the City.

Power to Issue Attachments. He shall have the same power to issue attachments in civil suits as a justice of his county has, though the cause of action arose out of his City. But in such cases he shall have no power to try the same; but said attachment shall be returnable to and be heard before some justice of his county.

Warrants, Etc., to be Executed; Where. Any warrant or other process issued by him, may be executed at any place in the county; he shall have control of the police of the City, and may suspend any policeman for cause, and he may appoint special police officers whenever he deems it necessary; and it shall be his duty especially to see that the peace and good order of the City are preserved, and that persons and property therein are protected; and to this end he may cause the arrest and detention of all riotous and disorderly persons in the City, before issuing his warrant therefor.

Power to Issue Executions. He shall have the power to issue executions for all fines, penalties and costs imposed by him, or he may require the immediate payment thereof, and in default of such payment, he may commit the party in default, to the jail of the county of Tyler, or other place of imprisonment in such corporation, if there be one, until the fine or penalty and costs shall be paid; but the term of imprisonment in such cases shall, not exceed thirty days.

Appeal Allowed; When. And in all cases where a person is sentenced to imprisonment, or to the payment of a fine of ten dollars (\$10.00) or more (and in no case shall a judgment for a fine of less than ten dollars (\$10.00), be given by the Mayor if the defendant, his agent or attorney object thereto), such person shall be allowed an appeal from such decision to the Circuit court of said Tyler county, upon the execution of an appeal bond with surety deemed sufficient by the Mayor, in a penalty double the amount of the fine and costs imposed by the Mayor, with condition that the person proposing to appeal will perform and satisfy any judgment which may be rendered against him by the Circuit court, on such appeal.

Papers, Etc., to be Delivered; to Whom. If such appeal be taken, the warrant of arrest (if there be any), the transcript of the judgment, the appeal bond and other papers of the case, shall be forthwith delivered by the Mayor, to the clerk of said court; and the court shall proceed to try the case as upon indictment or presentment, and render such judgment, including that of costs, as the law and the evidence may require.

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

Expense of Imprisonment: How Paid. The expense of maintaining any person committed to the jail of the county by him, except it be to answer an indictment, or be under the provisions of Sections two hundred and twenty-seven and two hundred and twenty-eight of chapter fifty, of the amended Code of this State, shall be paid by the City.

Mayor to Give Bond Before Collecting Money. But the Mayor shall not receive any money belonging to the State, or individual, unless he shall give the bond and security required of a Justice of the Peace, by chapter fifty of the said Code, and all the provisions of said chapter, relating to money received by justices, shall apply as to like moneys received by the Mayor.

Mayor to Pay Fines Collected: to Whom: and When. The Mayor shall pay all moneys received by him for fines, or by virtue of his office, belonging to the City to the Collector and Treasurer of the City, within one week after he receives the same.

SECTION 21. CITY CLERK.

The City Clerk shall keep the journal of the proceedings of the Council and have charge of and preserve the records of the City; and in the absence from the City, or in the case of sickness or inability, of the Mayor, or during any vacancy in the office of Mayor he shall perform the duties of Mayor which pertain to him as the Chief Executive of said City, and be vested with all the power necessary for the performance of such duties.

He shall be a conservator of the peace within the City.

SECTION 22. QUORUM.

The presence of a majority of the Council shall be necessary to make a quorum for the transaction of business.

SECTION 23. MINUTES OF COUNCIL.

The Council shall cause to be kept by the Clerk in a well-bound book, to be called the "minute book," an accurate record of all its proceedings, ordinances, acts, orders and resolutions, and in another, to be called "ordinance book," accurate copies of all general ordinances adopted by the Council; both of which shall be fully indexed and open to the inspection of any one required to pay taxes to the City or who may be otherwise interested.

Papers to be Filed and Preserved. All oaths and bond of officers in the City, and all papers of the Council, shall be endorsed, filed and securely kept by the Clerk.

Record of Bonds. The bond of officers shall be recorded in a well-bound book, to be called the "record of bonds."

Clerk's Duties. The Clerk shall perform all such other duties as may by ordinance of the Council be prescribed.

Printed Ordinances, Etc., Prima Facie Correct. All printed copies of such ordinances, purporting to be published under authority of the Council and transcripts of such ordinances, acts, orders and resolutions, certified by the Clerk, under the seal of the City, shall be deemed prima facie correct, when sought to be used in any court or before any justice.

SECTION 24. READING OF MINUTES; RECORDING VOTES.

At each meeting of Council the proceedings of the last meeting shall be read and corrected, if erroneous, and signed by the presiding officer for the time being.

Upon the call of any member, the ayes and noes on any question shall be taken and recorded in the journal, and the roll shall be called alphabetically.

SECTION 25. VOTE OF MAYOR.

The Mayor shall have a vote only in case of a tie.

SECTION 26. COUNCIL MEETINGS.

The meeting of the Council shall be held at such places in said City, and at such times, as they shall from time to time ordain and appoint; but it shall be lawful for the Council, by ordinance, to vest in any officer of said City, or in any member or number of members of their own body, the authority to call special meetings; and it shall, by ordinance, prescribe the mode in which notice of such meetings shall be given, and no business shall be transacted unless a majority of all the members of which it then consists, shall be present, except that a less number may compel the attendance of absent members, under such reasonable penalties as they may think proper to impose; and all questions put except in such matters as are hereinafter provided for, shall be decided by a majority of the members present.

SECTION 27. PAYMENT OF CITY FUNDS.

All moneys belonging to the City shall be paid over to the City Collector and Treasurer; and no money shall be paid out by him, except as the same shall have been appropriated by the Council, and upon an order signed by the Mayor and City Clerk, and not otherwise.

SECTION 28. POWERS OF COUNCIL.

The Council of said City shall have power to lay off, vacate, close, open, alter, grade and keep in good repair the roads, streets, alleys, pavements, sidewalks, cross walks, drains and gutters therein, for the use of the citizens or of the public, and to improve and light the same, and to keep them free from obstructions of every kind; to regulate the width of the pavements and sidewalks on the streets and alleys, and to order the pavements, sidewalks, foot ways, drain and gutters to be kept in good order, free and clean, by the owner or occupants of the real property next adjacent thereto; to establish and regulate markets, prescribe the time of holding the same, provide suitable and convenient buildings therefor, and prevent the forestalling of such markets; to prevent injury or annoyance to the public, or to individuals, from anything dangerous, offensive or unwholesome; to prohibit and regulate slaughterhouses, tan houses and soap factories within the City limits; or the exercise of any unhealthy or offensive business, trade or employment; to abate all nuisances within the City limits, or to require and compel the abatement or removal

thereof, or at the expense of the persons causing the same, or by or at the expense of the owner or occupant of the grounds on which they are placed or found; to cause to be filled up, raised or drained, by or at the expense of the owner, any City lot or tract of land covered or subjected to be covered by stagnant water, to prevent horses, hogs, cattle, sheep or other animals, and fowls of all kinds, from going or being at large in such City, and as one means of prevention, to provide for impounding and confining such animals and fowls, and upon failure to reclaim, for the sale thereof; to protect places of divine worship, and preserve order in and about the premises where and when such worship is held; to regulate the keeping of gun powder and other inflammable or dangerous substances; to provide for the regular building of houses or other structures, and for the making and maintaining of division fences by the owners of adjoining premises, and for the proper draining of City lots or other parcels of land by or at the expense of the owner or occupant thereof; to provide against danger of damage by fire; to punish for assault and batteries; to prohibit the keeping of or loitering in or visiting houses of ill-fame, or loitering in saloons or upon the streets; to prevent lewd or lascivious conduct, the sale or exhibition of indecent pictures or other representations; the desecration of the Sabbath day, profane swearing the illegal sale of all intoxicating liquors, mixtures and preparations, beer, ale, wine or drinks of a like nature; to protect the persons of those residing or being within said City; to appoint when necessary or advisable a police force, permanent or temporary, to assist the Chief of Police in the discharge of his duties; to build or purchase, or lease and use as a suitable place of imprisonment, within or near the said City, for the safe keeping or punishment of persons charged with or convicted with violation of ordinances; to erect or authorize or prohibit the erection of gas or water works within the City limits; to prevent injury of such works, or the pollution of any gas or water used or intended to be used by the public or by individuals; to provide for and regulate the weighing or measuring of hay, coal, lumber or other articles sold or kept, or offered for sale within said City, and to establish rates and charges for said weighing or measuring; to regulate the running and speed of engines and cars within the said City; to create by ordinance such committees and boards and delegate such authority thereto as may be deemed necessary or advisable; to provide for the annual assessments of the taxable property therein, including dogs kept in said City and regulate their running at large, and to provide a revenue for the City for municipal purposes, and to appropriate such revenue to its expenses, and generally, to take such measures as may be deemed necessary or advisable to protect the property, public and private, within the City; to preserve and maintain peace, quiet and good order therein, and to preserve and promote the health, safety, comfort and well being of the inhabitants thereof.

Ordinances: How Adopted and Enforced. The Council shall have authority to pass all ordinances (not repugnant to the Constitution and laws of the United States and of this State), which shall be necessary or proper to carry into full effect and power the authority, capacity and jurisdiction which is or shall be granted or vested in the said City, or in the Council, or in any officer or body of officers of said City; to enforce any and all ordinances by reasonable fines and penalties, and by imprisoning the offender or offenders, and upon failure to pay any fine or penalty imposed, by compelling them to labor without compensation on any of the public works or improvements, undertaken or to be undertaken by said City, or to labor at any work which the said City may lawfully employ labor upon, at such a rate per diem as the Council may fix, but not at a less rate than is fixed by said City Council for like labor from other employees of said City, until any fine or fines imposed upon any such offender or offenders by said City, shall have been fully paid and discharged, after deducting charges of support while in the custody of the officers of said City; and all ordinances relating to licenses and the sale of spirituous liquors, malt liquors or wines, and the keeping of or dwelling or loitering in houses of ill fame; and such police regulations as may be ordained for said City, and the right and power to enforce the same shall extend one mile, in the State of West Virginia, beyond the corporate limits of the City; provided, however, that no fine shall be imposed exceeding one hundred dollars (\$100.00) and that no person shall be imprisoned or compelled to labor, as aforesaid, more than thirty days for any one offense. And in all cases where a fine is imposed for an amount exceeding ten dollars (\$10.00) or a person be imprisoned or compelled to labor as aforesaid, for a term greater than ten days, an appeal may be taken from such decision upon the same terms and conditions, that appeals are taken from the judgment of a justice of this State. Such fines and penalties shall be imposed and recovered and such imprisonment indicted by and under the judgment of the Mayor of the City or in case of his absence or inability to act, by the Clerk of said City, or if he be unable to act, then a member of the Council, to be appointed by the Council for that purpose. The said City Council shall have full power and authority to change and enlarge the corporate limits of said City in manner and form and under the provisions provided by chapter forty-seven, sections forty-eight and forty-nine of the Code of West Virginia, edition of one thousand eight hundred and ninety-nine.

Additional Powers of Council: Water Works. In addition to the powers above enumerated, the said City Council shall have power to improve, amplify and expand the water works of said City, and to contract for an adequate supply of pure, healthful water for said City, and do all things necessary to adequately supply said City with pure, wholesome water; and provide, contract for and construct and adequate sewerage system for said City.

State Licenses: Sole Power in Council to Grant or Refuse. When anything for which a State license is required is to be done within the limits of said City, the Council may decide whether such license may be granted or not, and if granted it shall be assessed and collected the same as if granted by the County court of Tyler county; such license shall be issued in the manner and form provided by Sections ten and eleven of chapter thirty-two, of the Code of West Virginia. And the sole and

exclusive power is vested in the said City Council to grant or refuse State licenses within the limits of said City. When any such license as is hereinbefore mentioned, is granted by said City Council, said City Council may impose a tax thereon for the use of the City in conformity with the State law, and shall also require of the licensee bond payable to said City in its corporate name, with good security; such bond to be approved by said Council, and to be in the same penalty as required by the State law. And said City Council may revoke such license.

Suit on Such Bond. And suits may be prosecuted and maintained on such bond, as prescribed in section twenty-two of chapter thirty-two of the Code of West Virginia, by the same person, in the same manner, and to the same extent as upon the bonds mentioned in said section, and all the provisions of said section in relation to the bonds therein mentioned shall be applicable to the bonds required by this section.

Majority of Councilmen Elected Necessary to Grant License. No license to sell brandy, whiskey, rum, gin, porter, ale, beer, or any other spirituous, vinous, or malt liquor or drink of like nature shall be granted without the affirmative vote of at least a majority of the Councilmen elected in said City, entered of record in each case. No such license shall be granted until after the first election of Councilmen under this Act. (Amended February 8, 1901.)

SECTION 29. MAYOR'S DOCKET.

A book, well bound and indexed, to be denominated the "docket," shall be kept in the office of the Mayor, in which shall be noted each case brought before or tried by him together with the proceedings therein, including a statement of the complaint, the summons, the return, the fact of appearance or non-appearance, the defense, the hearing, the judgment, the costs, and in case the judgment be one of conviction, the action taken to enforce the same. The record of each case shall be signed by the Mayor, and the original papers thereof, if no appeal be taken, shall be kept together and preserved in his office; and the Mayor shall deliver to his successor the docket and all books and papers pertaining to his office.

SECTION 30. ANNUAL ESTIMATE OF CHARGES.

The Council shall cause to be made up annually and spread upon its minute book an accurate estimate of all sums which are or may become lawfully chargeable against the City, and which ought to be paid within one year; and it shall order a levy of so much as will in its judgment be necessary to pay the same. Such levy shall be upon all tithables and upon all real and personal property therein subject to State and county taxes, including a poll tax of not more than one dollar (\$1.00) upon each male resident of said corporation over twenty-one years of age; provided that such levy shall not exceed one dollar on each tithable and one dollar (\$1.00) on every one hundred dollars (\$100.00) of the ascertained value of such property. At least once in each year the Council shall cause to be made up and published in one or more newspapers of the City a statement of the revenue received from the different sources, and of the expenditures upon the different accounts, for the preceding year or portion of the year, as the case may be.

SECTION 31. DUTIES OF ASSESSOR; ASSESSMENT OF PROPERTY.

It shall be the duty of the Assessor to make an assessment of the property within the City subject to taxation, substantially in the manner and form in which assessments are made by the Assessor of the county, and return the same to the Council on or before the First Monday in August in each year, and have all powers conferred by law on county Assessors. He shall list the number of dogs in the City and the names of the persons owning the same, which list shall be returned to the Council (see chapter forty-seven, section forty-one, Code of West Virginia). In order to aid said Council in ascertaining the said property and tithables subject to taxation by said City, the Assessor of said City shall have access to all books and public records of Tyler County without expense to said City or Assessor, and he shall also have the same powers and be subject to the same penalties in ascertaining and assessing the property and subjects of taxation in said City, as are granted and imposed upon the county Assessors throughout the State by general law; and the Council shall also have authority to prescribe by ordinance such other rules and regulations as may be necessary, to enable and to require such Assessor to ascertain and properly assess all property and tithables, liable to be taxed by said City, so that such assessment and taxation shall be uniform, and to enforce such ordinance by reasonable fines and penalties; and the said City Assessor, in making his valuation for assessment shall make the same valuation for both real and personal property as the Assessor for said county for the same assessment year assessed by the County Assessor. (Amended March 4, 1903)

SECTION 32. EXTENSION OF LEVY.

The Council, upon the return of the Assessor shall cause the said Assessor's book to be correctly copied by the clerk into two well bound books to be provided for the purpose, and the taxes extended in each book, one of which shall be delivered to the City Collector and Treasurer, taking his receipt thereof, as well as for the taxes therein contained.

SECTION 33. LIEN ON REAL ESTATE FOR TAXES, FINES, ETC.

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

SECTION 34. COLLECTION, OF TAXES.

It shall be the duty of the City Collector and Treasurer, when the extended copies are completed, to receive one copy thereof, receipting to the Council for the same and for the taxes therein extended, and it shall be his duty to collect from the parties the entire amount of taxes with which they are therein severally charged, from and after the first Monday in August in each year until the fifteenth day of

October of the year, and he shall in said books write the word "paid" opposite the name of the person so paying, and shall also receipt to such taxpayer for the tax so paid. He shall also receive such other moneys of the City as he is authorized by this chapter to receive, and all moneys ordered paid him by the Council, giving receipts therefor to the parties paying, and shall keep an accurate account of the same; and his books shall at all times be open for inspection to any taxpayer of the City, and he shall produce said books to said Council for inspection at any meeting thereof upon the order of the Council. He shall pay out the moneys in his hands upon the orders of the Council signed by the Mayor and the City Clerk.

He shall on or before the tenth day of January of each year present to the Council a full, complete and detailed statement of all moneys with which he is chargeable or that have been received by him up to the first day of January of that year, and shall at the same time, in like manner, furnish a statement of all disbursements made by him during such previous year, with vouchers evidencing the same. He shall upon the order of the Council at any time, submit a statement of the amount with which he is chargeable and his collections and disbursements. He shall receive all taxes upon licenses, and receipt to the party paying the same by the endorsement upon the permit granted by order of the Council, which permit shall be furnished him by the clerk, and charge himself with the amount so received, and report to the Council at its next regular meeting thereafter the amount so received by him. He shall upon all moneys coming into his hands as such treasurer, and duly paid out or turned over by him upon order of Council, receive as compensation therefor a sum to be fixed by the Council, not exceeding five percent (5%) on the amount collected. He shall, upon the expiration of his term of office, turn over to the Council all moneys, books and other property in his possession belonging to said City; and shall, before entering upon the duties of his office, execute a bond with good security payable to the City of Sistersville, in the penalty of not less than ten thousand dollars (\$10,000), conditioned for the faithful performance of the duties of his office, and for the accounting for and paying as required by law all money which may come into his hands by virtue of his office. He shall be chargeable with all City taxes, levies and assessments and money of the City that may come into his hands, and shall account therefor. (Amended March 4, 1903)

SECTION 35. LICENSE; HOW OBTAINED.

The Council shall prescribe by ordinance, the manner in which license of all kinds shall be applied for and granted, and it shall require the payment of the tax thereon before delivery to the person applying therefor.

SECTION 36. GENERAL LAW GOVERNING LICENSES.

The provisions of the twenty-ninth section of chapter thirty-two, of the Code of West Virginia, relating to State licenses shall be deemed applicable to licenses of a similar character to those therein mentioned, when granted by or under the authority of the Council of said City. Licenses for the keeping of dogs shall expire on the thirtieth day of April next after they are granted; and all other licenses may be for such time as the Council may determine.

SECTION 37. EMINENT DOMAIN.

The Council shall have the right to institute proceedings in the name of the City for the condemnation of real estate for streets, alleys, drains, market grounds, city prison or other work or purpose of public utility. Such proceedings shall conform to the provisions of chapter forty-two of the Code of West Virginia, and the expenses thereof shall be borne by the City.

SECTION 38. ACTS REPEALED.

All acts or parts of acts inconsistent with this Act are hereby repealed; but this Act shall not be construed to repeal, change or modify any previous Act, not inconsistent with this Act, authorizing the City of Sistersville to contract debts, or to borrow money, or to take away any of the powers conferred upon said City of Sistersville or upon the Mayor or Council, or any of the officers, conferred by general law, except so far as the same may be inconsistent with the powers hereby conferred.

SECTION 39. VOTING PLACES; HOW ESTABLISHED.

The Council in being, at the time this Act shall take effect, shall appoint and provide places for voting in the several wards in said City, as herein prescribed, for the election herein provided for to be held in said City, and appoint the election officers thereof; and shall pass all proper ordinances and orders to give this Act full force and effect.

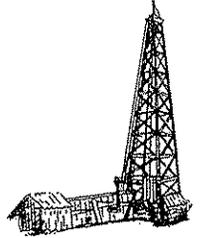
SECTION 40. CITY SUCCEEDS TO RIGHTS AND LIABILITIES OF TOWN OF SISTERSVILLE.

The said City shall succeed to all rights, powers and responsibilities, of the Town of Sistersville, and all officers of said Town acting as such at the time this Act takes effect, shall continue until the first Monday of April, one thousand eight hundred and ninety-nine and until their successor, the officers herein mentioned, or elected or appointed, and qualified, to exercise the powers, perform the duties, and receive the compensation heretofore conferred, prescribed and allowed by former charter, by general law, or by the ordinance of said Town. Such ordinances in force at the time referred to shall continue to have full operation and effect, as ordinances of the City of Sistersville, until amended, repealed or superseded by the Council of said City.



THE CITY OF SISTERSVILLE

200 DIAMOND STREET
SISTERSVILLE, WEST VIRGINIA 26175-1349



APPOINTED COUNCILMAN OATH OF OFFICE

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

Vance Ash, who, is appointed by common council resolution to serve and until his successor should be elected and qualified, being duly sworn, makes oath that he will support the Constitution of the United States and the Constitution of West Virginia, and that he will faithfully, truly and impartially discharge the duties of his office to the best of his skill, judgment and ability, so long as he shall continue therein.

Vance Ash

Subscribed and sworn before me this 14th day of April, 2007.

David B. Fox
David B. Fox, Mayor

Filed in my office on the 14th day of May, 2007.

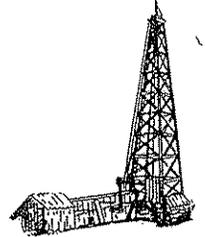
Diana L. Mace
Diana L. Mace, Clerk-Treasurer

COPY



THE CITY OF SISTERSVILLE

200 DIAMOND STREET
SISTERSVILLE, WEST VIRGINIA 26175-1349



MAYOR'S OATH OF OFFICE

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

David B. Fox, who, at an election held therein on March 27, 2008, was chosen as mayor of the City of Sistersville, a West Virginia municipal corporation, for the term of two years from the first Monday in April 2008, and until his successor should be elected and qualify, being duly sworn, makes oath that he will support the Constitution of the United States and the Constitution of West Virginia, and that he will faithfully, truly and impartially discharge the duties of his office to the best of his skill, judgment and ability, so long as he shall continue therein.

David B. Fox

Subscribed and sworn before me this 14th day of April, 2008.

Diana L. Mace, Clerk-Treasurer

Filed in my office on the 14th day of April, 2008.

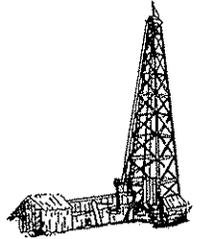
Diana L. Mace, Clerk-Treasurer

COPY



THE CITY OF SISTERSVILLE

200 DIAMOND STREET
SISTERSVILLE, WEST VIRGINIA 26175-1349



COUNCILMAN'S OATH OF OFFICE

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

Richard Long, who, at an election held therein on March 23, 2006, was chosen as councilman of the City of Sistersville, a West Virginia municipal corporation, for the term of four years from the second Monday in April 2006; and until his successor should be elected and qualify, being duly sworn, makes oath that he will support the Constitution of the United States and the Constitution of West Virginia, and that he will faithfully, truly and impartially discharge the duties of his office to the best of his skill, judgment and ability, so long as he shall continue therein.

Richard Long

Subscribed and sworn to before me this 10 day of April, 2006

David B. Fox
David B. Fox, Mayor

Filed in my office on 4-11-06.

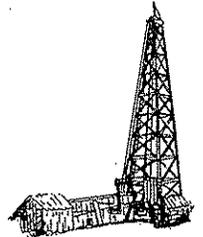
Diana L. Mace
Diana L. Mace, City Clerk-Treasurer

COPY



THE CITY OF SISTERSVILLE

200 DIAMOND STREET
SISTERSVILLE, WEST VIRGINIA 26175-1349



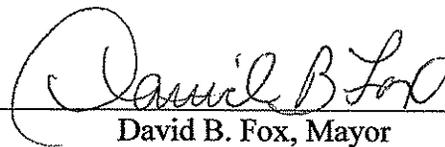
COUNCILMAN'S OATH OF OFFICE

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

Michael Tuttle, who, at an election held therein on March 23, 2006, was chosen as councilman of the City of Sistersville, a West Virginia municipal corporation, for the term of four years from the second Monday in April 2006, and until his successor should be elected and qualify, being duly sworn, makes oath that he will support the Constitution of the United States and the Constitution of West Virginia, and that he will faithfully, truly and impartially discharge the duties of his office to the best of his skill, judgment and ability, so long as he shall continue therein.

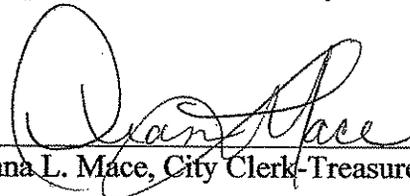


Subscribed and sworn to before me this 10 day of April, 2006



David B. Fox, Mayor

Filed in my office on 4-11-06.



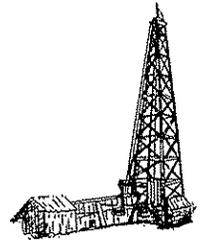
Diana L. Mace, City Clerk-Treasurer

COPY



THE CITY OF SISTERSVILLE

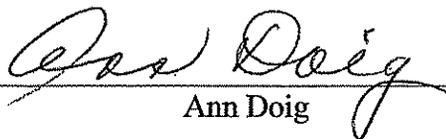
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SISTERSVILLE, WEST VIRGINIA 26175-1349



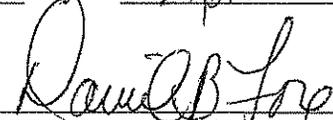
COUNCILMAN'S OATH OF OFFICE

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

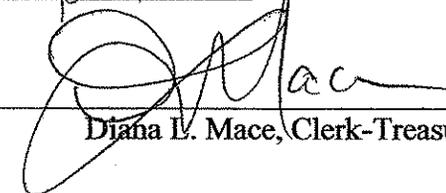
Ann Doig, who, at an election held therein on March 27, 2008, was chosen as councilman of the City of Sistersville, a West Virginia municipal corporation, for the term of two years from the second Monday in April 2008, and until her successor should be elected and qualify, being duly sworn, makes oath that she will support the Constitution of the United States and the Constitution of West Virginia, and that she will faithfully, truly and impartially discharge the duties of her office to the best of her skill, judgment and ability, so long as she shall continue therein.


Ann Doig

Subscribed and sworn before me this 14th day of April, 2008.


David B. Fox, Mayor

Filed in my office on the 14th day of April, 2008.

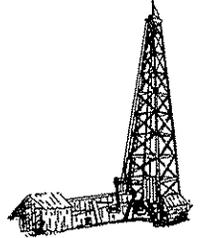

Diana L. Mace, Clerk-Treasurer

COPY



THE CITY OF SISTERSVILLE

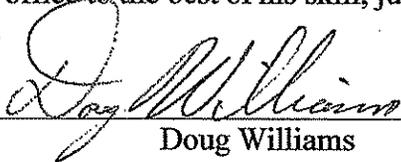
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SISTERSVILLE, WEST VIRGINIA 26175-1349



COUNCILMAN'S OATH OF OFFICE

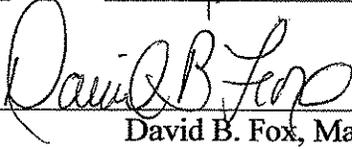
STATE OF WEST VIRGINIA, COUNTY OF TYLER, to-wit:

Doug Williams, who, at an election held therein on March 27, 2008, was chosen as councilman of the City of Sistersville, a West Virginia municipal corporation, for the term of four years from the second Monday in April 2008, and until his successor should be elected and qualify, being duly sworn, makes oath that he will support the Constitution of the United States and the Constitution of West Virginia, and that he will faithfully, truly and impartially discharge the duties of his office to the best of his skill, judgment and ability, so long as he shall continue therein.



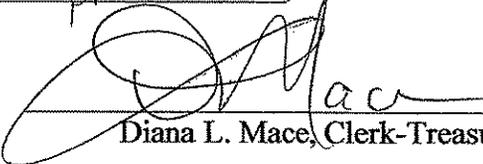
Doug Williams

Subscribed and sworn before me this 14th day of April, 2008.



David B. Fox, Mayor

Filed in my office on the 14th day of April, 2008.



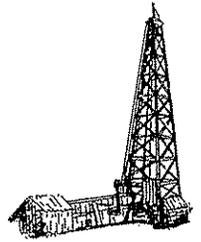
Diana L. Mace, Clerk-Treasurer

COPY



THE CITY OF SISTERSVILLE

200 DIAMOND STREET
SISTERSVILLE, WEST VIRGINIA 26175-1349



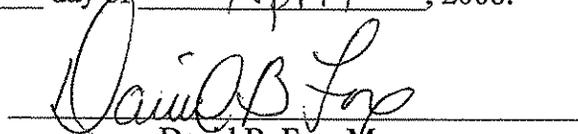
COUNCILMAN'S OATH OF OFFICE

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

David Dieterich, who, at an election held therein on March 27, 2008, was chosen as councilman of the City of Sistersville, a West Virginia municipal corporation, for the term of four years from the second Monday in April 2008, and until his successor should be elected and qualify, being duly sworn, makes oath that he will support the Constitution of the United States and the Constitution of West Virginia, and that he will faithfully, truly and impartially discharge the duties of his office to the best of his skill, judgment and ability, so long as he shall continue therein.


David Dieterich

Subscribed and sworn before me this 23rd day of April, 2008.


David B. Fox, Mayor

Filed in my office on the _____ day of _____, 2008.


Diana L. Mace, Clerk-Treasurer

COPY

CITY OF SISTERSVILLE

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

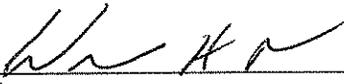
Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the City of Sistersville does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose 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 Recorder 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 Recorder 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 specialy 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 13th day of November, 2003.



Mayor

ATTEST:



Recorder

CERTIFICATION

I, Diane Mace, duly appointed Recorder of the City of Sistersville, do hereby certify that the foregoing is a true and accurate copy of a Resolution adopted by the City Council of the City of Sistersville at a regular meeting of City Council held November 13, 2003, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 21st day of November, 2003.

[SEAL]

Recorder

A handwritten signature in cursive script, appearing to read "Diane Mace", is written over a horizontal line. The signature is fluid and somewhat stylized.

11/19/03
827720.00002

THE CITY OF SISTERSVILLE

AN ORDINANCE AUTHORIZING THE INCREASE IN RATES PAID FOR MUNICIPAL WATER SERVICE; PAYING COSTS IN CONNECTION THEREWITH; AND ADOPTING OTHER PROVISIONS THERETO.

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

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), is enacted pursuant to the provisions of Chapter 8, Article 11 and Article 16 and Article 20 of the West Virginia Code, as amended and the Codified Ordinances of the City of Sistersville.

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

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

B. The City has the authority to establish a water system, to set rates associated with the said system and to amend the same from time to time as necessary for the common good.

C. Therefore, it is deemed necessary and in the public interest that the City enact an ordinance to increase the rates for utilization of the said water system.

Section 1.03. Definitions. All capitalized terms used in this Ordinance and not otherwise defined in the recitals or in the text hereof shall have the meanings specified below, unless the context expressly requires otherwise:

"Authorized Newspaper" means a financial journal or newspaper of general circulation in Tyler County, West Virginia, printed in the English language and with a regular cycle of publication no less than once per week.

"Authorized Officer" means the Mayor of the City or any other officer of the City specifically designated by resolution of the City Council.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations or West Virginia banking corporations are authorized by law to remain closed.

"City" means the City of Sistersville, a municipal corporation of the State of West Virginia, and, where appropriate, the City Council of the City.

"Governing Body" means the Council of the City or any other governing body of the City that succeeds to the functions of the City Council as presently constituted.

"Ordinance" means this Ordinance and all resolutions and ordinances supplemental hereto or amendatory hereof.

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"Recorder" means the Recorder of the City.

"State" means the State of West Virginia.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of adoption of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

ARTICLE II

AMENDMENT OF THE EXISTING ARTICLE

Section 2.01. New Rate Schedule. The City Council of City of Sistersville, hereby Ordains that the schedule of rates, delayed payment penalties, connection charges, reconnection charges and other charges to be charged to customers of the water system of the City of Sistersville throughout the territory served, shall be established as more fully set forth on the attached schedule, Exhibit A, which is incorporated herein by reference, being Statement D, Schedule 2, 3 and 4 of the Rule 42 Exhibit prepared by Michael D. Griffith, Griffith & Associates.

ARTICLE III

MISCELLANEOUS

Section 3.01. Amendment of Ordinance. Prior to enactment, this Ordinance may be amended or supplemented in any way by a supplemental resolution.

Section 3.02. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all action taken hereunder.

Section 3.03. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the City, any right, remedy or claim under or by reason of this Ordinance. All the covenants, conditions, promises and agreements contained in this Ordinance by and on behalf of the City shall be for the sole and exclusive benefit of the City.

Section 3.04. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 3.05. Conflicting Provisions Repealed. All orders, Ordinances or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 3.06. Covenant of Due Procedure, Etc. The City covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken

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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, Recorder 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 3.07. Statutory Notice and Public Hearing. Upon approval of first reading 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 Tyler Star News, a newspaper of general circulation in the City of Sistersville, no newspaper being published therein, together with a notice of a public hearing and stating that the Governing Body intends to consider and adopt this Ordinance, 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.

with in Passed on First Reading: - June 9, 2008
Record
this
Passed on Second Reading: - August 11, 2008
Passed on Final Reading
Following Public Hearing: - August 11, 2008

Section 3.08. Effective Date. This Ordinance shall take effect upon approval by the Public Service Commission, but in no event sooner than September 1, 2008.

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with in Plat
Record
Enacted this 11th day of August, 2008.

David B. Lopez
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of The City of Sistersville on the 11th day of August, 2008.

Dated: this 11th day of August, 2008.

Place
Recorder

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Sistersville, WV
June 9, 2008

A regular meeting of the common council of the City of Sistersville was held at the Sistersville City Building at 7:00 p.m. on Monday, June 9, 2008. Dave Fox presided with Diana Mace taking minutes. Councilmen in attendance were Ann Doig, Mike Tuttle, Dave Dietrich, Richard Long, and Judy Light. Absent were Randall Eastham, Vance Ash and Doug Williams. Also in attendance were Ryan Morgan, City Attorney; Harold Dally; Rick Ebert; Paul Camerlin; Elizabeth Thomas, Tyler Star News; Bob Kendle, Police Chief; Officer Donald Bordenkircher and Officer Joe Richardson.

No one was present for the Public Hearings being held on the Panhandling Ordinance and Underage Consumption Ordinance.

Councilman Tuttle made a motion to approve the 5/12/08 minutes. Seconded by Councilman Dieterich, the motion carried.

PUBLIC FORUM-

- Harold Dally said he had contacted Eric Peters of the Tyler Co. Development Authority about donating topsoil for Hubbard Park. The topsoil is in Ben's Run and the city just needs to go get it with our trucks. Dally also noted that Peters said the Walking Trail could use any funds remaining from the bridge. He also said the state would be sending a representative from the state to try to encourage people to utilize the trail.
- Dally asked about the problems he noted previously about the streets. The street committee had not met yet.
- Dally also questioned the property being torn down at the old Coin Shop by Phillips Pharmacy. He noted the safety hazard and asked about the water/sewer lines. David Bassett said that as soon as the lines are located they will track the line to the beginning of the property and cut them off there.
- Dally also asked if council or the mayor would approach the county commission about an animal shelter.
- Joe Richardson stated that his neighbor only had a 4" drain pipe and the overflow is washing out the road and it will soon be at his driveway. He asked if someone would please check it out for him and David Bassett noted that he would.

End Public Forum

Mike Tuttle presented a list of information for approval for the Sistersville Park & Pool. He presented the Mgr (Rachel Stonking) @ \$280/wk, Asst. Mgr. @ \$6.55/hr, Lifeguards (13 at opening) \$6.00/hr and \$7/hr for parties, maintenance (1) @ \$5.50/hr and Wayne Martin \$100/wk as Certified Pool Operator. Councilman Dieterich made a motion to approve the positions and rates. Seconded by Councilman Doig, the motion carried. Parties were set at \$125 for 2 hrs with 2 Lifeguards (up to 50 people); \$145 for 2 hrs with 3 Lifeguards (over 50 people) and \$25 if they want concessions open. Lessons have not been scheduled yet but will be \$30/person for 1 week. Councilman Doig made a motion to approve the following party and lessons rates. Seconded by Councilman Dieterich, the motion carried. Daily rates were set at \$2.50/person per day for ages over 6 (6 and under free) and a 20 day punch pass will be \$30. Councilman Dieterich made a motion to approve the rates. Seconded by Councilman Doig, the motion carried.

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The 2nd reading was held on **AN ORDINANCE OF THE CITY OF SISTERSVILLE, WEST VIRGINIA, SETTING FORTH AN OFFENSE FOR PANHANDLING AND THE PENALTIES FOR VIOLATION OF SAME.**

WHEREAS, the City of Sistersville has determined that it is necessary and proper to establish an offense for panhandling within the corporate limits; and

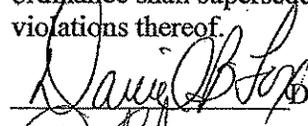
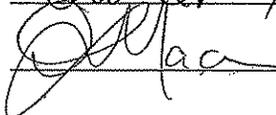
WHEREAS, pursuant to the procedure set forth in the ordinances of the City of Sistersville and the relevant statutes, consideration of this matter has been properly noticed on the agenda of the City's regular monthly meeting, including the time and location of the meeting, and the public hearing; and

NOW THEREFORE, be it hereby ordained by the common council of the City of Sistersville, West Virginia, that the following ordinance be adopted, and in the event of passage, be made a part of the permanent Ordinance Book of the City of Sistersville, to-wit:

No person shall panhandle, solicit, beg, perform or entertain in a public place for the purpose of receiving money for personal or private gain, nor do any of the said acts upon private property without permission from the owner of said property, nor loiter upon public or private property with the intention of doing any of the said acts. Provided, that nothing contained herein shall prohibit non-profit, civic, educational or charitable groups from engaging in said acts for the purpose of supporting said groups.

Any person violating this ordinance shall be subject to a penalty of a fine of not less than \$100.00 nor more than \$500.00; and in addition to said fine, may be subject to an order of community service of not less than 8 nor more than 24 hours. Failure to complete community service as ordered herein shall be a separate offense, punishable by a fine of \$25 each day that said service remains incomplete beyond the deadline provided by the Court.

This ordinance shall become effective from and after the date of passage. This ordinance shall supersede any existing ordinance relating to the offense and penalties for violations thereof.


David B. Fox, Mayor

Diana L. Mace,
City Clerk-Treasurer

Passed on First Reading - February 11, 2008
Public Hearing Held - June 9, 2008
Passed on Second Reading - June 9, 2008
Adopted by Council - June 9, 2008

The 2nd reading was held on **AN ORDINANCE AMENDING THE EXISTING ORDINANCE OF THE CITY OF SISTERSVILLE, WEST VIRGINIA, SETTING FORTH AN OFFENSE FOR POSSESSION OR CONSUMPTION OF ALCOHOL BY AN UNDERAGE PERSON AND THE PENALTIES FOR VIOLATION OF SAME.**

WHEREAS, the City of Sistersville has determined that it is necessary and proper to amend the existing ordinance establishing an offense for possession of alcohol by an underage person within the corporate limits; and

WHEREAS, pursuant to the procedure set forth in the ordinances of the City of Sistersville and the relevant statutes, consideration of this matter has been properly noticed on the agenda of the City's regular monthly meeting, including the time and location of the meeting, and the public hearing; and

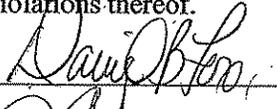
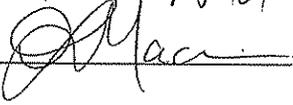
NOW THEREFORE, be it hereby ordained by the common council of the City of Sistersville, West Virginia, that the following ordinance be adopted, as amended, and in the event of passage, be made a part of the permanent Ordinance Book of the City of Sistersville, to-wit:

No underage person (defined as a person who has not yet reached the age at which possession and consumption of alcohol is permitted by state statute, to wit, 21 years of age) shall possess or consume any alcohol or alcoholic beverage, including but not limited to beer (commonly also called "non-intoxicating beer"), non-alcoholic beer, wine, wine-coolers, and liquor of any type, brand, or strength.

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Any person violating this ordinance shall be subject to a penalty of a fine of not less than ~~(\$10.00 nor more than \$50.00)~~ \$100.00 nor more than \$500.00; and in addition to said fine, may be subjected to an order of community service of not less than ~~1 nor more than 8~~ 8 nor more than 24 hours. Failure to complete community service as ordered herein shall be a separate offense, punishable by a fine of \$25 each day that said service remains incomplete beyond the deadline provided by the Court. All fines imposed herein shall be chargeable against the parent or other legal guardian, if the offender is a minor.

This Ordinance shall become effective from and after the date of passage. This Ordinance shall supersede any existing ordinance relating to the offense and penalties for violations thereof.

	David B. Fox	Passed on First Reading - February 11, 2008
	Mayor	Public Hearing Held - June 9, 2008
	Diana L. Mace	Passed on Second Reading - June 9, 2008
	Clerk-Treasurer	Adopted by Council - June 9, 2008

The 1st reading was held on **AN ORDINANCE OF THE CITY OF SISTERSVILLE, WEST VIRGINIA, TO ACCEPT REPORT ON COMPLETION OF COSTS, TO PROVIDE FOR THE PAYMENT FROM FUNDS OF THE CITY, TO SET RATES AND LEVY PRO-RATED ASSESSMENTS FOR IMPROVEMENTS TO CITY STREETS ON ABUTTING PROPERTY OWNERS, TO APPROVE PLEDGE OF RECEIPTS FROM PROPERTY OWNERS AS COLLATERAL, TO PROVIDE FOR THE RECORDING OF NECESSARY INSTRUMENTS, AND ADOPTING OTHER PROVISIONS THERETO.** The motion to approve the 1st reading was passed on a motion made by Councilman Dieterich and seconded by Councilman Tuttle.

The 2nd reading was held on **AN ORDINANCE OF THE CITY OF SISTERSVILLE, WEST VIRGINIA, TO AMEND THE EXISTING ORDINANCE RELATING TO THE APPOINTMENT OF AND NUMBER OF MEMBERS ON THE PARKS AND RECREATION BOARD, AND ADOPTING OTHER PROVISIONS THERETO.**

WHEREAS, the City of Sistersville has determined that, pursuant to the authority vested in the Council, it desires to amend Article 139 of the codified ordinances to change the name of the board responsible for oversight and planning relating to the parks and other buildings used for recreation in the City.

WHEREAS, the City of Sistersville has further determined that it desires to amend Article 139 of the codified ordinances to change the number of members that may be appointed to said board.

WHEREAS, pursuant to the procedure set forth in the ordinances of the City of Sistersville and the relevant statutes, consideration of this matter has been properly noticed on the agenda of the City's regular monthly meeting, including the time and location of the meeting; and

NOW THEREFORE, be it hereby ordained by the common council of the City of Sistersville, West Virginia, that this ordinance be adopted, and in the event of passage, be made a part of the permanent Ordinance Book of the City of Sistersville, to-wit:

Part One, Chapter Five, Article 139.02, of the Codified Ordinances of Sistersville, is hereby amended, effective as of the date of passage as follows:

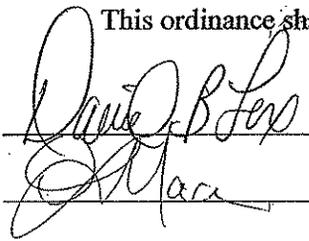
139.02 BOARD ESTABLISHED

There is hereby created a Parks & Recreation Board of Managers hereinafter called "Board," which shall consist of seven no less than three (3) nor more than seven (7) members, as the City Council may from time to time determine to appoint, and if the board consists of three or four members, one member of the governing body, if otherwise qualified, may be appointed by the governing body; if the board consists of five members not more than two members of the governing body so qualified may be so

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appointed and if the board consists of six or seven members not more than three members of the governing body so qualified may be so appointed, of whom not more than two may be Councilman of the City.

This ordinance shall become effective from and after the date of passage.



David B. Fox, Mayor
Diana Mace, Clerk-Treas.

Passed on First Reading May 12, 2008
Passed on Second Reading June 9, 2008
Adopted by Council June 9, 2008

The 2nd reading was held on **AN ORDINANCE OF THE CITY OF SISTERSVILLE, WEST VIRGINIA, CREATING THE OFFICE AND POSITION OF PARKS AND RECREATION COMMISSIONER, OUTLINING THE DUTIES AND RESPONSIBILITIES THEREOF, AND ADOPTING PROVISIONS THERETO.** Councilman Tuttle made a motion to approve the second reading with one change being the amount of salary be listed at \$17,000. Seconded by Councilman Dieterich, the motion carried. A third reading will be necessary to incorporate the new revision and will be held in July.

The 1st reading was held on **AN ORDINANCE AUTHORIZING THE INCREASE IN RATES PAID FOR MUNICIPAL SEWER SERVICE; PAYING COSTS IN CONNECTION THEREWITH; AND ADOPTING OTHER PROVISIONS THERETO.** It was noted that the figures were determined by Griffith & Associates after they completed a rate study. The city decided to go with a 3 year plan instead of a 5 year plan. A motion was made by Councilman Dieterich to approve the first reading. The motion carried after being seconded by Councilman Tuttle.

The 1st reading was held on **AN ORDINANCE AUTHORIZING THE INCREASE IN RATES PAID FOR MUNICIPAL WATER SERVICE; PAYING COSTS IN CONNECTION THEREWITH; AND ADOPTING OTHER PROVISIONS THERETO.** It was noted that these figures were also determined by Griffith & Associates after they completed a rate study. The 3 year plan instead of a 5 year plan was used as with the sewer. A motion was made by Councilman Doig to approve the first reading. The motion carried after being seconded by Councilman Dieterich.

Urban Renew Authority update was given by Ryan Morgan. He noted that the next group of houses were being assembled to receive notification.

Morgan also gave an update on the Planning Commission. He noted that Hubbard Park plans were still under development and that they would like to see some work completed by the end of the summer. The following were approved for the Planning Commission on a motion made by Councilman Tuttle and seconded by Councilman Doig:

- Ryan Morgan, City Representative (#1); Harold Dally – one year term;
 - Barbara Vincent – 3 year term; Carmen Silliman – 2 year term and Carolyn Sterns – 3 year term
- Councilman Dieterich made a motion to name David B. Fox as the City's 2nd Representative. Seconded by Councilman Doig, the motion carried.

Councilman Tuttle read a list of the budget revisions needed for the 2007/2008 budget. He noted the areas that had increased revenue and areas where expenditures needed to be increased. Councilman Doig made a motion to approve the revisions. Seconded by Councilman Long, the motion carried.

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Councilman Dieterich made a motion to approve \$5,910.60 to be transferred from the Coal Severance Savings to the Park & Pool checking account. Seconded by Councilman Long, the motion carried.

Councilman Tuttle made a motion to approve the Mayor and Diana Mace to sign papers renewing the sewer line at Union Bank for another year. Seconded by Councilman Dieterich, the motion carried.

Mace noted that a Safety Director needed to be named. Mike Tuttle noted that he would assume the position if David Bassett and Chief Kendle would hold the monthly meetings for their departments. Bassett and Kendle agreed. Councilman Long then made a motion to name Mike Tuttle as the Safety Director for the City. Seconded by Councilman Doig, the motion carried.

Chief Kendle addressed council to consider an ordinance restricting or prohibiting certain breeds of dogs or vicious dogs. A few items were discussed such as no admittance at public events and fines starting at \$250 for first offense and increasing for repeated offenses. Kendle will get with Ryan Morgan to draft an ordinance.

Diana Mace discussed the possibility of putting an ordinance in place regulating people living in homes without water and using the sewer system. The idea will be researched and brought back to council at a later date.

Mace also reminded all committees and boards to keep minutes and turn them in after being approved.

NEW / OLD BUSINESS-

- Discussion was held on the lighting being changed out. Changing could save the city a significant amount of money each year. Councilman Long made a motion to approve the change in lights. Seconded by Councilman Dieterich, the motion carried.
- A request for a donation for the fireworks was presented. Each year \$1,000 is budgeted to donate toward the fireworks. Councilman Tuttle made a motion to approve the request. Seconded by Councilman Long, the motion carried.
- A motion was made by Councilman Dieterich to change the electric bill for the boat docks into the City's name and put under Parks & Recreation department. Seconded by Councilman Light, the motion carried.

COMMITTEES

Finance – The hospital bills and payroll were approved in the amounts of \$511,254.85 and \$383,114.02 respectively on a motion made by Councilman Long and seconded by Councilman Doig. The city's bills totaling \$176,043.65 were approved on a motion made by Councilman Dieterich and seconded by Councilman Long.

Parks & Recreation – Councilman Long noted that the bathrooms need work. Discussion was held on replacing toilets if necessary. Tuttle noted that they purchased four new floats. Tuttle also said that the lifeguards will purchase their own bathings suits and we will provide them with tank tops.

A motion was made to adjourn by Councilman Ash, seconded by Councilman Doig and unanimously carried.



David B. Fox, Mayor



Diana Mace, Clerk-Treasurer

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Sistersville, WV
August 11, 2008

A regular meeting of the common council of the City of Sistersville was held at the Sistersville Fire Dept. at 6:00 p.m. on Monday, August 11, 2008. Dave Fox presided with Diana Mace taking minutes. Councilmen in attendance were Ann Doig, Mike Tuttle, Dave Dietrich, Doug Williams, Vance Ash, Richard Long, Randall Eastham and Judy Light. Also in attendance were Ryan Morgan, City Attorney; David Bassett; Chief Bob Kendle; Officer Joe Richardson; Patricia Soliday; Ruth Moore; Sally Adkins; Martha Hill; Colleen Workman; Mary Rea; Emogene Kelch; Larry Hayes; Dorothy King; Joyce Gerber; Joanne Bowen; James VanCamp; Ed Dalrymple; Ed Cathers; Marilyn Malone; Sue Todd; Robert Wable; Kay Weltz; Francis Wilkinson; Jane Neely; Norma Slider; Deloris Placer; Al & Judy Creighton; Helen Bolen; Joanne Jung; Scott Wable; Phil Konopacky; Herman Wells; Steve Essof; Barbara Vincent; Chikako Hizer; Mamie & Russell Blatt; Shirleen Heinlein; JoLeen & Pete Sidenstricker; Pat Malone; Bob & Francis Tippens; Phillip McKay; Robert Gilmore; Thomas Longwell; Janice Sterns; James Jung; Donna Kemp; Jan & Neal Boston; Geneva Bowen; Marsha & Bob Lambert; Kelly Grimm; Barbara Wells; Alma Barnard; Al Spenser; Bill Howard; Barbara Minor; Karla Weekley; Valerie & Joe Jones; Joberta White; Carolyn Sterns; Betty Surface; Francis Taylor; Joyce Konopacky; Greg & Tammy Cross; Elaine Burger; Jan Cunningham; Charlotte & Johnny Arbogast; Jennie Y Bob Hicks; Pat Jones; Richard Cunningham; Nicole Phillips; Dr. Gilligan; Sheri Miller; Kent Yoho; John Eckels; Donna Williamson; Allan Maxwell; Beri Fox; Marilyn Collett; Elizabeth Thomas; Karen Mercer; Mike Grimm; Carroll Vincent; Toni & Ronald Cunningham; Virginia Kannan; Jim Riffle; Greg Finch; John Lantz; Paul Weekley; Donna Gilligan; Brenda & Ronnie Williamson; Tawnya Ebert; Sharon Gilmore; Darla Ross; Tom & Becky Eckel; Becky Pancake; Everett Simmons; Tim Moore; and Charles Eddy.

The Public comment opened at 6:15 p.m.

Mike Tuttle went over the sheet of options #1-4 that was given to those in attendance. They were as follows:

1. Leave as is with affected residents paying.
2. Addition \$5 per customer to make payments and provide for future projects.
3. City takes over Beautification fund and charges an additional \$5.
4. City pays \$20,000 of bill and affected residents pay rest.

Tuttle then covered what the street fees now being charged encompassed.

-Larry Hayes- owns property in the 4th ward and he asked how much the \$5 per customer would amount to.

-Geneva Bowen- said the city can't shove that bill down her throat and people need to stick together.

-Herman Wells- bought house in 1966 - he wants people to drive by his house and look at his curb. He said his basement floods when it rains hard. Mayor Fox noted that the city was going to build him a new curb.

- James VanCamp-questioned why he was paying for lots that have no curb or city road

-Greg Finch-speaking for his mother, Mary Finch, said she already pays \$77 to \$88/month in fees for her lots and does not want to pay for the vacant ones

-Johnny Arbogast-not against Ferry, but asked if the City is footing the bill to keep the Ferry open. Mace replied that the Ferry is an enterprise fund and must support itself through fares, donations, and grants.

-Sally Adkins-questioned the setup of option #3

-Dr. Gilligan-likes the looks of the paving but didn't like being blindsided. Councilman Eastham noted that people have a say but they need to come and speak up.

-Donna Kemp- said she is on a fixed income and can't afford another increase. It only hurts older people.

-Geneva Bowen-said her bill is already \$155 a month.

-Helen Bolen-wanted to know who did the math and noted that her basement now floods. Ryan Morgan noted that he did the math and she requested a copy of the breakdown from him.

-Johnny Arbogast-noted he would move if he had to pay to pave ½ the street. He said he would gladly pay a little each month.

-Herman Wells-felt paving over brick was ridiculous and said that is why we have so many leaks.

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- Charlotte Arbogast-wanted to thank the new administration for the improvements in town.
- James Jung-said he didn't know until he received a flyer to move his car the next day. He said they paved over drains. He also noted that his street gets cleaned but never any cinders or plowed.
- Toni Cunningham-wanted to know if the city took over paving would they leave the brick sidewalk since its in the historical district or concrete it.
- Al Spencer- felt the city received poor quality and workmanship. He felt that a large portion of the money owed should be withheld. He was unsatisfied with the engineer's inspection. He asked people in attendance if they were ready to pave again in a year and a day since the paving only had a one year warranty. He noted that his street was paved correctly because he oversaw the whole project on his street.
- Beri Fox- asked if Al Spencer would serve on the committee to look into the project and he said yes.
- Charlotte Arbogast-asked the mayor and council if a petition would help.
- Mayor Fox-said the paving company is coming back to fix a few noted areas. If people are not satisfied then legal process could take place but it will cost the city.
- Ed Dalrymple-noted that the water and sewer projects need to come first.
- Marilyn Collett-would have preferred more coordination. A better rate could have been obtained from the bank. She asked if anyone had thought of taxing the gambling establishments or municipal bonds.
- Ron Williamson-said he is already paying for street maintenance that he is not getting. He said there was a hole in his street that was 6 ft x 4 ft before it was fixed.
- Barb Minor-said council should have better informed people. She asked if the city takes over the Beautification Fund will they continue to notify people before paving.
- Larry Hayes-asked if the bid process had been followed and Morgan noted yes. He felt it was a shoddy job and didn't feel the advertisement was adequate. He noted the bricks had been there for over 100 years and now it's going to need continuous repair.
- Herman Wells-questioned why bills aren't put in envelopes and notices mailed with them.
- Betty Surface-thought the brick streets were beautiful and didn't want the paving. She said the city attorney needs to ask about lowering the price.
- Beri Fox-noted that if you raise the streets 2", runoff for storm sewers may cause a backup of water. She noted concern over Precision's Rexford St./Burt St.
- Al Spencer-said a walk thru should have been done earlier to pinpoint problem areas. Mayor asked him to help with the street committee.
- Jim VanCamp-said everyone needs to sit down and get this done.
- Ed Dalrymple-said everyone needs to get together and fix the problem.
- Beri Fox-asked if anyone had contacted the civil engineering department at WVU.
- Sally Adkins-asked if they were supposed to pave as far as they did on Chestnut?
- Bill Howard-questioned the Urban Renewal Authority. Why couldn't they contact property owners to fix their sidewalks.
- Phil Konopacky-hopes the city does not die before he does. He feels the fee is a good idea and the assessment will help.
- Dorothy King-asked if her portion of Franklin Lane was supposed to be paved. She said she isn't paying because she was not asked.
- Ruth Moore-didn't know because she doesn't read the paper. But now it's done, something needs resolved.

Mike Tuttle then noted that a vote would be taken for a consensus of the room. No one voted for Option #1 which was no change – original assessment stands. Twelve people voted for a new fee of \$5 to go into it's own account for current and future projects. The majority of the room voted to realign the current Beautification Fee of \$2 and increase it by \$5 to be used for matching funds and paving of sidewalks and streets. Six people voted for the city to pay \$20,000 and affected residents pay the rest. Two people refused to vote. This ending the public comment on paving.

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The regular meeting was called to order at 8:15 p.m. The minutes from July 14, 2008 and July 28, 2008 were approved on a motion made by Councilman Doig and seconded by Councilman Ash.

Public Forum

-Barbara Vincent, representing the WV Oil & Gas Festival, asked to reserve the park from 9/5/08 through 9/16/08, same parade route, and help from the garbage and police as usual. Councilman Williams made a motion to approve the request. Seconded by Councilman Ash, the motion carried.

-A request from the TCHS Class of 1995 to use the stage and walking trail on Aug. 31 for a benefit walk for Courtney Evans was approved on a motion made by Councilman Ash and seconded by Councilman Doig.

-Councilman Williams asked for the Marble Festival dates of Sept. 26-28 to be approved. Councilman Ash made a motion to approve the request. Seconded by Councilman Tuttle the motion carried with note that a fire lane must be kept open.

The 2nd reading was held on AN ORDINANCE OF THE CITY OF SISTERSVILLE, WEST VIRGINIA, TO ACCEPT REPORT ON COMPLETION OF COSTS, TO PROVIDE FOR THE PAYMENT FROM FUNDS OF THE CITY, TO SET RATES AND LEVY PRO-RATED ASSESSMENTS FOR IMPROVEMENTS TO CITY STREETS ON ABUTTING PROPERTY OWNERS, TO APPROVE PLEDGE OF RECEIPTS FROM PROPERTY OWNERS AS COLLATERAL, TO PROVIDE FOR THE RECORDING OF NECESSARY INSTRUMENTS, AND ADOPTING OTHER PROVISIONS THERETO. Councilman Williams made a motion to approve the 2nd reading, seconded by Councilman Tuttle the motion came to a vote. All eight of the councilmen were opposed to the 2nd reading.

The 2nd reading of AN ORDINANCE AUTHORIZING THE INCREASE IN RATES PAID FOR MUNICIPAL SEWER SERVICE; PAYING COSTS IN CONNECTION THEREWITH; AND ADOPTING OTHER PROVISIONS THERETO was approved on a motion made by Councilman Williams, seconded by Councilman Tuttle and approved with Councilman Light opposing. A motion to adopt the ordinance was made by Councilman Eastham, seconded by Councilman Williams, and unanimously approved.

The 2nd reading of AN ORDINANCE AUTHORIZING THE INCREASE IN RATES PAID FOR MUNICIPAL WATER SERVICE; PAYING COSTS IN CONNECTION THEREWITH; AND ADOPTING OTHER PROVISIONS THERETO was approved on a motion made by Councilman Williams, seconded by Councilman Dieterich and approved with Councilman Light opposing. A motion to adopt the ordinance was made by Councilman Williams, seconded by Councilman Dieterich, and unanimously approved.

The 1st reading was held on AN ORDINANCE OF THE CITY OF SISTERSVILLE, WEST VIRGINIA, ESTABLISHING RULES AND REGULATIONS RELATING TO THE SISTERSVILLE BOAT DOCK, AND OTHER PROVISIONS IN CONNECTION THEREWITH. Councilman Tuttle made a motion to approve the first reading with the addition of \$2.00/per foot put into Item #2. Seconded by Councilman Williams, the motion carried.

Urban Renewal Authority Report – Morgan noted that 1 building on the target list has been torn down.

Planning Commission Report – Morgan noted that a zoning variance request had been received from Bernadette Hood to operate her nails and tanning business out of her home. Morgan noted that it had been approved by the Planning Commission.

NEW / OLD BUSINESS-

-Eric McKeever helped out at the park when not on council and is asking for reimbursement for \$190 in cell phone overages and mileage for 488 miles. Councilman Eastham made a motion to approve his reimbursement. Seconded by Councilman Doig, the motion carried.

COPY

-David Bassett noted that the 3" pump has been received.

-Chief Kendle noted that Cpl. Bordenkircher had resigned but would like to stay on as a part-time officer. Councilman Dieterich made a motion to accept the resignation and keep him on part-time. Seconded by Councilman Tuttle, the motion carried.

-Chief Kendle requested 3 in-car cameras be purchased at \$3,895 each. Councilman Ash made a motion to approve the purchase of 1 camera at this time. Seconded by Councilman Tuttle, the motion carried. Kendle also asked for approval of \$857.65 to Herb's Paint and Body Shop for cruiser repairs. Councilman Williams made a motion to approve the request. Seconded by Councilman Eastham, the motion carried.

-Chief Kendle stated that they interviewed 3 candidates. Councilman Doig made a motion to approve hiring of Josh Foltz if he can pass the agility and physical testing. Seconded by Councilman Ash, the motion carried.

-Chief Kendle asked if Officer Richardson could be reimbursed for his unused vacation time at the end of the year if he is unable to use it due to a shortage in manpower. Kendle noted that he had a large amount of comp. time and would take it at straight time. Council said they needed to research the matter at wage and hour.

COMMITTEES

Water – back up pump is now here

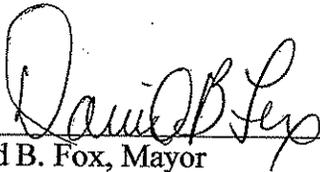
Finance – The hospital bills and payroll were deferred until next month. The city's bills totaling \$70,746.59 were approved on a motion made by Councilman Ash and seconded by Councilman Doig.

Sewer- Allan Maxwell, Dave Fox, and David Bassett went to Charleston for a meeting with the DEP. They will work with us and some extensions were requested by the city at that time.

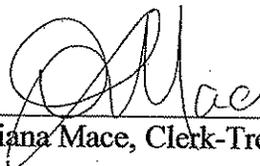
A motion to go into executive session for customer billing was made at 8:45 p.m. by Councilman Tuttle. Seconded by Councilman Doig, the motion carried. A motion to exit executive session was made at 9:05 p.m. by Councilman Doig and seconded by Councilman Williams.

Councilman Tuttle made a motion for Ryan Morgan to send a letter to Walker Boyd regarding his property condition. Seconded by Councilman Ash, the motion carried.

A motion was made to adjourn by Councilman Tuttle, seconded by Councilman Ash and unanimously carried.



David B. Fox, Mayor



Diana Mace, Clerk-Treasurer

COPY

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TYLER STAR NEWS

NOTICE OF PUBLIC HEARING

A public hearing will be held on the following entitled ordinances at a regular meeting of the Sistersville City Council on Monday, July 14, 2008, at 7:00 p.m. in the council chambers of City Hall, 200 Diamond Street, Sistersville, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests, comments and suggestions, shall be heard by the Council and it shall then take appropriate action as it deems proper under the premises of the ordinance entitled:

AN ORDINANCE AUTHORIZING THE INCREASE IN RATES PAID FOR MUNICIPAL SEWER SERVICE; PAYING COSTS IN CONNECTION THEREWITH; AND ADOPTING OTHER PROVISIONS THERETO.

AN ORDINANCE AUTHORIZING THE INCREASE IN RATES PAID FOR MUNICIPAL WATER SERVICE; PAYING COSTS IN CONNECTION THEREWITH; AND ADOPTING OTHER PROVISIONS THERETO.

The above-entitled ordinances were approved by the Council on June 9, 2008.

The above-quoted title of the ordinances describes generally the contents thereof and the purposes of the action contemplated. A certified copy of the above-entitled ordinances are on file with the Council at the office of the Recorder for review by interested parties during regular office hours.

Following public hearing, the Council intends to enact the ordinances upon final reading.

Dated: June 27, 2008.

Diane Mace
Recorder
TSN-229
7-2, 7-9

Sistersville, WV July 9, 2008

State of West Virginia, County of Tyler:

Personally appeared before the undersigned, a Notary Public,

Brian Clutter who, being duly sworn,

states that he is the manager of the Tyler Star News, a weekly newspaper of general circulation, published at Sistersville, County of Tyler, State of West Virginia, and that a copy of the

notice attached hereto was published for two successive weeks in the Tyler Star News, beginning on the 2nd day

of July, 2008 and ending on the 4th day

of July, 2008.

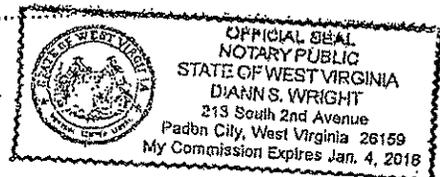
Brian A. Clutter
Manager, Tyler Star News

Subscribed and sworn to before me, a Notary Public of said County, on this 2008.

Diann S. Wright Notary Public

My commission expires on the 4th day of January, 2016.

Printers Fee.....



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2008 DEC 9 AM 8 38

W VA PUBLIC SERVICE
COMMISSION
TYLER STAR NEWS
SECRETARY'S OFFICE

Sistersville, WV 2008

State of West Virginia, County of Tyler:

Personally appeared before the undersigned, a Notary Public,

Brian Clutter who, being duly sworn,

states that he is the manager of the Tyler Star News, a weekly newspaper of general circulation, published at Sistersville, County of Tyler, State of West Virginia, and that a copy of the notice attached hereto was published for.....².....successive weeks in the Tyler Star News, beginning on the 13 day of August, 2008 and ending on the 20 day of August, 2008.

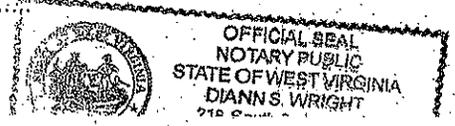
Brian Clutter
Manager, Tyler Star News

Subscribed and sworn to before me, a Notary Public of said County, on this day of, 2008.

Diann S. Wright Notary Public

My commission expires on the 4th day of January, 2016.

Printers Fee.....



NOTICE OF CHANGE IN MUNICIPALITIES

NOTICE is hereby given that the CITY OF SISTERSVILLE has adopted by ordinance, on August 11, 2008, 2008 a tariff containing an increase in rates, tolls and charges for furnishing water service to customers at Sistersville and vicinity, in Tyler County, West Virginia.

The following proposed increased rates and charges will become effective forty-five (45) days after the adoption of this ordinance, unless otherwise ordered by the Public Service Commission, and will produce approximately \$102,015 annually in additional revenue, an increase of 27.8%. The average monthly bill for the various classes of customers will be charged as follows:

BASED ON
Residential (4,500 gal/mo.)
Commercial (4,500 gal/mo.)
Industrial (4,500 gal/mo.)
Governmental (4,500 gal/mo.)

Resale

(\$)	INCREASE	INCREASE%
\$10.67	27.8%	
\$10.67	27.8%	
\$10.67	27.8%	
\$10.67	27.8%	

Not Applicable

The following proposed increased rates and charges will become effective May 1, 2009, unless otherwise ordered by the Public Service Commission, and will produce approximately \$52,525 annually in additional revenue, an increase of 11.2%. The average monthly bill for the various classes of customers will be charged as follows:

BASED ON
Residential (4,500 gal/mo.)
Commercial (4,500 gal/mo.)
Industrial (4,500 gal/mo.)
Governmental (4,500 gal/mo.)
Resale

(\$)	INCREASE	INCREASE %
\$5.50	11.2%	
\$5.50	11.2%	
\$5.50	11.2%	
\$5.50	11.2%	

Not Applicable

The following proposed increased rates and charges will become effective May 1, 2010, unless otherwise ordered by the Public Service Commission, and will produce approximately \$38,069 annually in additional revenue, an increase of 7.7%. The average monthly bill for the various classes of customers will be charged as follows:

BASED ON
Residential (4,500 gal/mo.)
Commercial (4,500 gal/mo.)
Industrial (4,500 gal/mo.)
Governmental (4,500 gal/mo.)
Resale

(\$)	INCREASE	INCREASE(%)
\$4.00	7.3%	
\$4.00	7.3%	
\$4.00	7.3%	
\$4.00	7.3%	

Not Applicable

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

- (1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or
- (2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or
- (3) Any customer or group of customers who are affected by said

change in rates who reside within the municipal boundaries and who present a petition to the Commission, alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

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

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the offices of the City Hall in Sistersville, West Virginia.

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

NOTICE OF PUBLIC HEARING
ON

THE CITY OF SISTERSVILLE
BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of The City of Sistersville (the "City") to be held on Monday, February 8, 2010, at 7:00 p.m., at City Hall, 200 Diamond Street, Sistersville, 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 PAYMENT OF THE PRIOR NOTES AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF SISTERSVILLE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF SISTERSVILLE OF NOT MORE THAN \$856,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

The above-entitled Ordinance was approved by the Council on January 11, 2010.

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: (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public water system of the Issuer (the "Project"); and (ii) 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 water 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 City 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: January 13, 2010.

Dave Fox
Mayor

TSN 55652 1-27, 2-3

TYLER STAR NEWS

Sistersville, WV February 3, 2010

State of West Virginia, County of Tyler:

Personally appeared before the undersigned, a Notary Public, Brian Clutter who, being duly sworn, states that he is the manager of the Tyler Star News, a weekly newspaper of general circulation, published at Sistersville,

County of Tyler, State of West Virginia, and that a copy of the notice attached hereto was published for 2 successive

weeks in the Tyler Star News, beginning on the 27 day

of January, 2010 and ending on the 3 day

of February, 2010.

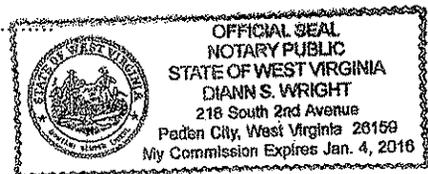
[Signature]
Manager, Tyler Star News

Subscribed and sworn to before me, a Notary Public of said County, on this 3 day of February, 2010.

[Signature] Notary Public

My commission expires on the 4th day of January, 2016.

Printers Fee.....



THE CITY OF SISTERSVILLE

Water Revenue Bonds, Series 2010 A
(United States Department of Agriculture)

EXCERPT OF MINUTES ON ADOPTION OF BOND ORDINANCE,
SUPPLEMENTAL RESOLUTION AND DRAW RESOLUTION

The undersigned CLERK of The City of Sistersville of hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Council:

The Council of The City of Sistersville met in regular session, pursuant to notice duly posted, on the 8th day of February, 2010, in Tyler County, West Virginia, at the hour of 7:00 p.m.

PRESENT:

Dave Fox, Mayor
Diane Mace, Clerk
Doug Williams
Dave Dietrich
Ann Doig
Richard Long
Michael Tuttle

John Stump, Steptoe & Johnson

ABSENT:

None.

Dave Fox, Mayor, presided, and Diane Mace, acted as 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 PAYMENT OF THE PRIOR NOTES AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF SISTERSVILLE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF SISTERSVILLE OF NOT MORE THAN \$856,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Doug Williams and seconded by Dave Dietrich, it was unanimously ordered that the said Bond Ordinance be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor then presented a proposed Supplemental Resolution in writing entitled:

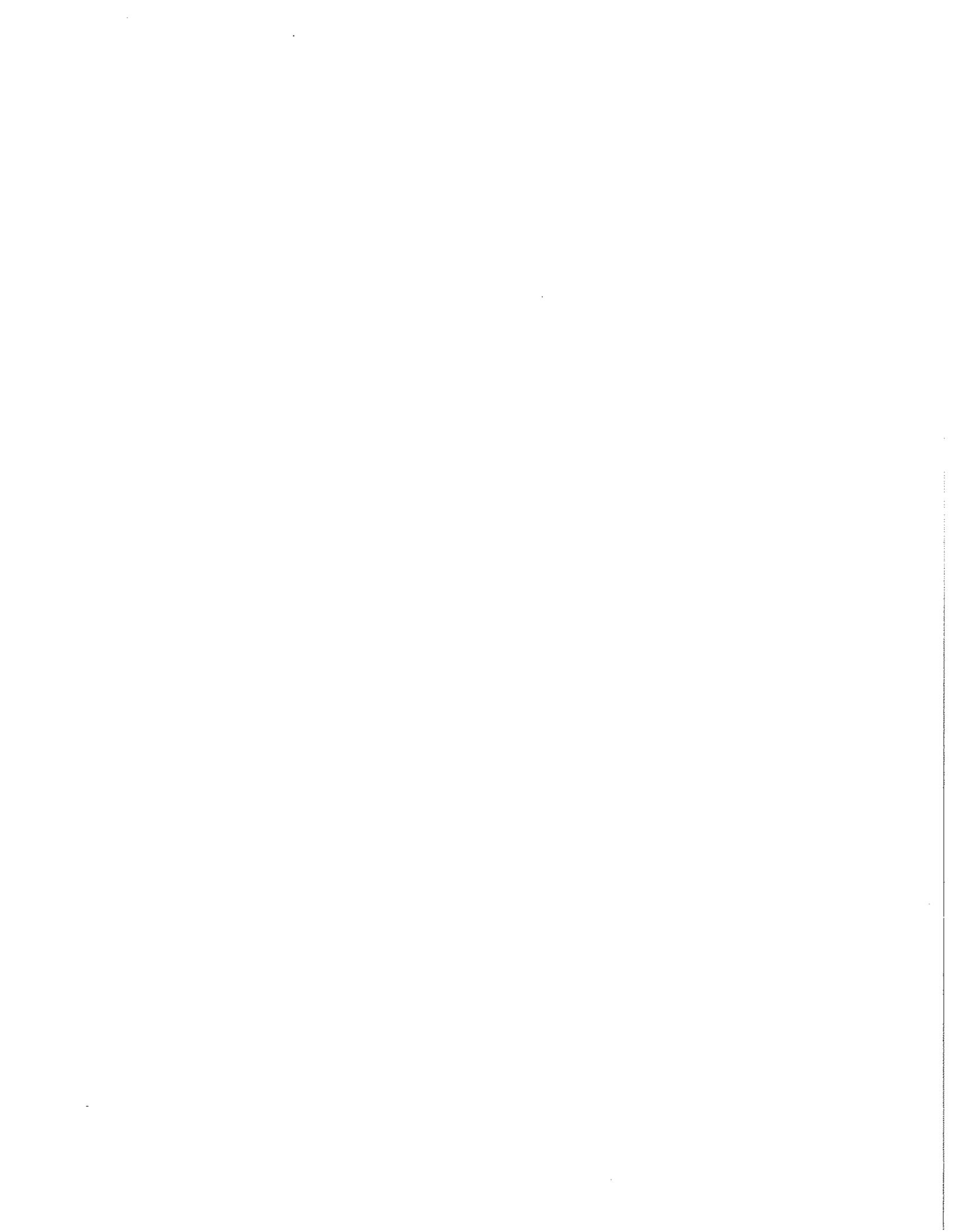
SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2010 A OF THE CITY OF SISTERSVILLE, AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Doug Williams and seconded by Dave Dietrich, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Doug Williams and seconded by Ann Doig, it was unanimously ordered that the said Draw Resolution be adopted.

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

[Remainder of Page Intentionally Blank]



Sistersville, WV
December 14, 2009

A regular meeting of the common council of the City of Sistersville was held at the Sistersville City Bldg. at 7:00 p.m. on Monday, December 14, 2009. Diana Mace served as acting-mayor with Kathy Klages taking minutes as acting clerk. Councilmen in attendance were Mike Tuttle, Ann Doig, Dave Dieterich, Vance Ash, Richard Long and Doug Williams. Absent was council member Randall Eastham. Also in attendance were Chief David Howell; City Commissioner David Bassett; Allan Maxwell; Penny & Bill Howard; and Jonay Corley, Tyler Star News.

The minutes from the 11/9/09 regular meeting were approved on a motion made by Councilman Doig and seconded by Councilman Dieterich. Executive session minutes were reviewed and passed on a motion made by Councilman Dieterich and seconded by Councilman Doig.

PUBLIC FORUM

- Penny Howard was present to inquire about the Todd building. She noted that the State Fire Marshall noted that it was a justified complaint and the report said Mr. Todd was to submit an answer within 15 days. She asked if anything had been received by the city from Mr. Todd. To date, nothing has been received by the city. She said that no work had been done since September. She stated that the electrical was not up to code and the gas has been disconnected. Building Committee will call Ryan Morgan.

End Public Forum.

Councilman Tuttle noted that Randall Eastham was resigning his 1st Ward Council seat due to his work schedule. Councilman Tuttle made a motion to accept his resignation. Seconded by Councilman Doig, the motion carried.

Mace read the Mayor's election notice listing all the vacancies, election date, and filing dates. Councilman Williams made a motion to approve the notice for the Tyler Star News. Seconded by Councilman Ash, the motion carried.

The first reading was held on AN ORDINANCE AUTHORIZING THE PAYMENT OF THE PRIOR NOTES AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS, AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF SISTERSVILLE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF SISTERSVILLE OF NOT MORE THAN \$856,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT. Three readings will be held on the ordinance with a public hearing being held in February. The first reading was approved on a motion made by Councilman Williams and seconded by Councilman Tuttle.

Allan Maxwell updated council on the status of the water projects. He noted that the bids have been sent to papers for publications as a legal ad. Prebid meeting will be held on 12/22/09 at 10:30 a.m. and the bid opening will be 1/8/10. He said that Ryan Morgan said the Genesis ROW had been approved.

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Maxwell also gave an update on the leak detection. He said that Eric Huggins had accompanied the company and that 20-22 miles had been walked with every meter and hydrant checked. Thirty possible leaks had been noted with 13 bigger leaks noted. They will be scheduled for repair on after prioritized.

Ryan Morgan was not present so there were no updates for the Planning Commission or the Urban Renewal Authority.

OLD BUSINESS

-Councilman Ash noted that he still has not received a response from Mr. Wince, the surveyor, on the McCoy property. Ryan Morgan will be contacted for assistance in getting this done.

NEW BUSINESS

-Councilman Ash thanked the guys who helped out at the gym.
- A letter of resignation was received from Margaret Jeffries on the Building Commission. Councilman Ash made a motion to accept the resignation. Seconded by Councilman Tuttle, the motion carried.

COMMITTEES

Personnel – Chief Howell noted that Matt Keys had resigned. He asked council to consider hiring Bryan Owens. Councilman Ash made a motion to hire Owens as a probationary patrolman. Seconded by Councilman Doig, the motion carried.

Sanitation – Bassett noted that both garbage trucks are acting up. One has a blown engine and Sonny Conley estimated repair between \$4,000 and \$5,000. Main truck has been down for 9 days and other truck has a bad hydraulic leak. Councilman Ash made a motion to approve up to \$5,000 plus cost of towing. Seconded by Councilman Tuttle, the motion carried. Councilman Dieterich will check into another option and get back to David Bassett.

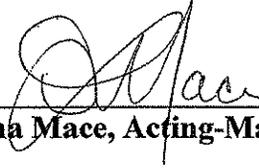
Finance – Councilman Tuttle noted that the survey from the Board of Risk had been received and needed completed. Items need to be clarified as soon as possible so that reduced rates may be applied. The audit report from Perry & Associates was included in the packets for review. A new auditing company will be used after this audit. Finance committee will go over report next month. The hospital bills for Dec. totaling \$486,882.44 and payroll totaling \$286,724.26 were approved on a motion made by Councilman Williams and seconded by Councilman Doig. The City's bills totaling \$55,964.47 were approved on a motion made by Councilman Ash and seconded by Councilman Dieterich. Councilman Long also made a motion to approve a bill for Neil Munoz' treatment in the amount of \$340.00. Seconded by Councilman Ash, the motion carried.

Park – Councilman Ash noted that the gym is looking good. Carpet is being put in the concession area to bathrooms.

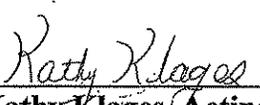
ANNOUNCEMENTS

David Bassett thanked the Mayor and Council for the Christmas Party they held for the employees.

A motion to adjourn the meeting was made by Councilman Williams, seconded by Councilman Doig, and unanimously carried.



Diana Mace, Acting-Mayor



Kathy Klages, Acting Clerk

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Sistersville, WV
January 11, 2010

A regular meeting of the common council of the city of Sistersville was held at the Sistersville City Building at 7:00 p.m. on Monday, January 11, 2010. David B. Fox, Mayor, presided with Kathy Klages, acting clerk-treasurer taking the minutes. Present were Council members Ann Doig, Michael Tuttle, Vance Ash, Douglas Williams, and David Dieterich. Absent was Councilman Richard Long. Also in attendance were Chief David Howell, Alex Northcraft, Patricia Soliday, Joleen Sidenstricker, Fredrick and Penny Howard, Steve and Nancy Chaplin, Norman and Sue Todd, Allen Maxwell, Jonay Corley of the Tyler Star News, Harold Dally, Karen Mercer and City Attorney, Ryan Morgan.

The minutes from December 14, 2009 regular meeting were approved on a motion made by Councilman Dieterich and seconded by Councilman Tuttle.

Councilman Ash moved, seconded by Councilman Williams and unanimously carried to appoint JoLeen Sidenstricker to fill the vacant fourth ward council position. Mayor Fox swore JoLeen Sidenstricker in as councilman and she took her seat for the meeting.

PUBLIC FORUM

- Harold Dally gave an update on the planning commission. Two murals have already been completed in the last year. Dally noted that he had received several compliments and is hopeful to complete another mural in the upcoming year.
- Karen Mercer representing On-Track inquired about use of the old SHS Offices to start a Arts & Learning Center. She wanted to know what percentage of utilities they would be required to pay. She also spoke of making improvements to the offices they occupied. Mayor suggested she call utilities to find out the cost of separating the utilities. Councilman Tuttle brought up liability issues and they agreed to look into it.
- Karen Mercer also suggested a Festival celebrating the opening of the ferry operation this spring. She is to meet with Mayor Fox and his committee later this month to make plans.

End of Public Forum

Second reading was held on **AN ORDINANCE AUTHORIZING THE PAYMENT OF THE PRIOR NOTES AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS, AND IMPROVEMENTS TO THE EXISTING PUBLIC WATER WORKS FACILITIES OF THE CITY OF SISTERSVILLE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF SISTERSVILLE OF NOT MORE THAN \$856,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN**

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THIS ORDINANCE SHALL TAKE EFFECT. The second reading was approved on a motion made by Councilman Williams and seconded by Councilman Tuttle.

Councilman Williams moved, seconded by Councilman Tuttle and unanimously carried to enter into an executive session for potential litigation at 7:20 p.m.

Councilman Williams moved, seconded by Councilman Ash and unanimously carried to come out of the executive session at 7:28 p.m.

On request of council, City Attorney Ryan Morgan advised parties that are interested in Action #5 (Discussion and potential action on property located at 611 Main St.) that the council will not be taking any action on this matter.

Councilman Ash made a motion to resubmit the application for the TEG Funding for the Downtown Phase I project. It is for \$180,000 with matching of \$45,000. Seconded by Councilman Dieterich, the motion carried.

Councilman Doig moved, seconded by Councilman Williams to approve the following resolutions and the Mayor to sign the necessary documentation. The motion carried.

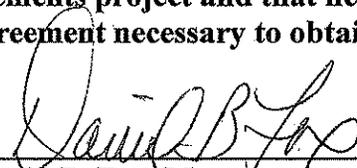
RESOLUTION
TO AUTHORIZE APPLICATION FOR
WEST VIRGINIA
COMMUNITY PARTICIPATION PROGRAM FUNDS

WHEREAS, ten thousand dollars (\$10,000) in Community Participation Grant Program Funds are requested by the City of Sistersville to undertake the Park and Pool Improvements project; and,

WHEREAS, an application for these funds must be made to the West Virginia Development Office; and,

WHEREAS, the Community Participation Grant Program requires that a local government unit sponsor said application.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SISTERSVILLE, WEST VIRGINIA, that the mayor be authorized to make Application for ten thousand dollars (\$10,000) in Community Participation Grant Program funds for the Park and Pool Improvements project and that he be empowered to sign the application and any agreement necessary to obtain these funds.



David B. Fox, Mayor

ATTEST:  _____

Y9000 COPY

RESOLUTION
TO AUTHORIZE APPLICATION FOR
WEST VIRGINIA
COMMUNITY PARTICIPATION PROGRAM FUNDS

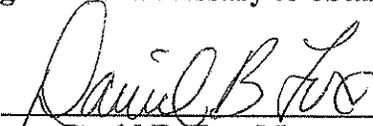
WHEREAS, seven thousand dollars (\$7,000) in Community Participation Grant Program Funds are requested by the City of Sistersville to undertake the James Willison Family Center Upgrades project: and,

WHEREAS, an application for these funds must be made to the West Virginia Development Office; and,

WHEREAS, the Community Participation Grant Program requires that a local government unit sponsor said application.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SISTERSVILLE, WEST VIRGINIA, that the mayor be authorized to make application for seven thousand dollars (\$7,000) in Community Participation Grant Program funds for the James Willison Family Center Upgrades project and that he be empowered to sign the application and any agreement necessary to obtain these funds.

DATE: 1-11-2010



David B. Fox, Mayor

ATTEST: 

RESOLUTION
TO AUTHORIZE APPLICATION FOR
WEST VIRGINIA
COMMUNITY PARTICIPATION PROGRAM FUNDS

WHEREAS, twenty-five thousand dollars (\$25,000) in Community Participation Grant Program Funds are requested by the City of Sistersville to undertake the James Willison Center-Repairs and Capital Improvements project: and,

WHEREAS, an application for these funds must be made to the West Virginia Development Office; and,

WHEREAS, the Community Participation Grant Program requires that a local government unit sponsor said application.

COPY

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SISTERSVILLE, WEST VIRGINIA, that the mayor be authorized to make application for twenty-five thousand dollars (\$25,000) in Community Participation Grant Program funds for the James Willison Center-Repairs and Capital Improvements project and that he be empowered to sign the application and any agreement necessary to obtain these funds.

DATE: 1-11-2010

David B. Fox
David B. Fox, Mayor

ATTEST: [Signature]

The Water Project update was then given. Twelve bids were received (9 on tank and 3 on line). Allan Maxwell noted that the two low bidders for the projects were E. L. Harper & Sons and Welding Inc. The projects came in under budget by approximately \$100,000 and this can possibly be used to get needed equipment. Ryan Morgan reviewed bid bonds and Councilman Doig made a motion to approve Harper & Sons for the line project. Seconded by Councilman Ash, the motion carried. Councilman Ash then made a motion to approve Welding Inc. bid for the tank project. Seconded by Councilman Tuttle, the motion carried.

Morgan noted not much activity in the Urban Renewal Authority update and Planning Commission update. He stated that people need to be reappointed for the Planning commission. He will have the information at next month's meeting. Harold Dally stated that the major projects are completed and new projects are being planned for spring.

Councilman Tuttle made a motion to approve the coal severance transfer (except for \$50 required to keep the account open) to the Parks & Recreation checking. Seconded by Councilman Ash, the motion carried. Permission was given to use FEMA Park funds to pay bills until drawdown for grant reimbursement can be made on a motion made by Councilman Williams and seconded by Councilman Dieterich.

No names were presented for the Building Commission.

Councilman Williams made a motion to approve the pension plan resolution. Seconded by Councilman Doig, the motion carried.

OLD BUSINESS

-none

NEW BUSINESS

Bills and letters received from Brad Crawford have been reviewed and Ryan Morgan will draft a response to him.

COPY

FINANCE

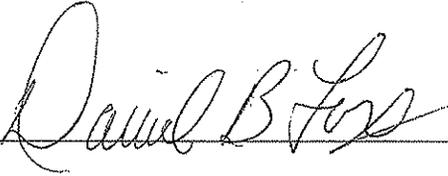
-Councilman Dieterich made a motion to approve the City's bills in the amount of \$23,096.05. Seconded by Councilman Ash, the motion carried. Councilman Williams made a motion to pay three bills for the park from last month. Seconded by Councilman Doig, the motion carried.

-Councilman Dieterich made a motion to pay Monroe Towing for taking the garbage truck to Martins Ferry, OH \$468.75. Seconded by Councilman Ash, the motion carried.

- Councilman Doig made a motion to pay the hospital's bills of \$599,920.32 and the payroll of \$280,995.97. Seconded by Councilman Ash, the motion carried.

Mayor Fox spoke to Council regarding attendance for the previous year. He noted that if it was work or something important – that was understood, but a better effort needed to be made. He also reminded them that missing 3 meetings can result in being taken off council and no one wanted to be put in that position.

Councilman Doig made a motion to adjourn. Seconded by Councilman Tuttle, the motion carried.



David B. Fox Mayor



Kathy Klages, Acting Clerk-Treasurer

COPY

	U.S. ENVIRONMENTAL PROTECTION AGENCY Assistance Amendment	ASSISTANCE ID NO.			DATE OF AWARD 03/20/2008
		PRG	DOC ID	AMEND#	
		XP - 97310001 - 2			MAILING DATE 03/20/2008
		TYPE OF ACTION No Cost Amendment			
PAYMENT METHOD: Reimbursement			ACH# 30035		
RECIPIENT TYPE: Municipal		Send Payment Request to: West Virginia Bureau for Public Health			
RECIPIENT: City of Sistersville 200 Diamond St Sistersville, WV 26175 EIN: 55-8000252		PAYEE: City of Sistersville 200 Diamond St Sistersville, WV 26175			
PROJECT MANAGER Tim Meeks 200 Diamond St Sistersville, WV 26175 E-Mail: Phone: 304-422-4993		EPA PROJECT OFFICER Bruce A Smith 1850 Arch Street, 3WP21 Philadelphia, PA 19103-2029 E-Mail: Smith.Bruce@epa.gov Phone: 215-814-8770		EPA GRANT SPECIALIST Hana Jones Grants & Audit Management Branch, 3PM70 E-Mail: Jones.Hana@epa.gov Phone: 215-814-5417	
PROJECT TITLE AND EXPLANATION OF CHANGES Water System Improvements Project This amendment extends the budget and project periods to May 31, 2010 for the purpose of providing for the construction of new groundwater wells, replacement of the existing water storage tank with a new 500,000 gallon storage tank, and replace the existing waterlines on Virginia Terrace and Klondike Avenue.					
BUDGET PERIOD 10/01/2004 - 05/31/2010		PROJECT PERIOD 10/01/2004 - 05/31/2010		TOTAL BUDGET PERIOD COST \$798,000.00	TOTAL PROJECT PERIOD COST \$798,000.00
NOTICE OF AWARD Based on your application dated 04/22/2004, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards \$. EPA agrees to cost-share 55.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$438,900. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.					
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE		
ORGANIZATION / ADDRESS US EPA Region 3, 3PM70 1850 Arch Street Philadelphia, PA 19103-2029			ORGANIZATION / ADDRESS U.S. EPA, Region 3 Water Protection Division 3WP00 1850 Arch Street Philadelphia, PA 19103-2029		
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY					
SIGNATURE OF AWARD OFFICIAL Digital signature applied by EPA Award Official		TYPED NAME AND TITLE Francis R. Snock, Chief, Grants and Audit Management Branch		DATE 03/20/2008	
AFFIRMATION OF AWARD BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION					
SIGNATURE		TYPED NAME AND TITLE		DATE	

THE CITY OF SISTERSVILLE

Water Revenue Bonds, Series 2010 A
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK

I, the undersigned duly authorized representative of Union Bank, Inc., Sistersville, West Virginia (the "Bank"), hereby certify that on February 26, 2010, the Bank received an automated clearinghouse transfer in the amount of \$192,200 for the Series 2010 A Bonds to the credit of the Project Construction Account (Account Number 0010786).

WITNESS my signature on this 26th day of February, 2010.

UNION BANK, INC.

By  VP
Its: Authorized Officer

05.19.09
827720.00003

CH5151461.1

COPY

AUG 23 2006

RUS Bulletin 1780-12
(Automated 11-97)

WATER OR WASTE SYSTEM GRANT AGREEMENT
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

THIS AGREEMENT dated July 25, 2006 between
City of Sistersville

a public corporation organized and operating under
Article 8, Chapter 19, West Virginia Code
(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (sewer) system to serve the area under jurisdiction at an estimated cost of \$ 1,254,000 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 894,900 of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 894,900 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 359,100 or 28.64% percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

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

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed 28.64% percent of the development costs, as defined by applicable Rural Utilities Service Instructions.

GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes

of service, ~~adopted by resolution dated~~, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

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

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

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

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

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

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

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

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

* - as approved by the West Virginia Public Service Commission

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

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

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

[Revision 1, 04/17/1998]

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

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

The entire water system owned by the City of Sistersville consisting of approximately 17 miles of various size water mains, 117 fire hydrants, and 2 water storage tanks in Tyler County, West Virginia.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

[Revision 1, 04/17/1998]

1. Use of equipment.

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

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

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

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

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

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

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

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

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

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

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

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

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

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

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

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

None

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

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

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

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

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

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

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

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1. 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.
2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/97]

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

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

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed **\$359,100.00** which it will advance to Grantee to meet not to exceed 28.64% percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

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

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Mayor David B Fox

and attested and its corporate seal affixed by its duly authorized

Recorder Diana Mace

Attest:

By: Diana Mace

Diana Mace

(Title) Recorder

By: David B Fox

David B. Fox

(Title) Mayor

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: Virginia M. McDonald

Virginia M. McDonald

Rural Development Specialist

(Title)

2/26/10

JUL 15 2009

COPY

RUS Bulletin 1780-12

Water and Waste System Grant Agreement

United States Department of Agriculture

Rural Utilities Service

THIS AGREEMENT dated July 13, 2009, between

City of Sistersville

a public corporation organized and operating under

Article 8, Chapter 19, West Virginia Code

(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (waste) system to serve the area under its jurisdiction at an estimated cost of \$ 1,587,000 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 1,254,000 of the development costs through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 1,254,000 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 333,000 or 20.98% percent of said project development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the Conditions of the grant.

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

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306(a) of The Consolidated Farm and Rural Development Act for the purpose only of defraying a part not to exceed 20.98% percent of the project development costs, as defined by applicable Rural Utilities Service instructions.

Grantee Agrees That Grantee Will:

- A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

- B. Permit periodic inspection of the construction by a representative of Grantor during construction.
- C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.
- D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated *approved by ordinance effective, 9/25/08 as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.
- E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.
- F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.
- G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.
- H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.
- I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.
- J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.
- K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.
1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.
 2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

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

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

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

[Revision 1, 04/17/1998]

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

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

The entire water system owned by the City of Sistersville consisting of approximately 17 miles of various size water mains, 117 fire hydrants, and 2 water storage tanks in Tyler County, West Virginia.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

[Revision 1, 04/17/1998]

1. Use of equipment.

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

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

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

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

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

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

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

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

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

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

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

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

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

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

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

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

None

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

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

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

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

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

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

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

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1, 11/20/1997]

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

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/1997]

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

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

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$ 333,000 which it will advance to Grantee to meet not to exceed 20.98% percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

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

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Mayor David B. Fox

attested and its corporate seal affixed by its duly authorized

Recorder Diana L. Mace 

Attest:

By Diana Mace
Diana Mace
(Title) Recorder

By David B. Fox
David B. Fox
(Title) Mayor

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By Virginia M. McDonald Area Specialist
Virginia M. McDonald (Title)
2/26/10

CITY OF SISTERSVILLE
(WEST VIRGINIA)

WATER REFUNDING REVENUE BONDS, SERIES 2003

"CONFORMED" BOND ORDINANCE

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THE CITY OF SISTERSVILLE

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT MORE THAN \$1,200,000 IN AGGREGATE PRINCIPAL AMOUNT OF THE CITY OF SISTERSVILLE WATER REFUNDING REVENUE BONDS, SERIES 2003, FOR THE PURPOSE OF DEFEASING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY OF SISTERSVILLE SECURED BY THE WATERWORKS SYSTEM; AUTHORIZING FUNDING A RESERVE ACCOUNT FOR THE REFUNDING BONDS AND PAYING COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS THERETO.

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

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 18, Article 19 of the West Virginia Code of 1931, as amended (the "Act" or "Refunding Act"), and other applicable provisions of law.

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

A. The City of Sistersville (the "City") is a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State and the City presently owns and operates a public waterworks treatment and distribution system (the "System").

B. The acquisition and construction of the System were financed in part by the proceeds of prior bond issues of the City, including (i) the Water Revenue Bonds, Series 1989 A Bonds, dated January 25, 1989, issued in the original aggregate principal amount of \$250,000, of which approximately \$230,210.87 is presently outstanding (the "Series 1989 A Bonds"); (ii) the Water Revenue Bonds, Series 1989 B, dated January 25, 1989, issued in the original aggregate principal amount of \$240,000 (the "Series 1989 B Bonds" and, collectively with the Series 1989 A Bonds the "Series 1989 Bonds"); and (iii) the Water Revenue Bonds, Series 2000, dated June 29, 2000, issued in the original aggregate principal amount of

\$430,000 (the "Series 2000 Bonds"). The Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds are hereinafter collectively referred to as the "Prior Bonds." The Prior Bonds each have a first lien on the gross revenues of the System on a parity with one another.

C. Pursuant to the Act, the City is authorized and empowered to issue refunding revenue bonds for the purpose of refunding, paying or discharging all or any part of its outstanding revenue bonds, including interest thereon.

D. It is deemed necessary that the City issue its Water Refunding Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), in the maximum total aggregate principal amount of not more than \$1,200,000.

E. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2003 Bonds presented to the City by the Original Purchaser, the Series 2003 Bonds show a net present value debt service savings to the City after deducting all expenses of the refunding and the costs of issuing the Series 2003 Bonds and such refunding is in the best interest of the City.

F. The City shall not sell the Series 2003 Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph F above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2003 Bonds, and the City shall not issue the Series 2003 Bonds without having obtained from an Independent Certified Public Accountant or firm of independent certified public accountants, a certification that the amount of savings stated to be achieved by the refunding shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2003 Bonds and the net interest cost in dollars of the Series 2003 Bonds.

G. Subject to the determination and certification required by paragraph F above, it is in the best interests of the City, and the residents thereof, that the City refund all or a portion of the Prior Bonds, as shall be set forth in a Supplemental Resolution with proceeds of the Series 2003 Bonds and other funds of the City, to issue the Series 2003 Bonds and to pledge the Gross Revenues of the System for payment thereof, on a parity with any of the Prior Bonds which remain outstanding.

H. The estimated revenues to be derived in each year from the operation of the System after the refunding and defeasance of the Prior Bonds will be sufficient to pay all Operating Expenses of the System and the principal of and interest on the Series 2003 Bonds and all Prior Bonds which remain outstanding and to make all other payments provided for in this Ordinance.

I. All things necessary to make the Series 2003 Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the City according to the import thereof, and to validly pledge and assign those

funds pledged hereby to the payment of the principal of and interest on the Series 2003 Bonds, will be timely done and timely performed.

J. The Series 2003 Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the City.

K. The City is a governmental unit with general taxing powers.

L. The Series 2003 Bonds are not private activity bonds as defined in the Code.

M. Ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the Series 2003 Bonds will be issued for local governmental activities of the City.

N. The City shall not permit at any time any of the proceeds of the Series 2003 Bonds or other funds of the City to be used directly or indirectly in any manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code.

O. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds.

P. The Bonds will not be federally guaranteed within the meaning of Section 149(b) of the Code.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of Series 2003 Bonds by those who shall be the Bondholders of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the City and such Bondholders, and the covenants and agreements herein set forth to be performed by the City shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2003 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, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. All capitalized terms used in this Ordinance and not otherwise defined in the recitals or in the text hereof shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" or "Refunding Act" means Chapter 18, Article 19 of the West Virginia Code of 1931, as amended and in effect on the date of delivery of the Series 2003 Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer and Redemption Digest.

"Authorized Officer" means the Mayor of the City or any other officer of the City specifically designated by resolution of the City Council.

"Board" or "Sanitary Board" means the Sanitary Board of the City.

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

"Bond Counsel" shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the City, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

"Bondholder," "Holder of the Bonds," "Owner of the Bonds" or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Bond Register" means the books of the City maintained by the Registrar for the registration and transfer of Bonds.

"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, or such other period as shall be determined by the City, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2003 Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations or West Virginia banking corporations are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2003 Bonds, in substantially the form set forth in EXHIBIT A - BOND FORM hereto.

"City" means the City of Sistersville, a municipal corporation of the State of West Virginia, and, where appropriate, the City Council of the City.

"Closing Date" means the date upon which there is an exchange of the Series 2003 Bonds for the proceeds representing the original purchase price thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Prior Bonds (which amount shall reflect the Authority's determination of the Redemption Price of the Prior Bonds), interest accruing or to accrue thereon, redemption, premiums, premiums for municipal bond insurance, if any, expenses for fiscal or other agents, legal expenses and any other costs or expenses necessary, incidental, desirable or appurtenant to the issuance of the Series 2003 Bonds and the refunding of the Prior Bonds.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Costs of Issuance" shall mean those costs of issuing the Series 2003 Bonds, including, but not limited to, legal, accounting, fiscal agent fees and expenses and fees in connection therewith.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the City as Depository Bank.

"DTC" means the Depository Trust Company, New York, New York, or its successor thereof.

"DTC-eligible" means, with respect to the Series 2003 Bonds, meeting the qualifications prescribed by the Depository Trust Company, New York, New York.

"Event of Default" means any occurrence or event specified in Section 7.01.

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

"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 City or any other governing body of the City that succeeds to the functions of the City Council as presently 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, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

"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), or any Tap Fees, as hereinafter defined.

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

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by a Bond Insurer simultaneously with the delivery of the Series 2003 Bonds, insuring the payment of the principal of and interest on all or any of the Series 2003 Bonds in accordance with the terms thereof.

"Net Proceeds" means the face amount of the Series 2003 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2003 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 2003 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 which is acquired with the gross proceeds of the Series 2003 Bonds and is not acquired in order to carry out the governmental purpose of the Series 2003 Bonds.

"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, 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 of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" means this Ordinance and all resolutions and ordinances supplemental hereto or amendatory hereof.

"1989 Ordinance" means the ordinance, as supplemented, of the City, duly enacted _____, 1989, authorizing the Series 1989 A Bonds and the Series 1989 B Bonds.

"2000 Ordinance" means the ordinance, as supplemented, of the City, duly enacted April 10, 2000, authorizing the Series 2000 Bonds.

"Original Purchaser" means _____, _____, as the purchaser of the Series 2003 Bonds directly from the City, or, if the City and such Original Purchaser do not agree to the purchase of the Series 2003 Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2003 Bonds directly from the City, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the City shall agree to the purchase of the Series 2003 Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the City at the time of approval of such sale of said Series 2003 Bonds.

"Outstanding," when used with reference to the Series 2003 Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by

Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the City. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as a Bond Insurer has been reimbursed in full.

"Paying Agent" means the Bond Commission or other entity designated as such for the Series 2003 Bonds in the Supplemental Resolution, and any successor thereto appointed in accordance with Section 8.12 hereof.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Prior Bonds" means, collectively, the Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds.

"Prior Ordinances" means, collectively, the 1989 Ordinance and the 2000 Ordinance.

"Purchase Price," for the purpose of computation of the Yield of the Series 2003 Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2003 Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the Series 2003 Bonds of each maturity is sold or, if the Series 2003 Bonds are privately placed, the price paid by the first buyer of the Series 2003 Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2003 Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2003 Bonds.

"Qualified Investments" means and includes any of the following, unless otherwise set forth in the Supplemental Resolution:

- (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, 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 exempt from federal income taxation, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Record Date" means the day of the month which shall be so stated in the Series 2003 Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Recorder" means the Recorder of the City.

"Redemption Date" means the date fixed for redemption of any Bonds of the City called for redemption.

"Redemption Price" means the price at which any Bonds of the City may be called for redemption and includes the principal of and interest on such Bonds to be redeemed, plus the interest and premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2003 Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

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

"Representation Letter" means the Letter Agreement among the City, DTC and the Paying Agent.

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

"Series 1989 A Bonds" means the City's Water Revenue Bonds, Series 1989 A, as described in Section 1.02B.

"Series 1989 B Bonds" means the City's Water Revenue Bonds, Series 1989 B, as described in Section 1.02B.

"Series 2000 Bonds" means the City's Water Revenue Bonds, Series 2000, as described in Section 1.02B.

"Series 2003 Bonds" means the Water Refunding Revenue Bonds, Series 2003, of the City, originally authorized to be issued pursuant to this Ordinance.

"Series 2003 A Bonds Redemption Account" means the Series 2003 Bonds Redemption Account created by Section 4.02 hereof.

"Series 2003 Bonds Reserve Account" means the Series 2003 Bonds Reserve Account created by Section 4.02 hereof.

"Series 2003 Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2003 Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2003 Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2003 Bonds.

"Series 2003 Bonds Sinking Fund" means the Series 2003 Bonds Sinking Fund created by Section 4.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the City following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2003 Bonds and authorizing the sale of the Series 2003 Bonds to the Original Purchaser and setting forth provisions specific to the Bond Insurer, if any; provided, that any

provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the City, including, without limitation, the Renewal and Replacement Fund and any reserve accounts.

"System" means the complete existing public waterworks system now owned by the City, consisting of a water treatment and distribution system and shall include any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the City.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of adoption of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. To the extent set forth in the Supplemental Resolution, all Prior Bonds Outstanding as of the date of issuance of the Series 2003 Bonds are hereby ordered to be refunded and the pledge of Net Revenues in favor of the Holders of the Prior Bonds imposed by the Prior Ordinances, the monies in the funds and accounts created by the Prior Ordinances pledged to payment of the Prior Bonds, and any other funds pledged by the Prior Ordinances to payment of the Prior Bonds are hereby ordered terminated, discharged and released upon the payment to the Holders of the Prior Bonds, the following: (a) amounts equal to the fiscal and paying agent charges to become due and payable in connection with the Prior Bonds; and (b) amounts to provide for the payment of the principal of and interest on the Prior Bonds, plus the premium, if any, as of the date of Closing. Contemporaneously with the payment to the Holders of the Prior Bonds of the amounts set forth above, the amounts on deposit in the sinking funds, including the reserve accounts therein, created and maintained on behalf of the Prior Bonds shall be released from the lien created by the Prior Ordinances.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Bonds issued pursuant to this Ordinance after the issuance of the Series 2003 Bonds, as hereinafter provided, may be issued only as fully registered Bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof for any year of maturity. All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered.

The principal of and the premium, if any, on the Series 2003 Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Bondholder of \$500,000 or more of the Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Bondholder.

In the event any Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the City shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said Bond then Outstanding.

Section 3.02. Execution of Bonds. The Series 2003 Bonds shall be executed in the name of the City by the Mayor, by his or her manual or facsimile signature, and the seal of the City shall be affixed thereto or imprinted thereon and attested by the Recorder by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the 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 Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall

hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference with respect to the Series 2003 Bonds, shall have been duly manually executed by the Registrar. Any such manually 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 Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the 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 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2003 Bonds 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 any of said 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, 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 any of the Series 2003 Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. Bonds shall be transferable only by transfer of registration upon the Bond 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 Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2003 Bond is exercised, Bonds shall be delivered in accordance with the provisions of this

Ordinance. All Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, 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, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2003 Bond shall become mutilated or be destroyed, stolen or lost, the City may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and 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 the City and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City or the Registrar may prescribe and paying such expenses as the City or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the City. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the City from the Revenue Fund and into the Series 2003 Bonds Redemption Account in accordance with Subsection 4.03A(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first Mandatory Redemption Date of said Term Bonds, a sum equal to 1/12th of the amount required to

redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing Mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such Mandatory Redemption Date, the City may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such Mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The City shall on or before the 60th day next preceding each Mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2003 Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the City and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such Mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2003 Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2003 Bonds Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the Mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of \$5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2003 Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bond Insurer, if any, the Original Purchaser and the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2003 Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices relating to optional redemption of the Series 2003 Bonds shall also be sent to registered securities depositories.

All official notices of redemption shall be dated and shall state:

- (1) The Redemption Date;
- (2) The Redemption Price;
- (3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (4) That on the Redemption Date, the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;
- (5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar; and
- (6) Such other information, if any, as shall be required for DTC-eligible Bonds.

If funds sufficient to redeem all Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Bonds called for redemption of such fact.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable

at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unredeemed principal of such Bond. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Bonds, and failure to mail or otherwise send such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The City, the Registrar and any agent of the City or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the City may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the City shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Authorization of Bonds. For the purposes of paying a portion of the costs of refunding all of the Prior Bonds of the City, funding all or a portion of the Series 2003 Bonds Reserve Account and paying costs in connection therewith, and paying certain costs of acquisition and construction of certain improvements and additions to the System, there shall be issued the Series 2003 Bonds of the City, in an aggregate principal amount of not more than \$1,200,000. The Series 2003 Bonds shall be designated "Water Refunding Revenue Bonds, Series 2003" and shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 2003 Bonds maturing in the year of

maturity for which the denomination is to be specified. The Series 2003 Bonds shall be numbered from AR-1 consecutively upward. The Series 2003 Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the City shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Bonds. A. The Series 2003 Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2003 Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 2003 Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Series 2003 Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2003 Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the City or the Registrar either a Series 2003 A Bond or any other evidence of ownership of the Series 2003 Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2003 Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Series 2003 Bonds, the City and the Registrar shall execute or signify their approval of a Representation Letter addressed to DTC in a form satisfactory to DTC. Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2003 Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2003 Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2003 Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2003 Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2003 Bonds so redeemed, but DTC may return such Series 2003 Bonds and make an appropriate notation on the Series 2003 Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2003 Bonds of such maturity which have been redeemed.

D. The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2003 Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2003 Bonds, selecting the Series 2003 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2003 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2003 Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2003 Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2003 Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2003 Bonds or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2003 Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2003 Bonds; or (ii) the City determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2003 Bonds. In either of such events (unless in the case described in clause (ii) above, the City appoints a successor securities depository), the Series 2003 Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the City or the Registrar for the accuracy of such designation. Whenever DTC requests the City and the Registrar to do so, the City and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2003 Bonds.

Section 3.12. Delivery of Bonds. The City shall execute and deliver the Series 2003 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2003 Bonds to the Original Purchaser upon receipt of the documents set forth below:

- (A) A list of the names in which the Series 2003 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(B) A request and authorization to the Registrar on behalf of the City, signed by an Authorized Officer, to authenticate and deliver the Series 2003 Bonds to the Original Purchaser;

(C) Copies of this Ordinance and the Supplemental Resolution certified by the Recorder;

(D) The unqualified approving opinion upon the Series 2003 Bonds by Bond Counsel; and

(E) A copy of such other documents, certifications and verifications as the Original Purchaser may reasonably require.

Section 3.13. Form of Bonds. The definitive Series 2003 Bonds shall be in substantially the form set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2003 Bonds on behalf of the City and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2003 Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Bonds. Upon the issuance and delivery of the Series 2003 Bonds, the City shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on the Series 2003 Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2003 Bonds Sinking Fund and applied to payment of interest on the Series 2003 Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2003 Bonds which, together with other monies or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the Prior Bonds (which amount shall be set forth in the Supplemental Resolution) shall be deposited in the Prior Bonds Sinking Funds or paid directly to the holders of the Prior Bonds.

C. An amount of the proceeds of the Series 2003 Bonds equal to the Series 2003 Bonds Reserve Requirement shall be remitted to the Bond Commission for deposit in the Series 2003 Bonds Reserve Account; provided that, to the extent the Series 2003 Bonds Reserve Requirement is satisfied in whole or in part from proceeds of any fund or account established for the Prior Bonds pursuant to the 1989 Ordinance, proceeds of the Series 2003 Bonds shall be deposited in the Series 2003 Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2003 Bonds Reserve Requirement.

D. An amount of the proceeds of the Series 2003 Bonds which shall be sufficient to pay all costs of issuance shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2003 Bonds and miscellaneous costs of refunding the Series 2003 Bonds at the written direction of the City. All such costs of issuance shall be paid within 60 days of the Closing Date. Monies not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred to the Series 2003 Bonds Redemption Account. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2003 Bonds.

E. The balance of any proceeds of the Series 2003 Bonds and any monies in any fund or account established for the Prior Bonds pursuant to the Prior Ordinances, not used for any of the purposes set forth above, shall be deposited in the Construction Fund and shall be drawn out, used and applied by the City solely to pay the costs of acquisition and construction of certain improvements and extensions to the System (the "Project"). All such costs of the Project shall be paid within 6 months of the Closing Date. Monies not to be applied immediately to pay such costs of the Project may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2003 Bonds.

Section 3.15. Designation of Bonds as "Qualified Tax-Exempt Obligations". The City hereby designates the Series 2003 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2003 Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the City to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2003 Bonds, have been or shall be issued by the City, including all subordinate entities of the City, during the calendar year 2001.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank.

Pursuant to this Article IV, the following special funds or accounts are hereby created with (or continued if previously established), and shall be held by, the Depository Bank, segregated and apart from all other funds or accounts of the Depository Bank and the City and from each other:

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Renewal and Replacement Fund (established by the Prior Ordinances);
- (3) Construction Fund;
- (4) Costs of Issuance Fund; and
- (5) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Bond

Commission. Pursuant to this Article IV, the following special funds or accounts are hereby created with (or continued if previously established), and shall be held by, the Bond Commission, separate and apart from all other funds or accounts of the Bond Commission and the City and from each other:

- (1) Series 2003 Bonds Sinking Fund;
- (2) Within the Series 2003 Bonds Sinking Fund, the Series 2003 Bonds Reserve Account; and
- (3) Within the Series 2003 Bonds Sinking Fund, the Series 2003 Bonds Redemption Account.

Section 4.03. System Revenues and Application Thereof. So long as any of the Bonds shall be Outstanding and unpaid, the City covenants as follows:

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt by the City in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the City and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The City shall, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to: (i) the Bond Commission commencing 6 months prior to the first interest payment date on the Series 2003 Bonds, for deposit in the Series 2003 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2003 Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2003 Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2003 Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2003 Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2003 Bonds Sinking Fund; and (ii) commencing 12 months prior to the first principal payment date or Mandatory Redemption Date of the Series 2003 Bonds, for deposit in the Series 2003 Bonds Sinking Fund, and in the Series 2003 Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2003 Bonds on the next ensuing principal payment date or Mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 Bonds Sinking Fund and the next ensuing annual principal payment date or Mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or Mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2003 Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(2) The City shall first each month pay from the Revenue Fund the Operating Expenses of the System.

(3) The City shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission for deposit in the Series 2003 Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2003 Bonds Reserve Account below the Series 2003 Bonds Reserve Requirement or any withdrawal from the Series 2003 Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2003 Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2003 Bonds Reserve Account is less than the Series 2003 Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2003 Bonds Reserve Account for deposit into the Series 2003 Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2003 Bonds Reserve Account to an amount equal to the Series 2003 Bonds Reserve Requirement to the full extent that such Net Revenues are available; provided, that no payments shall be required to be made into the Series 2003 Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2003 Bonds Reserve Requirement.

(4) The City shall next, from the monies remaining in the Revenue Fund on the first day of each month, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the City or of the Depository Bank and shall be invested and reinvested in Qualified Investments. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2003 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2003 Bonds as the same shall become due, whether by maturity or redemption prior to maturity. Amounts in the Series

2003 Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2003 Bonds when due, when amounts in the Series 2003 Bonds Sinking Fund are insufficient therefor and for no other purpose.

The City shall not be required to make any further payments into the Series 2003 Bonds Sinking Fund or the Series 2003 Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of Series 2003 Bonds issued pursuant to this Ordinance then Outstanding, plus the amount of interest due or thereafter to become due on the Series 2003 Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2003 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 or before maturity and to accumulate a balance in the respective reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of such additional parity Bonds.

The payments into the Series 2003 Bonds Sinking Fund 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 payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

The City shall restore any withdrawals from the Series 2003 Bonds Reserve Account which have the effect of reducing the assets therein below the Series 2003 Bonds Reserve Requirement from the first Net Revenues available after all required payments have been made in full in the order set forth above.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2003 Bonds Sinking Fund and the Series 2003 Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Bond Commission from the Revenue Fund by the City at the times provided herein.

B. 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.

C. The City shall remit from the Revenue Fund to the Bond Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Bond

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 any charges and fees then due.

D. The monies in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund 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.

E. If on any monthly payment date the Net 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 4.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

F. All remittances made by the City to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The City shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, 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 City 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 City may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Series 2003 Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The City shall, or shall cause the Bond Commission to, semiannually transfer from the Series 2003 Bonds Reserve Account to the Series 2003 Bonds Sinking Fund, any earnings on the monies deposited therein and any other funds in excess of the requirement therefor; provided, however, that there shall at all times remain on deposit in the Series 2003 Bonds Reserve Account an amount at least equal to the Series 2003 Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all

funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2003 Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2003 Bonds Reserve Account shall, at any time, be less than the applicable requirement therefor, the Bond Insurer, if any, shall be notified immediately of such deficiency, such deficiency shall be made up from the first available Net Revenues in the order set forth in Section 4.03 hereof.

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2003 Bonds and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all monies deposited in the Series 2003 Bonds Sinking Fund may be invested by the Bond Commission in 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.

Section 5.02. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 2003 Bonds in such manner and to such extent as may be necessary, so that the Series 2003 Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, 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 2003 Bonds) so that the interest on the Series 2003 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.

Section 5.03. Tax Certificate and Rebate. A. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2003 Bonds. In addition, the City covenants to comply with all Regulations from time to time in effect and applicable to the Series 2003 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

B. The City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the City shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose of the System. The City shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect, with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. The City at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City may deem appropriate in order to assure compliance with this Section 5.03. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and the required amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2003 Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Agreement. If so required, the City shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE CITY

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this 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 2003 Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the City hereby covenants and agrees with the Holders of the Series 2003 Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2003 Bonds, or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the City. The Series 2003 Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, the monies in the Series 2003 Bonds Sinking Fund and the Series 2003 Bonds Reserve Account therein, and the unexpended proceeds of the Series 2003 Bonds, all as herein provided. No Holder or Holders of the Series 2003 Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City, if any, to pay the Series 2003 Bonds or the interest thereon.

Section 6.03. Bonds Secured by Parity Pledge of Net Revenues and Monies in Sinking Fund. The payment of the debt service of all of the Series 2003 Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System. The Net Revenues derived from the System, in an amount sufficient to pay the interest on and principal of the Series 2003 Bonds herein authorized, and to make the payments into the Series 2003 Bonds Sinking Fund, including the Series 2003 Bonds Reserve Account therein, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the interest on and principal of the Series 2003 Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance.

Section 6.04. Rates. The City covenants that 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 Recorder, which copies will be open to inspection by all interested parties. Following the enactment of the aforementioned Rate Ordinance, the schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said 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 City hereby covenants and agrees that the schedule of rates or charges from time to time in effect, following the enactment of the aforementioned Rate Ordinance, 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 on the Series 2003 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 2003 Bonds.

Section 6.05. Operation and Maintenance. The City will operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

Section 6.06. Sale of the System. So long as the Series 2003 Bonds are outstanding and except as otherwise required by law, 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 pay fully all the Bonds Outstanding, or to effectively defease this Ordinance in accordance with Article IX hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2003 Bonds, immediately be remitted to the Bond Commission for deposit in the Series 2003 Bonds Sinking Fund, and the City shall direct the Bond Commission to apply such proceeds to the payment of principal of and interest on the Series 2003 Bonds. Any balance remaining after the payment of the Series 2003 Bonds and interest thereon shall be remitted to the City by the Bond Commission unless necessary for the payment of other obligations of the City payable out of the revenues of the System.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System 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 City shall, by Ordinance, 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 Renewal and Replacement 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 City shall first, 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 Ordinance duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from

any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of \$50,000, shall with the written consent of the Authority, be remitted by the City to the Bond Commission for deposit in the Sinking Funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value. Such payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance. No sale, lease or other disposition of the properties of the System shall be made by the City 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, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. The City 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 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 6.07 and Section 6.08 hereof, the City 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 2003 Bonds. All obligations issued by the City after the issuance of the Series 2003 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2003 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

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 Series 2003 Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2003 Bonds and the interest thereon, if any, in this Ordinance, or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2003 Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2003 Bonds.

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

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by an Independent Certified Public Accountant 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 Ordinance 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 City, the period for appeal of which has expired (without successful appeal) prior to the date of 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 an Independent Certified Public Accountant, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System enacted by the City, the period for appeal of which has expired (without successful appeal) prior to issuance of such Parity Bonds.

All covenants and other provisions of this Ordinance (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 revenues, without preference of any Bond of one series over any other Bond of the same series. The City shall comply fully with all the increased payments into the various

funds and accounts created in this Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountant, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2003 Bonds on such revenues. The City shall not issue any obligations whatsoever payable from 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 2003 Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Ordinance with respect to the Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of such Parity Bonds, and the City shall then be in full compliance with all the covenants, agreements and terms of this Ordinance.

Any certifications requiring computations establishing that debt service coverage is sufficient to support the issuance of parity bonds or that requisite debt service savings are available to support the issuance of refunding bonds shall, in all cases, be evidenced by a certificate of an Independent Certified Public Accountant.

No additional bonds, notes, certificates, contracts or any other obligations shall be issued by the City unless no Event of Default shall have occurred and be continuing with respect to the Bonds.

Section 6.09. Insurance and Bonds. The City hereby covenants and agrees, that so long as the Bonds remain Outstanding, the City will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the City 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 Renewal and Replacement Fund and used only for the repairs and restoration of the damaged and destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the City 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 City from claims arising out of operation or ownership of motor vehicles of or for the System.

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

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

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

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

Section 6.10. No Free Services. The City 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 City or any department, agency, instrumentality, officer or employee thereof shall avail himself or themselves of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City 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 6.11. Enforcement of Collections. The City will diligently 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, rentals or other charges which shall become delinquent to the full extent permitted or

authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, when due, shall become a lien on the premises served by the System. The City 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 and facilities of the System and any services and facilities of the waterworks system, if so owned by the City, to all delinquent users of services and facilities of the System and will not restore such services of the System (or waterworks system) until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid. If the waterworks system is not owned by the City, the City shall enter into a termination agreement with the water provider, 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 6.12. 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 6.13. Books and Records. The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds 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 West Virginia and the Act. Separate control accounting records shall be maintained by the City. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the City. The City 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 City shall be reported to such agent of the City as it shall direct.

The City shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 30 days following the date of receipt of the final audit containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The City shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, an annual report containing the following:

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

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

The City shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by an Independent Certified Public Accountant 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 Accountant, or a summary thereof, to any Holder or Holders of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.14. Operating Budget. The City shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. 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 City 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 such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser 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 Original Purchaser, the Bond Insurer and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.15. 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 City 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 Division 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 Division 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 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 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2003 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2003 Bonds.

Section 6.17. Tax Covenants. The City hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The City shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2003 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 2003 Bonds during the term thereof is, under the terms of the Series 2003 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 City, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2003 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 2003 Bonds during the term thereof is, under the terms of the Series 2003 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 City, 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 2003 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2003 Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The City shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2003 Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The City 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 2003 Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2003 Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The City will take all actions that may be required of it so that the interest on the Series 2003 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 6.18. Municipal Bond Insurance Policy. The City may apply for a Municipal Bond Insurance Policy for the Series 2003 Bonds. In the event a Municipal Bond Insurance Policy is obtained, additional covenants and provisions of the City may be required by the Bond Insurer as a condition to insuring the Series 2003 Bonds. These additional covenants and provisions shall be set forth in a Supplemental Resolution, shall apply to the Series 2003 Bonds, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2003 Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on the Series 2003 Bonds;

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Series 2003 Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by any Bondholder or any Bond Insurer;

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

(D) If default occurs with respect to the Series 1986 B Bonds or the Series 1983 Bonds or the Ordinances authorizing the Series 1986 B Bonds and the Series 1983 Bonds.

The City must cure any covenant default within 30 days after notice of the default. Notwithstanding any other provision of this Ordinance, failure to pay principal of or interest on the Bonds shall be an immediate event of default and no notice shall be required.

No waivers shall be granted by any party to the Bond documents without the prior written consent of the Bond Insurer, if any.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to

require the City to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Bonds;

(D) By action at law or bill in equity require the City to account as if it were the trustee of an express trust for the Bondholders; and/or

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute. All rights and remedies of the Holders of the Series 2003 Bonds shall be on a parity with those of the Holders of the Series 1986 B Bonds and junior and subordinate to those of the Holders of the Series 1983 Bonds.

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 Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer 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 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 and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, 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 said facilities as the City itself might do.

Whenever all that is due upon the Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Net Revenues of the System shall have been paid and made good, and all defaults under the provisions of this 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 default, any Bondholder 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, 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 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 City and for the joint protection and benefit of the City and the Holders of the Bonds issued pursuant to this Ordinance. 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, for the sole purpose of the protection of both the City and the Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said 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.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of City and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the City and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2003 Bonds shall be appointed pursuant to the Supplemental Resolution. The City is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2003 Bonds shall be taken as statements of the City, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2003 Bonds by the City. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2003 Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, ordinance, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the City, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The City shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2003 Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2003 Bonds or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2003 Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the City and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Series 2003 Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the City or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the City or by the Holders of a majority in principal amount of the Series 2003 Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the City or by such Bondholders or their attorneys duly authorized in writing and delivered to the City, as the case may be. Copies of each such instrument shall be delivered by the City to the Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2003 Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the City and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the City shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The City shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Series 2003 Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the City shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the City written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Adoption of Authentication. In case any of the Series 2003 Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Series 2003 Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.11. Paying Agent. The Bond Commission shall serve as the Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the City a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the City shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same City as such Paying Agent to fill such vacancy; provided, however, that, if the City shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agent shall enjoy the same protective provisions in the performance of its duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agent shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2003 Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Net Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the City on behalf of the Holders of the Series 2003 Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied, except as may be necessary to assure the exclusion of interest on the Series 2003 Bonds from gross income for federal income tax purposes.

The Series 2003 Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, 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 and interest on the Series 2003 Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2003 Bonds shall, prior to the maturity thereof, 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 an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on the Series 2003 Bonds on and prior to the maturity date thereof, or if the City irrevocably determines to redeem any of the Series 2003 Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Series 2003 Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on the Series 2003 Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations, as such term is limited by the provisions in Section 1.04 hereof or such additional securities as shall be set forth in the Supplemental Resolution.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2003 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of the Ordinance, shall be controlling. Following issuance of the Series 2003 Bonds, this Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, so long as such amendment or modification is not materially adverse to any Bondholder, as determined by an opinion of Bond Counsel. In the event any of the Series 2003 Bonds are insured, no such amendment or modification which adversely affects the security for such Series 2003 Bonds or the rights of any Bond Insurer for such Series 2003 Bonds may be effected without the written consent of such Bond Insurer. No materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Series 2003 Bonds then Outstanding and affected thereby and such Bond Insurer, which must be filed with the City before any such modification or amendment may be made. 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 or interest on, any Series 2003 Bond without the express written consent of the Holder of each Series 2003 Bond so affected, nor reduce the percentage of Series 2003 Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the City or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the

City or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the City or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the City or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the City, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the City shall be destroyed, and a certificate evidencing such destruction shall be delivered to the City.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the City be paid by the Bond Commission or said Paying Agent to the City as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the City for the payment of such Bonds; provided, however, that, before making any such payment to the City, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies

remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the City. If any of said Bonds is a coupon Bond, the Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such monies will be returned to the City, in an Authorized Newspaper.

Section 10.06. 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, the Paying Agent, the Depository Bank or the Original Purchaser 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:

CITY

The City of Sistersville
200 Diamond Square
Sistersville, West Virginia 26175
Attention: Mayor

REGISTRAR

[Name and address to be set forth in Supplemental Resolution]

PAYING AGENT

West Virginia Municipal Bond Commission
8 Capitol Street, Suite 500-Terminal Building
Charleston, West Virginia 25301
Attention: Executive Director

DEPOSITORY BANK

[Name and address to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER

Attention: _____

BOND INSURER

[Name and address, if any, to be set forth in Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the City or officer or employee of the City shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the City, the Registrar, the Paying Agent, the Holders of the Series 2003 Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Registrar, the Paying Agent, the Holders of the Series 2003 Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All orders, Ordinances or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.13. Covenant of Due Procedure, Etc. The City 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, Recorder 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.

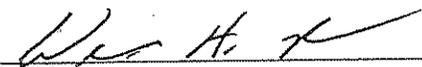
Section 10.14. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Tyler Star News*, a newspaper published and of general circulation in the City of Sistersville, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the 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.

Section 10.15. Effective Date. This Ordinance shall take effect immediately upon enactment.

Passed on First Reading: - October 28, 2002

Passed on Second Reading: - November 12, 2002

Passed on Final Reading
Following Public
Hearing: - January 22, 2003



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of The City of Sistersville on the 22nd day of January, 2003.

Dated this 21st day of November, 2003.

[SEAL]

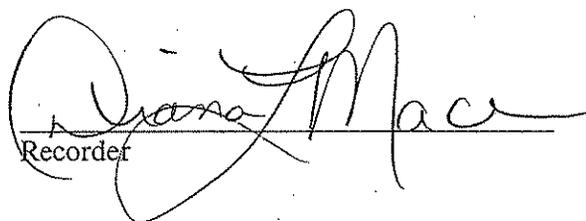

Recorder

EXHIBIT A - BOND FORM

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-_____

\$ _____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SISTERSVILLE
(WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

INTEREST RATE

MATURITY DATE

BOND DATE

CUSIP NO.

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment

of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Bondholder hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Bondholders not less than 10 days prior to said special record date at the address of such Bondholder as it appears on the registration books of the City maintained by _____, _____, _____, as registrar (in such capacity, the "Registrar"), or, at the option of any Bondholder of at least \$500,000 in aggregate principal amount of Bonds; by wire transfer in immediately available funds to a domestic bank account specified in writing by the Bondholder to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$ _____ designated "The City of Sistersville (West Virginia) Water Refunding Revenue Bonds, Series 2003" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2003, the proceeds of which are to be used, together with other funds of the City, (i) to currently refund all of the Water Revenue Bonds, Series 1989 A, dated January 25, 1989, of the City outstanding in the total aggregate principal amount of \$250,000, all of the Water Revenue Bonds, Series 1989 B, dated January 25, 1989, of the City in the total aggregate principal amount of \$240,000, and all of the Water Revenue Bonds, Series 2000, dated June 29, 2000, of the City in the total aggregate principal amount of \$430,000 (collectively, the "Prior Bonds"), which were issued to finance a portion of the cost of acquisition and construction of the public waterworks system of the City (the "System"); (ii) to fund a reserve account for the Bonds; (iii) to pay certain costs of issuance of the Bonds and related costs; and (iv) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the System. 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 18, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the City on _____, 2003, and supplemented by a supplemental Resolution duly adopted by the City on _____, 2003 (hereinafter collectively referred to as the

"Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance 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 Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the City, the Registrar, the Paying Agent, the Bondholders of the Bonds and the Bondholders of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds are not subject to optional redemption prior to _____. At the option of the City, the Bonds will be subject to redemption prior to maturity on and after _____, _____, as a whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus interest accrued to the date fixed for redemption:

<u>Period During Which Redeemed</u> <u>(Dates Inclusive)</u>	<u>Redemption</u> <u>Price</u>
---	-----------------------------------

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, are subject to mandatory sinking fund redemption prior to maturing on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

<u>Bonds Maturing</u>	
<u>Year ()</u>	<u>Principal Amount</u>

<u>Bonds Maturing</u>	
<u>Year ()</u>	<u>Principal Amount</u>

Bonds Maturing

<u>Year ()</u>	<u>Principal Amount</u>
-----------------	-------------------------

Bonds Maturing

<u>Year ()</u>	<u>Principal Amount</u>
-----------------	-------------------------

Bonds Maturing

<u>Year ()</u>	<u>Principal Amount</u>
-----------------	-------------------------

* Final Maturity

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Paying Agent on behalf of the City by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bondholder of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Bondholder to the Registrar. A copy of such notice of redemption shall also be mailed to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, and from monies in the reserve account created under the Ordinance for the Bonds (the "Series 2003 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2003 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Ordinance, the City 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, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely to refund the Series 2003 Bonds, fund all or a portion of a reserve account for the Bonds, pay costs of acquisition and construction of certain additions, betterments and improvements to the System and pay costs of issuance hereof, 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 in 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 said City, 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 said City for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance and the 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 SISTERSVILLE
(WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal
to be imprinted hereon and attested by its Recorder, and has caused this Bond to be dated as
of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)

Mayor

ATTEST:

(Manual or Facsimile Signature)

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Bondholder on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

as Registrar

By _____
Its Authorized Officer

11/12/02
827720.00002

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto _____

_____ the within Bond and does hereby irrevocably constitute
and appoint _____

_____ to transfer the said Bond on the books
kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with
the name as it appears upon the face of the within Bond in every particular, without alteration
or any change whatever.

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-1

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
3.350%	June 1, 2004	November 21, 2003	829794 AA 4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWENTY THOUSAND DOLLARS
(\$20,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-2

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
3.350%	June 1, 2007	November 21, 2003	829794 AB 2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS
(\$125,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-3

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
4.250%	June 1, 2010	November 21, 2003	829794 AC 0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED FORTY THOUSAND DOLLARS
(\$140,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-4

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
4.650%	June 1, 2013	November 21, 2003	829794 AD 8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED FIFTY-FIVE THOUSAND DOLLARS
(\$155,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-5

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
5.000%	June 1, 2017	November 21, 2003	829794 AE 6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED FORTY-FIVE THOUSAND DOLLARS
(\$245,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-6

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
5.500%	June 1, 2020	November 21, 2003	829794 AF 3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS
(\$225,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2004 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Bondholder hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Bondholders not less than 10 days prior to said special record date at the address of such Bondholder as it appears on the registration books of the City maintained by Fifth Third Bank, Cincinnati, Ohio, as registrar (in such capacity, the "Registrar"), or, at the option of any Bondholder of at least \$500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Bondholder to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$910,000 designated "City of Sistersville (West Virginia) Water Refunding Revenue Bonds, Series 2003" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated November 21, 2003, the proceeds of which are to be used, together with other funds of the City, (i) to currently refund the City's Water Revenue Bonds, Series 1989 A, dated January 25, 1989, originally issued in the aggregate principal amount of \$250,000, of which approximately \$225,000 is presently outstanding; (ii) to currently refund the City's Water Revenue Bonds, Series 1989 B, dated January 25, 1989, originally issued in the aggregate principal amount of \$240,000, of which approximately \$213,000 is presently outstanding; (iii) to currently refund the City's Water Revenue Bonds, Series 2000, dated June 29, 2000, originally issued in the aggregate principal amount of \$430,000, of which approximately \$326,000 is presently outstanding (collectively, the "Prior Bonds"), which were issued to finance a portion of the cost of acquisition and construction of the public waterworks system of the City (the "System"); (ii) to fund a reserve account for the Bonds; (iii) to pay certain costs of issuance of the Bonds and related costs; and (iv) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the System. 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 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the City on January 22, 2003, and

supplemented by a supplemental Resolution duly adopted by the City on November 13, 2003 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance 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 Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the City, the Registrar, the Paying Agent, the Bondholders of the Bonds and the Bondholders of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2003 Bonds maturing on and after June 1, 2013, are callable beginning June 1, 2013, at the option of the City, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of par, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2003 Bonds maturing June 1, 2007, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2005, and on each June 1 thereafter to and including June 1, 2007, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$40,000	2007*	\$45,000
2006	40,000		

The principal amount of Series 2003 Bonds maturing June 1, 2007, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2010, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2008, and on each June 1 thereafter to and including June 1, 2010, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2008	\$45,000	2010*	50,000
2009	\$45,000		

The principal amount of Series 2003 Bonds maturing June 1, 2010, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2013, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2011, and on each June 1 thereafter to and including June 1, 2013, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$50,000	2013*	55,000
2012	\$50,000		

The principal amount of Series 2003 Bonds maturing June 1, 2013, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2017, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2014, and on each June 1 thereafter to and including June 1, 2017, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$55,000	2016	\$65,000
2015	60,000	2017*	65,000

The principal amount of Series 2003 Bonds maturing June 1, 2017, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2018, and on each June 1 thereafter to and including June 1, 2020, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2018	\$70,000	2020*	\$80,000
2019	75,000		

The principal amount of Series 2003 Bonds maturing June 1, 2020, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

*Stated maturity.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Registrar. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the City by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Original Purchaser and the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar. So long as DTC is the registered owner of the Series 2003 Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice and all notices shall be sent to the registered securities depositories. A copy of such notice of redemption shall also be mailed to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the System, and from monies in the reserve account created under the Ordinance for the Bonds (the "Series 2003 Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2003 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Ordinance, the City 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, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds.

All monies received from the sale of this Bond, there being no accrued interest thereon, shall be applied solely to refund the Series 2003 Bonds, fund all or a portion of a reserve account for the Bonds, pay costs of acquisition and construction of certain additions, betterments and improvements to the System and pay costs of issuance hereof, 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 in 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 said City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by said City for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

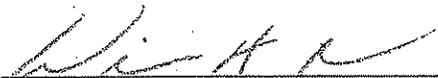
This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance and the 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.

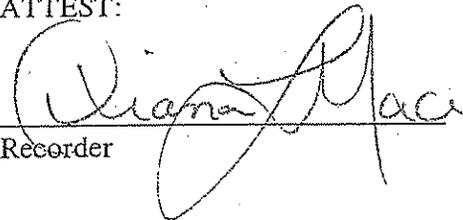
IN WITNESS WHEREOF, THE CITY OF SISTERSVILLE
(WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal
to be imprinted hereon and attested by its Recorder, and has caused this Bond to be dated as
of the Bond Date specified above.

[SEAL]



Mayor

ATTEST:



Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Bondholder on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: November 21, 2003.

FIFTH THIRD BANK,
as Registrar

By: Fred Oberhel
Its: Authorized Officer

11/18/03
827720.00002

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto _____

_____ the within Bond and does hereby irrevocably constitute
and appoint _____

_____ to transfer the said Bond on the books
kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with
the name as it appears upon the face of the within Bond in every particular, without alteration
or any change whatever.

CITY OF SISTERSVILLE (WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003

PARAMETERS RESOLUTION

RESOLUTION OF THE COUNCIL OF THE CITY OF SISTERSVILLE AUTHORIZING AND APPROVING CERTAIN PARAMETERS RELATING TO THE ISSUANCE OF THE WATER REFUNDING REVENUE BONDS, SERIES 2003 AND TERMS OF SUCH BONDS, AUTHORIZING CERTAIN DOCUMENTS RELATING TO THE BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, the acquisition and construction of the System were financed in part by the proceeds of prior bond issues of the City of Sistersville (the "City"), including (i) the Water Revenue Bonds, Series 1989 A Bonds, dated January 25, 1989, issued in the original aggregate principal amount of \$250,000, of which approximately \$224,842 is presently outstanding (the "Series 1989 A Bonds"); (ii) the Water Revenue Bonds, Series 1989 B, dated January 25, 1989, issued in the original aggregate principal amount of \$240,000, of which approximately \$211,028 is presently outstanding (the "Series 1989 B Bonds" and, collectively with the Series 1989 A Bonds the "Series 1989 Bonds"); and (iii) the Water Revenue Bonds, Series 2000, dated June 29, 2000, issued in the original aggregate principal amount of \$430,000, of which approximately \$324,942 is presently outstanding (the "Series 2000 Bonds"). The Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds are hereinafter collectively referred to as the "Prior Bonds";

WHEREAS, Chapter 8, Article 19, of the West Virginia Code of 1931, as amended (the "Act" or "Refunding Act"), authorizes, in the manner and subject to the limitations and conditions contained in the Refunding Act, the issuance and sale of refunding bonds by the City to provide for the payment of all principal of and interest on the Prior Bonds, including the redemption premium thereof, if any;

WHEREAS, the City enacted an Ordinance on December 9, 2002, authorizing and approving the current refunding of the Prior Bonds (the "Ordinance") pursuant to the Refunding Act, through the issuance of its not to exceed \$1,200,000 in aggregate principal amount of the City of Sistersville Water Refunding Revenue Bonds, Series 2003 (the "Refunding Bonds");

WHEREAS, the City has been informed by Ross, Sinclair & Associates (the "Underwriter"), that favorable market conditions currently exist that would permit a refunding of the Prior Bonds to achieve interest cost savings, which would decrease the aggregate amount of debt service payable by the City during the remaining years prior to maturity of the Prior Bonds, and has presented to the Council a summary of current market conditions;

WHEREAS, in order to be able to approve the sale of the Refunding Bonds on a timely basis and take advantage of favorable market conditions which currently exist, the Council wishes to delegate to the Mayor the authority to approve certain terms of the Refunding Bonds, including the exact principal amount, interest rates, redemption provisions, maturities and other terms of the Refunding Bonds and the terms of the documents described herein; and

WHEREAS, the Refunding, the issuance of the Refunding Bonds under the specific terms and conditions provided herein and the use thereof as hereinafter provided are all in the best interests of the residents of the City.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE COUNCIL OF THE CITY OF SISTERSVILLE, AS FOLLOWS:

1. There is hereby authorized and directed the refunding of the Prior Bonds, as hereinafter provided.

2. For the purpose of providing for the Refunding, the Council of the City, hereby authorizes and orders the issuance of the Refunding Bonds in an aggregate principal amount not to exceed \$1,200,000. The Refunding Bonds shall be designated "City of Sistersville (West Virginia) Water Refunding Revenue Bonds, Series 2003," and may be issued at such time as the Mayor shall determine.

3. The Refunding Bonds shall be sold to the Underwriter, in the original aggregate principal amount of not to exceed \$1,200,000; shall be issued in fully registered form without coupons, in the denominations of \$5,000 or integral multiples thereof for any period of maturity; shall be numbered from R-1 consecutively upward in order of maturity; shall be dated such date, upon original issuance; shall bear interest at rates not to exceed 6.0% per annum, payable semiannually on June 1 and December 1 of each year, commencing June 1, 2004; shall mature in such principal amounts on such dates (with final maturity no later than June 1, 2022); shall be subject to such redemption provisions as shall subsequently be approved by the Mayor; and shall be substantially in the form set forth in the Ordinance. The Refunding Bonds shall be signed by and on behalf of the City by its Mayor and be countersigned by its Recorder, which signatures may be either manual or facsimile signatures, and the seal of the City or a facsimile thereof shall be affixed to or imprinted thereon, provided that the authentication of the Refunding Bonds shall be manually signed by the Registrar.

4. The Refunding Bonds shall be registered to the Depository Trust Company ("DTC") upon issuance thereof.

5. The Mayor shall have the authority to approve the pricing and other final terms of the Refunding Bonds, including the determination of when and whether to issue the Refunding Bonds and to execute a bond purchase agreement by and between the City and the Underwriters, without further Council action or approval.

6. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2003 Bonds, including the payment of all necessary fees and expenses in connection therewith.

7. The Issuer does hereby approve the remittance of \$35,000 from the Series 1989 Bonds Reserve Account to the City.

8. The Registrar Agreement by and between the Issuer and the Registrar designated herein, to be dated as of the date of delivery of the Series 2003 Bonds, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Mayor shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

9. The distribution by the Underwriter of a Preliminary Official Statement (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form submitted to this meeting is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby approved. The Official Statement to be substantially in the form of the Preliminary Official Statement, (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor) and the distribution of counterparts or copies thereof by the Underwriter are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section.

10. The firm of Ross, Sinclair & Associates, Inc., Frankfort, Kentucky is hereby engaged for the purpose of serving as Underwriter with respect to the Refunding Bonds.

11. The Issuer does hereby appoint and designate Fifth Third Bank, Cincinnati, Ohio, for the purpose of serving in the capacity of Registrar and Union Bank of Tyler County, Sistersville, West Virginia, as Depository Bank.

12. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Paying Agent.

13. The firm of Steptoe & Johnson PLLC, Clarksburg, West Virginia, is hereby engaged for the purpose of serving as Bond Counsel with respect to the Refunding Bonds.

14. The proceeds of the Bonds in an amount sufficient to pay the outstanding principal of, interest on and redemption premium for the Series 1989 A Bonds and the Series 1989 B Bonds, shall be wired directly to the United States Department of Agriculture, Rural Utilities Services on the Closing Date to accomplish the prepayment and refunding of the Series 1989 A Bonds and the Series 1989 B Bonds. The proceeds of the Bonds in an amount sufficient to pay the outstanding principal of, interest on and redemption premium for the Series 2000 Bonds, shall be wired directly to Union Bank of Tyler County, to accomplish the prepayment and refunding of the Series 2000 Bonds.

15. The Issuer hereby approves proceeds of the Series 2003 Bonds in an amount sufficient to fully fund the Series 2003 Bonds Reserve Account to be deposited therein on the Closing Date.

16. Based upon the projected principal amount, maturity schedule and interest rates for the Series 2003 Bonds, as set forth in EXHIBIT A - PROPOSED SERIES 2003 BOND TERMS, attached hereto, it is hereby determined that the Series 2003 Bonds show a net savings to the Issuer after deducting all expenses of the refunding. Prior to delivery of the Series 2003 Bonds, the Issuer shall have obtained from Michael D. Griffith, CPA or such other independent certified public accountant acceptable to the Mayor, a certification that the amount of savings stated to be achieved by the refunding shall in fact be correct, based upon their review, comparison and analysis of the total net debt service in dollars of the Series 2003 Bonds and the total net debt service in dollars of the Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds. The Mayor is hereby authorized and directed to employ Michael D. Griffith, Alum Creek, West Virginia, or such other independent certified public accountant satisfactory to Bond Counsel, to supply the certification required herein and to take other actions required in connection with the refunding.

17. The Council hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Refunding Bonds or any other funds of the Council to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Refunding Bonds or Prior Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Mayor of the City is authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the City's compliance with this covenant.

18. Proceeds of the Refunding Bonds shall be applied as set forth herein. The proceeds of the Refunding Bonds representing accrued interest shall be deposited in the Debt Service Account held by the Commission.

19. The Mayor, the Recorder and all other officers of the Council are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Refunding, hereby and by the Resolution and Order approved and provided for, including, if needed, a DTC Letter of Representations and any forms or documents necessary to qualify the Refunding Bonds for sale under the "Blue Sky Laws" of any state, to the end that the Refunding Bonds may be delivered at the earliest practicable date to the Underwriter.

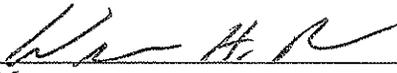
20. The Mayor and Recorder of the City, and all other officers and employees of the Council are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Refunding Bonds to be duly and properly issued by the City and delivered to the Underwriter as herein authorized and to otherwise facilitate the transaction contemplated by this Resolution, including (if applicable), but not limited to, engaging an accountant for purposes of providing a verification report in connection with the issuance of the Refunding Bonds, consulting with or applying to rating agencies to obtain a rating on the Refunding Bonds and consulting with or applying to insurance agencies for bond insurance for the Refunding Bonds, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required, provided that the Council must subsequently approve the final terms of sale of the Refunding Bonds to the Underwriter.

21. This Resolution shall take effect immediately upon its adoption.

Adopted and entered of record this November 13, 2003.

CITY OF SISTERSVILLE

[SEAL]

By: 
Mayor

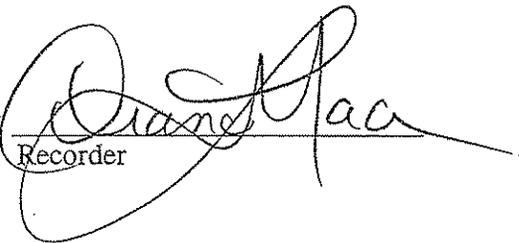
Its: 
Recorder

EXHIBIT A
PROPOSED SERIES 2003 BOND TERMS

MATURITY SCHEDULE

\$20,000 Serial Bonds

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
2004	\$20,000	3.35%	3.35%
\$125,000	3.35%	Series 2003 Serial Bonds due June 1, 2007 at 3.35%	
\$140,000	4.25%	Series 2003 Term Bonds due June 1, 2010 at 4.25%	
\$155,000	4.70%	Series 2003 Term Bonds due June 1, 2013 at 4.70%	
\$245,000	5.00%	Series 2003 Term Bonds due June 1, 2017 at 5.00%	
\$225,000	5.60%	Series 2003 Term Bonds due June 1, 2020 at 5.60%	

Estimated Sources and Uses of Funds

Sources of Funds

Par Amount of Series 2003 Bonds	\$ 910,000.00
Series 1989 A and Series 1989 B Bonds Reserve Account (1)	<u>35,000.00</u>
TOTAL	\$ 945,000.00

Uses of Funds

Discharge Series 1989 A Bonds	\$226,181.35
Discharge Series 1989 B Bonds	212,285.62
Discharge Series 2000 Bonds	326,555.20
Series 2003 Bonds Reserve Account (2)	84,592.50
Underwriter's Discount	20,000.00
Costs of Issuance	40,385.33
Remit Series 1989 Bonds Reserve Account	<u>35,000.00</u>
TOTAL	\$ 945,000.00

Optional Redemption

The Series 2003 Bonds maturing on and after June 1, 2013, are subject to redemption prior to maturity, at the option of the City, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of par, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2003 Bonds maturing June 1, 2007, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2005, and on each June 1 thereafter to and including June 1, 2007, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$40,000	2007*	\$45,000
2006	40,000		

The principal amount of Series 2003 Bonds maturing June 1, 2007, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2010, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2008, and on each June 1 thereafter to and including June 1, 2010, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2008	\$45,000	2010*	50,000
2009	\$45,000		

The principal amount of Series 2003 Bonds maturing June 1, 2010, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2017, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest

to the mandatory redemption date, on June 1, 2014, and on each June 1 thereafter to and including June 1, 2017, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$55,000	2016	\$65,000
2015	60,000	2017*	65,000

The principal amount of Series 2003 Bonds maturing June 1, 2017, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2018, and on each June 1 thereafter to and including June 1, 2020, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2018	\$70,000	2020*	\$80,000
2019	75,000		

The principal amount of Series 2003 Bonds maturing June 1, 2020, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

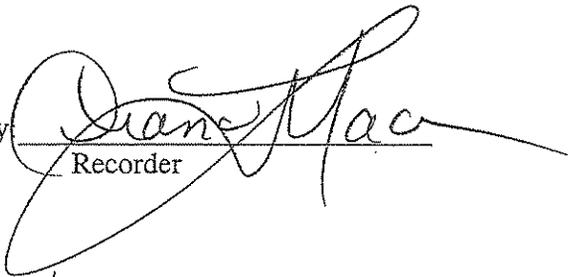
*Stated maturity.

CERTIFICATION

Certified a true, correct and complete copy of a Resolution duly adopted and entered of record by the Council of the City of Sistersville at a special meeting of the Council held at 7:00 p.m., on November 13, 2003, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated: November 21, 2003.

[SEAL]

By 
Recorder

11/13/03
827720.00002

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-1

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
3.350%	June 1, 2004	November 21, 2003	829794 AA 4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWENTY THOUSAND DOLLARS
(\$20,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-2

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
3.350%	June 1, 2007	November 21, 2003	829794 AB 2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS
(\$125,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-3

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
4.250%	June 1, 2010	November 21, 2003	829794 AC 0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED FORTY THOUSAND DOLLARS
(\$140,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-4

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
4.650%	June 1, 2013	November 21, 2003	829794 AD 8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED FIFTY-FIVE THOUSAND DOLLARS
(\$155,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-5

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
5.000%	June 1, 2017	November 21, 2003	829794 AE 6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED FORTY-FIVE THOUSAND DOLLARS
(\$245,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-6

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
5.500%	June 1, 2020	November 21, 2003	829794 AF 3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS
(\$225,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2004 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Bondholder hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Bondholders not less than 10 days prior to said special record date at the address of such Bondholder as it appears on the registration books of the City maintained by Fifth Third Bank, Cincinnati, Ohio, as registrar (in such capacity, the "Registrar"), or, at the option of any Bondholder of at least \$500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Bondholder to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$910,000 designated "City of Sistersville (West Virginia) Water Refunding Revenue Bonds, Series 2003" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated November 21, 2003, the proceeds of which are to be used, together with other funds of the City, (i) to currently refund the City's Water Revenue Bonds, Series 1989 A, dated January 25, 1989, originally issued in the aggregate principal amount of \$250,000, of which approximately \$225,000 is presently outstanding; (ii) to currently refund the City's Water Revenue Bonds, Series 1989 B, dated January 25, 1989, originally issued in the aggregate principal amount of \$240,000, of which approximately \$213,000 is presently outstanding; (iii) to currently refund the City's Water Revenue Bonds, Series 2000, dated June 29, 2000, originally issued in the aggregate principal amount of \$430,000, of which approximately \$326,000 is presently outstanding (collectively, the "Prior Bonds"), which were issued to finance a portion of the cost of acquisition and construction of the public waterworks system of the City (the "System"); (ii) to fund a reserve account for the Bonds; (iii) to pay certain costs of issuance of the Bonds and related costs; and (iv) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the System. 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 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the City on January 22, 2003, and

supplemented by a supplemental Resolution duly adopted by the City on November 13, 2003 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance 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 Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the City, the Registrar, the Paying Agent, the Bondholders of the Bonds and the Bondholders of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2003 Bonds maturing on and after June 1, 2013, are callable beginning June 1, 2013, at the option of the City, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of par, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2003 Bonds maturing June 1, 2007, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2005, and on each June 1 thereafter to and including June 1, 2007, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$40,000	2007*	\$45,000
2006	40,000		

The principal amount of Series 2003 Bonds maturing June 1, 2007, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2010, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2008, and on each June 1 thereafter to and including June 1, 2010, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2008	\$45,000	2010*	50,000
2009	\$45,000		

The principal amount of Series 2003 Bonds maturing June 1, 2010, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2013, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2011, and on each June 1 thereafter to and including June 1, 2013, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$50,000	2013*	55,000
2012	\$50,000		

The principal amount of Series 2003 Bonds maturing June 1, 2013, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2017, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2014, and on each June 1 thereafter to and including June 1, 2017, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$55,000	2016	\$65,000
2015	60,000	2017*	65,000

The principal amount of Series 2003 Bonds maturing June 1, 2017, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2018, and on each June 1 thereafter to and including June 1, 2020, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2018	\$70,000	2020*	\$80,000
2019	75,000		

The principal amount of Series 2003 Bonds maturing June 1, 2020, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

*Stated maturity.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Registrar. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the City by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Original Purchaser and the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar. So long as DTC is the registered owner of the Series 2003 Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice and all notices shall be sent to the registered securities depositories. A copy of such notice of redemption shall also be mailed to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the System, and from monies in the reserve account created under the Ordinance for the Bonds (the "Series 2003 Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2003 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Ordinance, the City 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, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds.

All monies received from the sale of this Bond, there being no accrued interest thereon, shall be applied solely to refund the Series 2003 Bonds, fund all or a portion of a reserve account for the Bonds, pay costs of acquisition and construction of certain additions, betterments and improvements to the System and pay costs of issuance hereof, 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 in 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 said City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by said City for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance and the 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 SISTERSVILLE
(WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal
to be imprinted hereon and attested by its Recorder, and has caused this Bond to be dated as
of the Bond Date specified above.

[SEAL]



Mayor

ATTEST:



Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Bondholder on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: November 21, 2003.

FIFTH THIRD BANK,
as Registrar

By: 
Its: Authorized Officer

11/18/03
827720.00002

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto _____

_____ the within Bond and does hereby irrevocably constitute
and appoint _____

_____ to transfer the said Bond on the books
kept for registration thereof with full power of substitution in the premises.

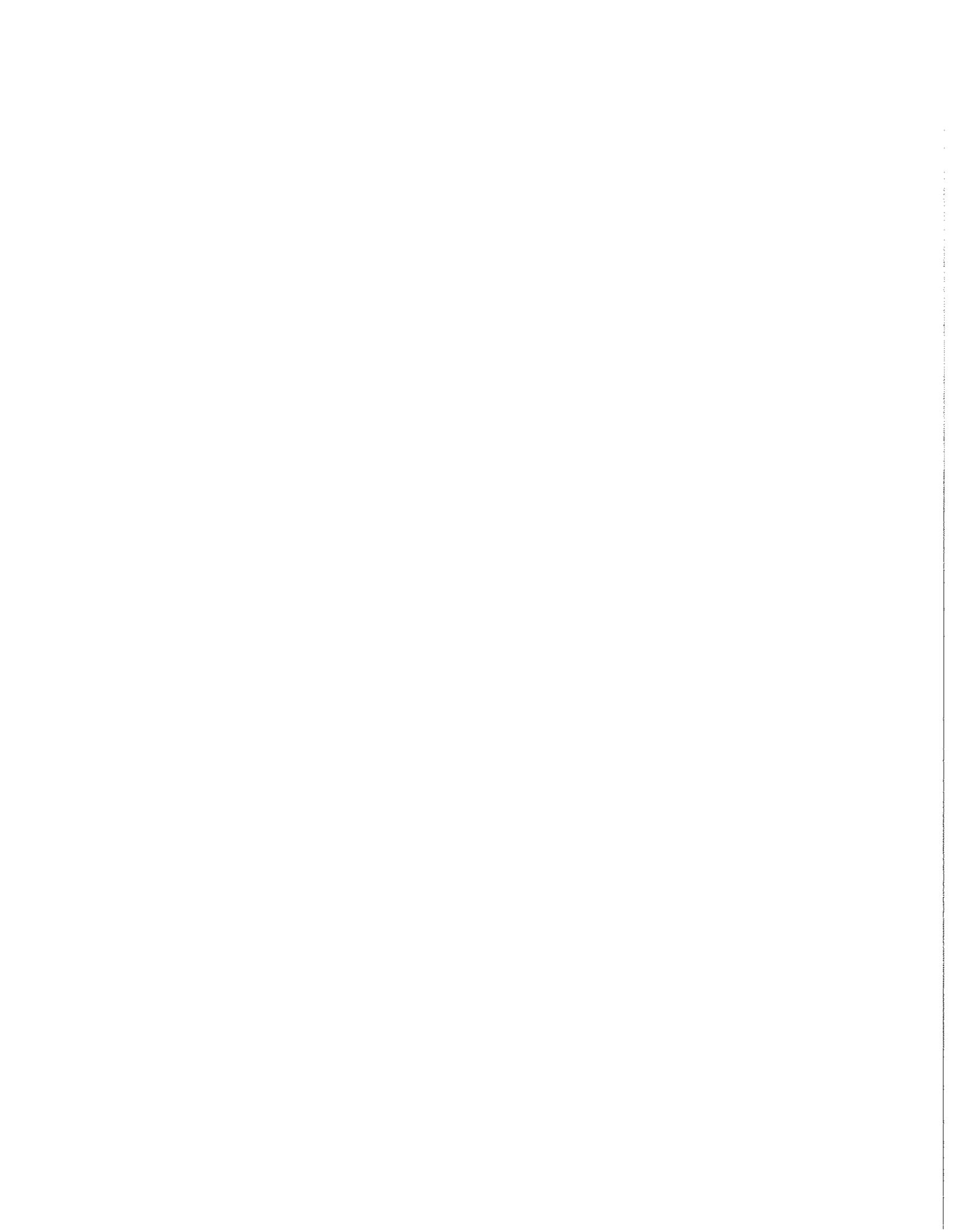
Dated: _____, _____

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with
the name as it appears upon the face of the within Bond in every particular, without alteration
or any change whatever.



State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL & WASHINGTON STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WV 25301
Telephone (304) 558-2981

PERMIT

PROJECT: (Water)
New 496,000 Gallon North Water
Storage Tank Replacement

PERMIT NO.: 18,291

LOCATION: Sistersville

COUNTY: Tyler

DATE: 4-17-2009

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

City of Sistersville
200 Diamond Street
Sistersville, West Virginia 26175

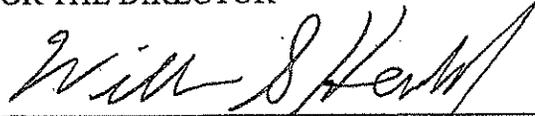
is hereby granted approval to: amend and modify Permit No. 17,645 for the water line replacement project for the Klondike Avenue and Virginia Terrace areas in the City of Sistersville. Major modification will be the replacement of the existing North water storage tank with a new 496,000 gallon water storage tank.

Note: This permit is contingent upon: 1) All new water line and new water storage tank being disinfected, flushed and bacteriologically tested, prior to use; and 2) Enclosing the new 496,000 gallon water storage tank with a minimum six (6) feet high fence with a lockable gate.

The Environmental Engineering Division of the OEHS Wheeling District Office, telephone (304) 238-1145, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR


William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:cls

pc: S & S Engineers, Inc.
Tyler County Health Department
OEHS-EED Wheeling District Office
Source Water Protection Unit

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

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

PERMIT

PROJECT: (Water) Klondike Avenue/Virginia Terrace Area Water Line Replacement Project PERMIT NO.: 17,645

LOCATION: Sistersville COUNTY: Tyler DATE: 8-21-2007

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

City of Sistersville
200 Diamond Street
Sistersville, West Virginia 26175

is hereby granted approval to: install approximately 50 LF of 4", 3,200 LF of 6" and 3,800 LF of 8" water line and all necessary valves and appurtenances.

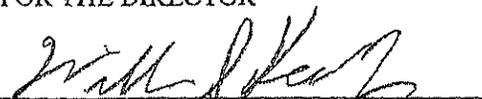
Facilities are to replace the existing water distribution system serving approximately 50 existing customers in the Klondike Avenue and Virginia Terrace areas in the City of Sistersville. The new water lines should improve pressures and flows.

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

The Environmental Engineering Division of the OEHS Wheeling District Office, telephone (304) 238-1145, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR


William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:emt

pc: ✓ S & S Engineers, Inc.
Tyler County Health Department
OEHS-EED Wheeling District Office
Source Water Protection Unit

CITY OF SISTERSVILLE

200 Diamond Street
Sistersville, WV 26175
Dave Fox, Mayor

RESOLUTION

WHEREAS, the City of Sistersville is presently undertaking a Water Project, partially funded by USDA-Rural Development; and,

WHEREAS, USDA-Rural Development requires approval of invoices by the City of Sistersville; and,

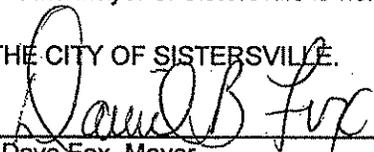
WHEREAS, the City of Sistersville has been presented with invoices for services rendered in connection with this project.

NOW THEREFORE BE IT RESOLVED THAT after careful review and consideration, the City of Sistersville hereby approves these invoices contingent on USDA-RD approval for the following amounts:

	Feb. 2010		
Payee	EPA Grant	RD Loan/Grant	Total
<u>S&S Engineers</u> Engineering		\$45,344.00	\$45,344.00
<u>Smith Cochran Hicks</u> Accounting		\$4,000.00	\$4,000.00
<u>Mid-Ohio Valley Regional Council</u> Administration		\$11,000.00	\$11,000.00
<u>Wesbanco</u> 2007 Note Payoff		\$108,861.81	\$108,861.81
<u>Ryan Morgan</u> Legal		\$8,400.00	\$8,400.00
<u>Steptoe & Johnson</u> Bond Counsel		\$14,500.00	\$14,500.00
Total This Request	\$0.00	\$192,105.81	\$192,105.81
Prior Requests			
Total Requested to Date	\$ -	\$ 192,105.81	\$ 192,105.81

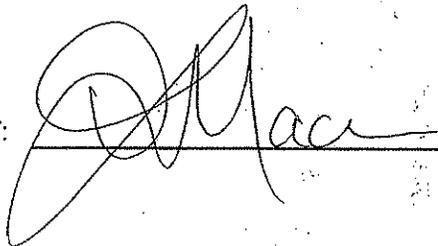
NOW THEREFORE BE IT FURTHER RESOLVED that the Mayor of Sistersville is hereby authorized to request payment of said invoices by USDA-RD.

APPROVED THIS 8TH DAY OF February, 2010 BY THE CITY OF SISTERSVILLE.



Dave Fox, Mayor

ATTEST:



West Virginia Infrastructure & Jobs Development Council

Public Members:

Mark Prince, ~~Chairman~~
Hurricane
Dwight Calhoun, ~~Vice Chairman~~
Petersburg
C. R. "Rennie" Hill, III
Beckley
Tim Stranko
Morgantown

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

June 2, 2004

The Honorable William Rice
Mayor, City of Sistersville
200 Diamond Street
Sistersville, West Virginia 26175

Re: City of Sistersville
Water Project 2003W-749

Dear Mayor Rice:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the City of Sistersville's (the "City") revised preliminary application regarding its proposed project to replace waterlines, fire hydrants, reconNECTIONS, gate valves and related appurtenances in Virginia Terrace and Klondike Avenue along with exploring a groundwater supply source (the "Project").

Based on the findings of the Water Technical Review Committee, the Infrastructure 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 Water 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 revised preliminary application, the Infrastructure Council recommends that the City utilize a \$438,900 Special Appropriations grant and pursue a \$641,100 Drinking Water Treatment Revolving Fund (DWTRF) loan to fund this \$1,080,000 project. Please contact the Bureau for Public Health office at 558-6715 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 this agency.

The Infrastructure Council also determined the City may be eligible for a \$641,100 Infrastructure Fund loan (in lieu of the DWTRF loan) pending the City's readiness to proceed and availability of funds. This letter is not a commitment letter of Infrastructure Funds.

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

Sincerely,



Mark Prince

Enclosure

cc: Walt Ivey, BPH (w/o enclosure)
Debbie Legg, WVDO (w/b enclosure)
Region V Planning & Development Council
S & S Engineers, Inc.