THE CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program); and Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program)

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THE CITY OF SISTERSVILLE
SEWER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA SRF PROGRAM); AND
SEWER REVENUE BONDS, SERIES 2013 B
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

Hanford Sewer Extension Project

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THE CITY OF SISTERSVILLE

ORDINANCE AUTHORIZING THE PAYMENT OF THE PRIOR NOTES AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF SISTERSVILLE AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF SISTERSVILLE OF NOT MORE THAN $220,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $1,100,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF 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 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

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

C. The Issuer has heretofore temporarily financed the design and other preliminary costs of the Project by the issuance of the Sewerage System Design Bond Anticipation Notes, Series 2012 A, dated February 22, 2012 issued in the original aggregate principal amount of $120,000 (the "Prior Notes").

D. The Prior Notes were issued pursuant to an Ordinance of the Issuer previously enacted for such purpose (such resolution, as amended and supplemented is herein called the "Prior Notes Ordinance").

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

F. The Issuer intends to pay the Prior Notes and permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), all pursuant to the Act.

G. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, in the total aggregate principal amount of not more than $1,320,000 in two or more series, initially planned to be the (i) Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), in the aggregate principal amount of not more than $220,000 (the "Series 2013 A Bonds"); and (ii) Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), in the aggregate principal amount of not more than $1,100,000 (the "Series 2013 B Bonds"), (collectively, the "Series 2013 Bonds"), to pay the Prior Notes and permanently finance the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the Act; interest, if any, upon the Series 2013 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Account (as hereinafter defined) for the Series 2013 A Bonds; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, including the SRF Administrative Fee (as hereafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2013 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design, acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it

for allowable costs prior to the issuance of the Series 2013 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

I. It is in the best interests of the Issuer that its Series 2013 Bonds be sold to the Authority pursuant to the terms and provisions of a Bond Purchase Agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP (the "Bond Purchase Agreement"), to be approved hereby if not previously approved by resolution of the Issuer.

J. Upon payment of the Prior Notes, the Issuer will have Outstanding its (i) Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $1,057,749 (the "Series 1990 A Bonds"); and (ii) Supplemental Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $49,361 (the "Series 1990 B Bonds"), (collectively, the "Prior Bonds").

The Series 2013 Bonds shall be issued on a parity with the Series 1990 A Bonds and senior and prior to the Series 1990 B Bonds. Prior to the issuance of the Series 2013 Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; (ii) the written consent of the Holders of the Series 1990 A Bonds to the issuance of the Series 2013 Bonds on a parity with the Series 1990 A Bonds; and (iii) the written consent of the Holders of the Series 1990 B Bonds to the issuance of the Series 2013 Bonds senior and prior to the Series 1990 B Bonds. Other than the Prior Bonds, there are no other Outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

K. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Issuer's Prior Bonds, and the Series 2013 Bonds and to make payments into all funds and accounts and other payments provided for herein.

L. The Issuer has complied with all requirements of West Virginia law and Bond Purchase Agreement (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2013 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia.

M. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board and the Sanitary Board has petitioned the Governing Body to issue the Series 2013 Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2013 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2013 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2013 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

"Board" means the Sanitary Board of the Issuer.

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

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

"Bond Purchase Agreement" means the Bond Purchase Agreement heretofore entered, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2013 Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

"Bonds" means, collectively, the Series 2013 Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2013 Bonds for all or a portion of the proceeds of the Series 2013 Bonds from the Authority and the DEP.

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

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

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

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

"Costs" or "Costs of the Project" means those costs described in Section 1.02G hereof to be a part of the costs of design, acquisition and construction of the Project as described in Section 1.02B hereof.

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

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

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

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

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

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

"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.

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

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

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

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2013 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2013 A Bonds Reserve Account.

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

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

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means the Series 1990 A Bonds and the Series 1990 B Bonds.

"Prior Notes" means the Issuer's Sewerage System Design Bond Anticipation Notes, Series 2012 A, dated February 22, 2012, issued in the original aggregate principal amount of $120,000.

"Prior Notes Ordinance" means the ordinance of the Issuer authorizing the Prior Notes.

"Prior Ordinance" means the ordinance of the Issuer authorizing the issuance of the Prior Bonds.

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

"Qualified Investments" means and includes the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

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

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

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

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

(g) Repurchase agreements or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully insured by the FDIC, with member banks of the Federal Reserve system or 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, including, without limitation, authorized pools of investments operated by such State Board of Investments; and

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Prior Ordinance and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2013 A Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account.

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance and continued hereby.

"Series 1990 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $1,057,749.

"Series 1990 B Bonds" means the Issuer's Supplemental Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $49,361.

"Series 2013 A Bonds" means the Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2013 A Bonds Reserve Account" means the Series 2013 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2013 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 2013 A Bonds in the then current or any succeeding year.

"Series 2013 A Bonds Sinking Fund" means the Series 2013 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2013 B Bonds" means the Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2013 Bonds" means, collectively, the Series 2013 A Bonds and the Series 2013 B Bonds.

"Series 2013 Bonds Construction Trust Fund" means the Series 2013 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2013 A Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Bond Purchase Agreement for the Series 2013 Bonds.

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2013 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2013 Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Gross Revenues not required by the Bond Legislation or the Prior Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund.

"System" means the complete existing public sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources 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.

ARTICLE II

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

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 $1,320,000 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 2013 A Bonds and the Series 2013 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids or will receive and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed $1,320,000, of which up to $220,000 will be obtained from proceeds of the Series 2013 A Bonds; and up to $1,100,000 will be obtained from proceeds of the Series 2013 B Bonds.

Section 2.02. Authorization of Payment of the Prior Notes. There is hereby authorized and ordered the payment in full of the entire outstanding principal of and the interest on the Prior Notes on the Closing Date from the proceeds of the Series 2013 Bonds. Upon payment of the Prior Notes, any funds pledged in favor of the Holders of the Prior Notes imposed by the Prior Ordinance are hereby ordered terminated, discharged and released.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of paying the Prior Notes, paying the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2013 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2013 Bonds of the Issuer. The Series 2013 Bonds shall be issued in two or more series, each as a single bond, designated respectively as "Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program)", in the principal amount of not more than $220,000, and "Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program)", in the principal amount of not more than $1,100,000, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2013 Bonds remaining after funding of the Series 2013 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2013 Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. A. The Series 2013 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2013 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2013 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2013 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2013 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

B. The Series 2013 B Bonds shall be issued in such principal amount; shall not bear interest; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2013 B Bonds shall be forgivable as to principal.

As provided by the Supplemental Resolution, the Series 2013 B Bonds shall initially be issued each as one series, fully registered to the Authority, with a record of advances attached, representing the aggregate principal amount of the Series 2013 B Bonds. The Series 2013 B Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2013 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2013 Bonds shall cease to be such officer of the Issuer before the Series 2013 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2013 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2013 Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2013 Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2013 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2013 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be

conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide Holder for value.

So long as the Series 2013 Bonds remain Outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2013 Bonds shall be transferable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2013 Bonds are exercised, all Series 2013 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2013 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2013 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2013 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2013 Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2013 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2013 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2013 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2013 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2013 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net

Revenues in favor of the Holders of the Series 1990 A Bonds and senior and prior to the Series 1990 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2013 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2013 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2013 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2013 Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Bond Purchase Agreement; and

E. The unqualified approving opinions of bond counsel on the Series 2013 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2013 Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2013 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SISTERSVILLE
SEWER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on the ___ day of _____, 2013, THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20___ as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee of 0.5% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20___, as set forth on Exhibit B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Issuer, the Authority, and the DEP, dated _____, 2013.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) to pay the Prior Notes; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2013, and a Supplemental Resolution duly adopted by the Issuer on

_____, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S: (I) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 1, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,057,749 (THE "SERIES 1990 A BONDS"); AND (II) THE SEWER REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA SRF PROGRAM), DATED _____, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____, (THE "SERIES 2013 B BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

THIS BOND IS ISSUED SENIOR AND PRIOR TO, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT AND IN ALL RESPECTS WITH THE ISSUER'S SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 1, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,361 (THE "SERIES 1990 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1990 A Bonds and the Series 2013 B Bonds and senior and prior to the Series 1990 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2013 A Bonds (the "Series 2013 A Bonds Reserve Account"), and unexpended proceeds of the Series 2013 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2013 A Bonds Reserve Account and unexpended proceeds of the Series 2013 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2013 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior or subordinate to the Series 2013 A Bonds including the Series 2013 B Bonds and the Prior Bonds; provided however, that, so long as there exists in the Series 2013 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Series 2013 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding on a parity with or junior and subordinate to the Bonds, including the Series 2013 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and 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 the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Mayor

ATTEST:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2013.

THE HUNTINGTON NATIONAL BANK
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

(FORM OF SERIES 2013 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SISTERSVILLE
SEWER REVENUE BONDS, SERIES 2013 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on the ___ day of _____, 2013, THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously forgiven, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference. The Series 2013 B Bonds are not subject to the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation).

This Bond shall bear no interest. The principal amounts advanced under the Series 2013 B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2013 B Bonds shall be deemed no longer outstanding after the last advance is forgiven.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Issuer, the Authority, and the DEP, dated _____, 2013.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S: (I) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 1, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,057,749 (THE "SERIES 1990 A BONDS"); AND (II) THE SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED _____, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____, (THE "SERIES 2013 A BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

THIS BOND IS ISSUED SENIOR AND PRIOR TO, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT AND IN ALL RESPECTS WITH THE ISSUER'S SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 1, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,361 (THE "SERIES 1990 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1990 A Bonds and the Series 2013 A Bonds, and senior and prior to the Series 1990 B Bonds, and unexpended proceeds of the Series 2013 B Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, and unexpended proceeds of the Series 2013 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2013 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior or subordinate to the Series 2013 B Bonds including the Series 2013 A Bonds and the Prior Bonds; provided however, that, so long as the respective reserve accounts established for any other obligations Outstanding on a parity with or junior and subordinate to the Bonds, including the Series 2013 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and 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 the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Mayor

ATTEST:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2013.

THE HUNTINGTON NATIONAL BANK
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(Form of)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement. The Series 2013 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Bond Purchase Agreement and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. Filing of Amended Schedule. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule for the Series 2013 Bonds, the form of which will be provided by the DEP, setting forth the actual Costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinance) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer 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) Series 2013 Bonds Construction Trust Fund.

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

(1) Series 1990 A Bonds Sinking Fund (established by Prior Ordinance);

(2) Series 1990 A Bonds Reserve Account (established by Prior Ordinance);

(3) Series 1990 B Bonds Sinking Fund (established by Prior Ordinance);

(4) Series 1990 B Bonds Reserve Account (established by Prior Ordinance);

(5) Series 2013 A Bonds Sinking Fund; and

(6) Series 2013 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinance and in 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 in this Bond Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by Prior Ordinance to pay interest on the Series 1990 A Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Commission the amount required to pay principal on the Series 1990 A Bonds as required by the Prior Ordinance; and (ii) to the Commission commencing 4 months prior to the first date of payment of principal of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2013 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2013 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amount required by the Prior Ordinance for deposit in the Reserve Account for the Series 1990 A Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2013 A Bonds, if not fully funded upon issuance of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2013 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2013 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 2013 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank (as required in the Prior Ordinance and not in addition thereto), for deposit in 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 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 Account (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission the principal payments on the Series 1990 B Bonds as required by Prior Ordinances.

(7) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Reserve Account the amount required by Prior Ordinance.

Monies in the Series 2013 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2013 A Bonds, respectively, as the same shall become due. Monies in the Series 2013 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2013 A Bonds, respectively, as the same shall come due, when other monies in the Series 2013 A Bonds Sinking are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2013 Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2013 A Bonds, if any, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2013 A Bonds Reserve Account which result in a reduction in the balance of such account to below the Series 2013 A Bonds Reserve Requirement thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2013 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the

interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2013 A Bonds Sinking Fund or the Series 2013 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2013 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue, if any, until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 1990 A Bonds and the Series 2013 A Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2013 A Bonds under the conditions and restrictions set forth 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 Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2013 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Bond Purchase Agreement for the Series 2013 A Bonds.

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

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies on a parity and pro rata with respect to the Series 2013 A Bonds and the Series 1990 A Bonds all in accordance with the respective principal amounts Outstanding before being applied to any other payments hereunder.

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

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

J. All Tap Fees shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2013 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2013 A Bonds, there shall first be deposited with the Commission in the Series 2013 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2013 A Bonds, there shall be deposited with the Commission in the Series 2013 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2013 A Bonds Reserve Account.

C. Next, from the proceeds of the Series 2013 A Bonds, there shall be deposited with the Commission the amount, set forth in the Supplemental Resolution to pay in full the Outstanding principal of and interest on the Prior Notes on the Closing Date.

D. As the Issuer receives advances of the monies derived from the sale of the Series 2013 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2013 Bonds Construction Trust Fund and applied solely to payment of the Costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2013 A Bonds.

E. As the Issuer receives advances of the monies derived from the sale of the Series 2013 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2013 Bonds Construction Trust Fund and applied solely to payment of the Costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2013 B Bonds.

F. After completion of construction of the Project, as certified by the Consulting Engineers, and all Costs have been paid, any remaining proceeds of the Series 2013 A Bonds and Series 2013 B Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements of Bond Proceeds. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2013 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2013 Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2013 Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of a completed and signed "Payment Requisition Form," a form of which is attached to the Bond Purchase Agreement, in compliance with the construction schedule.

Pending such application, monies in the Series 2013 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the

Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2013 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2013 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2013 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2013 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2013 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2013 Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2013 Bonds issued hereunder shall be secured equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Series 1990 A Bonds and senior and prior to the Series 1990 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement and the Issuer shall supply a certificate of Certified Public Accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted January 12, 2009, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2013 Bonds are Outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2013 Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Bond Purchase Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, lease, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance and with the written consent of the Authority.

So long as the Series 2013 Bonds are Outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net

proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2013 A Bonds Sinking Fund with respect to the principal amount then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2013 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, 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 Issuer shall first, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund for repayment of the Bonds. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into such account by other provisions of this Bond Legislation.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in the Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other 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 2013 Bonds. All obligations issued by the Issuer after the issuance of the Series 2013 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2013 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 Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2013 Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2013 Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2013 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

No such additional Parity Bonds shall be issued except for the purposes of financing the costs of the design, acquisition and construction of extensions, additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, or to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

So long as the Series 2013 Bonds or Prior Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment 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 additional 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 be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinance and this Bond Legislation then Outstanding; and

(3) The additional Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have

expired (without successful appeal) prior to the date of 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, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which has expired (without successful appeal) prior to the 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 theretofore or 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 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 Issuer 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 the Bonds theretofore issued pursuant to this Ordinance.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to the lien on and source of and security for payment from such revenues, with the 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 and the Prior Ordinance with respect to the Bonds then Outstanding, and any other payments provided for in this Ordinance and the Prior Ordinance, shall have been made in full as required to the date of issuance of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Ordinance and the Prior Ordinance.

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

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

Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2013 Bonds and shall mail in each year to any Holder or Holders of the Series 2013 Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2013 Bonds and shall submit the report to the Authority and the DEP or any other original purchaser of the Series 2013 Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and the Bond Purchase Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Bond Purchase Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in

real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Bond Purchase Agreement for the Series 2013 Bonds or any Exhibit thereto or as promulgated from time to time.

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

Section 7.09. Rates. Prior to the issuance of the Series 2013 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to meet the coverage requirements set forth in the Prior Ordinance so long as the Prior Bonds are Outstanding and thereafter, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2013 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2013 Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2013 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2013 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2013 Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and

the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof 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 Authority, the DEP and any Holder of any Bonds or anyone acting for and on behalf of such Holder.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Bond Purchase Agreement, and forward a copy of such report to the Authority and the DEP by the 20th day of each month.

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

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Bond Purchase Agreement for the Series 2013 Bonds as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

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

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during

the entire term of the Bond Purchase Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority. Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

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

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

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

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2013 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, 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 the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

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

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer will complete the acquisition and construction of the Project as promptly as possible and operate and

maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2013 Bonds required by State law, with all requisite appeal periods having expired without successful appeal, except as otherwise provided in Section 1.02(L) and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18. Compliance with the Bond Purchase Agreement and the Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Bond Purchase Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by and the guidelines established by the Authority and the Public Service Commission.

Section 7.19. [RESERVED]

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

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2013 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2013 Bonds held in "contingency" as set forth in the Schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2013 Bonds made available due to bid or construction or project underruns.

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2013 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 2013 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Series 1990 A Bonds and senior and prior to the Series 1990 B Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2013 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2013 Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2013 Bonds as a condition to issuance of the Series 2013 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2013 Bonds as may be necessary in order to maintain the status of the Series 2013 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2013 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the DEP, as the case may be, from which the proceeds of the Series 2013 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested

by the Authority or the DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2013 Bonds and, at any time, any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2013 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any Series 2013 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions relating to the Series 2013 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2013 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Holder 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 or Bondholders including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System; (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds; and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2013 Bonds shall be on a parity with those of the Holders of the 1990 A Bonds, and senior and prior to the Series 1990 B Bonds.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2013 A Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2013 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2013 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2013 A Bonds from gross income for federal income tax purposes.

Section 10.02. Payment of Series 2013 B Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of all of the Series 2013 B Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2013 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2013 B Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2013 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2013 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2013 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2013 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2013 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2013 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2013 Bonds from gross income of the Holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2013 Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinance. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

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

Section 11.07. 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 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 Series 2013 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.

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Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing and adoption by Council on third reading hereon.

Passed on First Reading: December 10, 2012

Passed on Second Reading: January 14, 2013

Passed on Final Reading
Following Public Hearing: February 11, 2013

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of THE CITY OF SISTERSVILLE on the 11th day of February, 2013.

Dated: February 27, 2013.

[SEAL]

Clerk

827780.00013

5893184

THE CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM) AND SEWER REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF SISTERSVILLE; APPROVING AND RATIFYING THE BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City council (the "Governing Body") of The City of Sistersville (the "Issuer" or "Governmental Agency") has duly and officially adopted and enacted a bond ordinance, effective February 11, 2013 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE PRIOR NOTES AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF SISTERSVILLE AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF SISTERSVILLE OF NOT MORE THAN $220,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $1,100,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING BOND

PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program) in an aggregate principal amount not to exceed $220,000 (the "Series 2013 A Bonds") and Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program) in an aggregate principal amount not to exceed $1,100,000 (the "Series 2013 B Bonds") (collectively, the "Series 2013 Bonds");

WHEREAS, the Bond Ordinance has authorized the execution and delivery of a Bond Purchase Agreement relating to the Series 2013 Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Bond Purchase Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2013 Bonds should be established by a supplemental resolution pertaining to the Series 2013 Bonds; and that other matters relating to the Series 2013 Bonds be herein provided for;

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

WHEREAS, the Series 2013 A Bonds and the Series 2013 B Bonds are proposed to be purchased by the Authority pursuant to the Bond Purchase Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Bond Purchase Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Series 2013 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2013 Bonds be herein provided for;

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. Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the original aggregate principal amount of $203,000. The Series 2013 A Bonds shall be dated the date of delivery thereof, shall finally

mature December 1, 2052 and shall bear no interest. The principal of the Series 2013 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2014, to and including December 1, 2052, and in the amounts as set forth in the "Schedule Y" attached to the Bond Purchase Agreement for the Series 2013 A Bonds and incorporated in and made a part of the Series 2013 A Bonds. The Series 2013 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the Registered Owner of the Series 2013 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2013 A Bonds set forth in "Schedule Y" attached to the Bond Purchase Agreement.

B. Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the original aggregate principal amount of $745,454. The Series 2013 B Bonds shall be dated the date of delivery thereof and shall bear no interest. The principal amounts advanced under the Series 2013 B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2013 B Bonds shall be deemed no longer Outstanding after the last advance is forgiven. The Series 2013 B Bonds are not subject to the SRF Administrative Fee.

Section 2. All other provisions relating to the Series 2013 Bonds and the text of each series of the Series 2013 Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Bond Purchase Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Bond Purchase Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Bond Purchase Agreement and in the applications to the DEP and the Authority. The price of the Series 2013 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2013 Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank of Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2013 Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2013 Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2013 A Bonds under the Bond Ordinance.

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

Section 7. Series 2013 A Bond proceeds in the amount of $-0- shall be deposited in the Series 2013 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 2013 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2013 A Bonds Reserve Account.

Section 9. Proceeds of the Series 2013 A Bonds in the amount of $67,682.25 will be deposited with Union Bank to pay the Prior Notes.

Section 10. The balance of the proceeds of the Series 2013 A Bonds and the Series 2013 B Bonds shall be deposited in or credited to the Series 2013 Bonds Construction Trust Funds for payment of the Costs of the Project, including, without limitation, costs of issuance of the Series 2013 Bonds and related costs.

Section 11. 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 Series 2013 Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2013 Bonds may be delivered on or about February 27, 2013, to the Authority pursuant to the Bond Purchase Agreement.

Section 12. The acquisition and construction of the Project and the financing thereof with proceeds of the Series 2013 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 13. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

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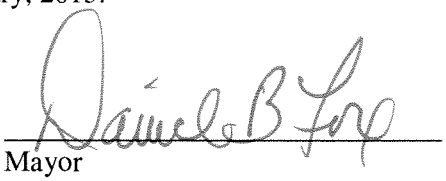
Adopted this 11th day of February, 2013.



Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Sistersville on the 11th day of February, 2013.

Dated: February 27, 2013.

[SEAL]

Clerk

827780.00013

6018085

SRF-BPA-1
(09/12)

BOND PURCHASE AGREEMENT

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

THE CITY OF SISTERSVILLE
(2011S-1253/C-544467)
(Local Government)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, the Local Government meets the "disadvantaged community" provisions of the SRF Regulations.

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

ARTICLE I

Definitions

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

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

1.3 "Decentralized System" means wastewater treatment systems that treat wastewater, then reusing and/or dispersing the reclaimed water, as close to where it is generated as practical in each circumstance. A Decentralized System may include: on-site systems contained entirely within the simple boundaries of the lot it serves; small-scale collective systems, with their reuse/dispersal sites on easements on the lots served, on vacant lots purchased for this purpose, on off-site properties, or a combination of these; larger scale collective systems utilizing dispersed or aggregated reuse/dispersal sites or discharging to surface water.

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

2.2 Subject to the terms, conditions and provisions of this Bond Purchase Agreement and the Local Act, the Local Government has acquired, or shall do all things

necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Government by the Consulting Engineers.

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

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

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

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

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

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

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

2.10 The Local Government shall require the Consulting Engineers to submit the final or updated Operation and Maintenance Manual, if necessary as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ a state certified plant operator prior to the Project being 50% complete and notify the DEP of such employment. The Local Government shall retain the operator(s) to operate the System during the entire term of this Bond Purchase Agreement.

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

2.12 The Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 20th of each month to the DEP and the Authority.

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

ARTICLE III

Conditions to Purchase of Local Bonds; Issuance of Local Bonds

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

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

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

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

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

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

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

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

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to

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

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

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

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

3.3 The Local Bonds shall be secured and shall be repaid in the manner hereinafter provided in this Bond Purchase Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Closing."

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for financing of wastewater treatment projects and that the obligation of the Authority to purchase the Local Bonds is subject to the Local Government's fulfilling all of the terms and conditions of this Bond Purchase Agreement on or prior to the Date of Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all bonds will be purchased in conjunction with the SRF Regulations and with the prior approval of DEP.

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

(xiv) That the proceeds of the Local Bonds, advanced from time to time, except for accrued interest and capitalized interest, if any, must (a) be deposited in a

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

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

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

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Bond Purchase Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Bond Purchase Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Bond Purchase Agreement, in the

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

6.3 The Local Government hereby agrees to repay on or prior to the Date of Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project.

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

7.7 This Bond Purchase Agreement shall terminate upon the earlier of:

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

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

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

THE CITY OF SISTERSVILLE

(SEAL)

By: _____
Its: Mayor
Date: February 27, 2013

Attest:

_____
Its: Clerk

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

By: _____
Its: Director
Date: February 27, 2013

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: February 27, 2013

Attest:

_____
Its: Authorized Officer

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 ($1,200/12). This is the incremental amount for the Budget Year-to-Date column.

Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 ($900/12). This is the incremental amount for the Budget Year-to-Date column.

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Government according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 20th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT C

PAYMENT REQUISITION FORM

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

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____

(Issuer)

_____

(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the schematic design for the Project began [before July 1, 2012], (iii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iv) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule

attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (v) the successful bidders received any and all addenda to the original bid documents; (vi) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (x) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase Agreement; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; (xii) the Project design was performed in compliance with the provisions of West Virginia Code Chapter 22, Article 29; and (xiii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve _____ new customers in the _____ area.

WITNESS my signature and seal on this _____ day of _____, _____.

_____

By _____
West Virginia License No. __

[SEAL]

---

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

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

EXHIBIT E

SPECIAL CONDITIONS

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

B. ASSET MANAGEMENT – The Local Government shall submit an acceptable asset management plan or where applicable, updated plans, to DEP no later than six months following substantial completion of the Project. This requirement shall be included in the bond closing documents.

C. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

D. CLOSING REQUIREMENTS – The Closing is contingent on the DEP's receipt of a Final Title Opinion acceptable to the DEP.

EXHIBIT F

MONTHLY PAYMENT FORM

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$____
Principal	$____
Total:	$____
Reserve Account:	$____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

6. The Local Bonds are, by statute, exempt _____, and under existing statutes and court decisions of the United States of America, as presently written and

applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for federal income tax purposes.

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

A. Series A Bonds (CWSRF Base Program)

Principal Amount of Local Bonds	$203,000
Purchase Price of Local Bonds	$203,000

The Local Bonds shall bear no interest. Commencing December 1, 2014, principal of the Local Bonds is payable quarterly, with an administrative fee of 0.5%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

Number of Proposed New Customers to Be Served: 45
Location: Hanford City area of Tyler County

As of the date of the Bond Purchase Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government: The City of Sistersville Sewerage System Design Bond Anticipation

Notes, Series 2012 A, dated February 22, 2012 issued in the original aggregate principal amount of $120,000.

B. Series B Bonds (CWSRF Forgiveness)

Principal Amount of Local Bonds	$745,454
Purchase Price of Local Bonds	$745,454

The Local Bonds shall bear no interest. The Authority at the direction of the DEP shall forgive the principal amount of the Local Bonds. The principal amounts advanced under the Series B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series B Bonds shall be deemed no longer outstanding after the last advance is forgiven.

The Local Bonds are fully registered in the name of the Authority.

The Local Government shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of this Agreement for at least the term of the Local Bonds.

The Local Government shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

SCHEDULE Y
DEBT SERVICE SCHEDULE

Bond Debt Service
City of Sistersville
CW SRF
$203,000
40 Years from Closing Date
0% Interest Rate
0.5% Administrative Fee

Dated Date	2/27/2013
Delivery Date	2/27/2013

Period Ending	Principal	Interest	Debt Service	Adm Fee Expense	Quarterly repayment
9/1/2014					
12/1/2014	1,327		1,327	127.69	1,454.69
3/1/2015	1,327		1,327	127.69	1,454.69
6/1/2015	1,327		1,327	127.69	1,454.69
9/1/2015	1,327		1,327	127.69	1,454.69
12/1/2015	1,327		1,327	127.69	1,454.69
3/1/2016	1,327		1,327	127.69	1,454.69
6/1/2016	1,327		1,327	127.69	1,454.69
9/1/2016	1,327		1,327	127.69	1,454.69
12/1/2016	1,327		1,327	127.69	1,454.69
3/1/2017	1,327		1,327	127.69	1,454.69
6/1/2017	1,327		1,327	127.69	1,454.69
9/1/2017	1,327		1,327	127.69	1,454.69
12/1/2017	1,327		1,327	127.69	1,454.69
3/1/2018	1,327		1,327	127.69	1,454.69
6/1/2018	1,327		1,327	127.69	1,454.69
9/1/2018	1,327		1,327	127.69	1,454.69
12/1/2018	1,327		1,327	127.69	1,454.69
3/1/2019	1,327		1,327	127.69	1,454.69
6/1/2019	1,327		1,327	127.69	1,454.69
9/1/2019	1,327		1,327	127.69	1,454.69
12/1/2019	1,327		1,327	127.69	1,454.69
3/1/2020	1,327		1,327	127.69	1,454.69
6/1/2020	1,327		1,327	127.69	1,454.69
9/1/2020	1,327		1,327	127.69	1,454.69
12/1/2020	1,327		1,327	127.69	1,454.69
3/1/2021	1,327		1,327	127.69	1,454.69
6/1/2021	1,327		1,327	127.69	1,454.69
9/1/2021	1,327		1,327	127.69	1,454.69
12/1/2021	1,327		1,327	127.69	1,454.69
3/1/2022	1,327		1,327	127.69	1,454.69
6/1/2022	1,327		1,327	127.69	1,454.69
9/1/2022	1,327		1,327	127.69	1,454.69
12/1/2022	1,327		1,327	127.69	1,454.69
3/1/2023	1,327		1,327	127.69	1,454.69
6/1/2023	1,327		1,327	127.69	1,454.69
9/1/2023	1,327		1,327	127.69	1,454.69
12/1/2023	1,327		1,327	127.69	1,454.69

Bond Debt Service

City of Sistersville

CW SRF

$203,000

40 Years from Closing Date

0% Interest Rate

0.5% Administrative Fee

Period Ending	Principal	Interest	Debt Service	Adm Fee Expense	Quarterly repayment'
3/1/2024	1,327		1,327	127.69	1,454.69
6/1/2024	1,327		1,327	127.69	1,454.69
9/1/2024	1,327		1,327	127.69	1,454.69
12/1/2024	1,327		1,327	127.69	1,454.69
3/1/2025	1,327		1,327	127.69	1,454.69
6/1/2025	1,327		1,327	127.69	1,454.69
9/1/2025	1,327		1,327	127.69	1,454.69
12/1/2025	1,327		1,327	127.69	1,454.69
3/1/2026	1,327		1,327	127.69	1,454.69
6/1/2026	1,327		1,327	127.69	1,454.69
9/1/2026	1,327		1,327	127.69	1,454.69
12/1/2026	1,327		1,327	127.69	1,454.69
3/1/2027	1,327		1,327	127.69	1,454.69
6/1/2027	1,327		1,327	127.69	1,454.69
9/1/2027	1,327		1,327	127.69	1,454.69
12/1/2027	1,327		1,327	127.69	1,454.69
3/1/2028	1,327		1,327	127.69	1,454.69
6/1/2028	1,327		1,327	127.69	1,454.69
9/1/2028	1,327		1,327	127.69	1,454.69
12/1/2028	1,327		1,327	127.69	1,454.69
3/1/2029	1,327		1,327	127.69	1,454.69
6/1/2029	1,327		1,327	127.69	1,454.69
9/1/2029	1,327		1,327	127.69	1,454.69
12/1/2029	1,327		1,327	127.69	1,454.69
3/1/2030	1,327		1,327	127.69	1,454.69
6/1/2030	1,327		1,327	127.69	1,454.69
9/1/2030	1,327		1,327	127.69	1,454.69
12/1/2030	1,327		1,327	127.69	1,454.69
3/1/2031	1,327		1,327	127.69	1,454.69
6/1/2031	1,327		1,327	127.69	1,454.69
9/1/2031	1,327		1,327	127.69	1,454.69
12/1/2031	1,327		1,327	127.69	1,454.69
3/1/2032	1,327		1,327	127.69	1,454.69
6/1/2032	1,327		1,327	127.69	1,454.69
9/1/2032	1,327		1,327	127.69	1,454.69
12/1/2032	1,327		1,327	127.69	1,454.69
3/1/2033	1,327		1,327	127.69	1,454.69
6/1/2033	1,327		1,327	127.69	1,454.69

Bond Debt Service

City of Sistersville

CW SRF

$203,000

40 Years from Closing Date

0% Interest Rate

0.5% Administrative Fee

Period Ending	Principal	Interest	Debt Service	Adm Fee Expense	Quarterly repayment'
9/1/2033	1,327		1,327	127.69	1,454.69
12/1/2033	1,327		1,327	127.69	1,454.69
3/1/2034	1,327		1,327	127.69	1,454.69
6/1/2034	1,327		1,327	127.69	1,454.69
9/1/2034	1,327		1,327	127.69	1,454.69
12/1/2034	1,327		1,327	127.69	1,454.69
3/1/2035	1,327		1,327	127.69	1,454.69
6/1/2035	1,327		1,327	127.69	1,454.69
9/1/2035	1,327		1,327	127.69	1,454.69
12/1/2035	1,327		1,327	127.69	1,454.69
3/1/2036	1,327		1,327	127.69	1,454.69
6/1/2036	1,327		1,327	127.69	1,454.69
9/1/2036	1,327		1,327	127.69	1,454.69
12/1/2036	1,327		1,327	127.69	1,454.69
3/1/2037	1,327		1,327	127.69	1,454.69
6/1/2037	1,327		1,327	127.69	1,454.69
9/1/2037	1,327		1,327	127.69	1,454.69
12/1/2037	1,327		1,327	127.69	1,454.69
3/1/2038	1,327		1,327	127.69	1,454.69
6/1/2038	1,327		1,327	127.69	1,454.69
9/1/2038	1,327		1,327	127.69	1,454.69
12/1/2038	1,327		1,327	127.69	1,454.69
3/1/2039	1,327		1,327	127.69	1,454.69
6/1/2039	1,327		1,327	127.69	1,454.69
9/1/2039	1,327		1,327	127.69	1,454.69
12/1/2039	1,327		1,327	127.69	1,454.69
3/1/2040	1,327		1,327	127.69	1,454.69
6/1/2040	1,327		1,327	127.69	1,454.69
9/1/2040	1,327		1,327	127.69	1,454.69
12/1/2040	1,327		1,327	127.69	1,454.69
3/1/2041	1,327		1,327	127.69	1,454.69
6/1/2041	1,327		1,327	127.69	1,454.69
9/1/2041	1,327		1,327	127.69	1,454.69
12/1/2041	1,327		1,327	127.69	1,454.69
3/1/2042	1,327		1,327	127.69	1,454.69
6/1/2042	1,327		1,327	127.69	1,454.69
9/1/2042	1,327		1,327	127.69	1,454.69
12/1/2042	1,327		1,327	127.69	1,454.69

Bond Debt Service

City of Sistersville

CW SRF

$203,000

40 Years from Closing Date

0% Interest Rate

0.5% Administrative Fee

Period Ending	Principal	Interest	Debt Service	Adm Fee Expense	Quarterly repayment'
3/1/2043	1,327		1,327	127.69	1,454.69
6/1/2043	1,327		1,327	127.69	1,454.69
9/1/2043	1,327		1,327	127.69	1,454.69
12/1/2043	1,327		1,327	127.69	1,454.69
3/1/2044	1,327		1,327	127.69	1,454.69
6/1/2044	1,327		1,327	127.69	1,454.69
9/1/2044	1,327		1,327	127.69	1,454.69
12/1/2044	1,327		1,327	127.69	1,454.69
3/1/2045	1,326		1,326	127.69	1,453.69
6/1/2045	1,326		1,326	127.69	1,453.69
9/1/2045	1,326		1,326	127.69	1,453.69
12/1/2045	1,326		1,326	127.69	1,453.69
3/1/2046	1,326		1,326	127.69	1,453.69
6/1/2046	1,326		1,326	127.69	1,453.69
9/1/2046	1,326		1,326	127.69	1,453.69
12/1/2046	1,326		1,326	127.69	1,453.69
3/1/2047	1,326		1,326	127.69	1,453.69
6/1/2047	1,326		1,326	127.69	1,453.69
9/1/2047	1,326		1,326	127.69	1,453.69
12/1/2047	1,326		1,326	127.69	1,453.69
3/1/2048	1,326		1,326	127.69	1,453.69
6/1/2048	1,326		1,326	127.69	1,453.69
9/1/2048	1,326		1,326	127.69	1,453.69
12/1/2048	1,326		1,326	127.69	1,453.69
3/1/2049	1,326		1,326	127.69	1,453.69
6/1/2049	1,326		1,326	127.69	1,453.69
9/1/2049	1,326		1,326	127.69	1,453.69
12/1/2049	1,326		1,326	127.69	1,453.69
3/1/2050	1,326		1,326	127.69	1,453.69
6/1/2050	1,326		1,326	127.69	1,453.69
9/1/2050	1,326		1,326	127.69	1,453.69
12/1/2050	1,326		1,326	127.69	1,453.69
3/1/2051	1,326		1,326	127.69	1,453.69
6/1/2051	1,326		1,326	127.69	1,453.69
9/1/2051	1,326		1,326	127.69	1,453.69
12/1/2051	1,326		1,326	127.69	1,453.69
3/1/2052	1,326		1,326	127.69	1,453.69
6/1/2052	1,326		1,326	127.69	1,453.69
9/1/2052	1,326		1,326	127.69	1,453.69
12/1/2052	1,327		1,327	127.69	1,454.69
	203,000		203,000		

A quarterly administrative fee of $127.69 results in a total administrative expense of $19,536.57 over the life of the loan

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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
(304) 353-8196 – Telephone
(304) 353-8180 – Facsimile
John.stump@steptoe-johnson.com

January 29, 2013

Via Hand Delivery

01:19 PM JAN 29 2013 PSC EXEC SEC

Sandra Squire, *Executive Secretary*
Public Service Commission of West Virginia
201 Brooks Street
Charleston, West Virginia 25323

Case No.: 12-0678-S-CN

SISTERSVILLE MUNICIPAL SEWER DEPARTMENT

Application for a certificate of convenience to construct certain additions and improvements to its existing sewerage system and for approval of the financing thereof.

Dear Ms. Squire:

Enclosed herein for filing on behalf of the Sistersville Municipal Sewer Department, please find an affidavit by the City's certified public accountant.

Please file the enclosed affidavit and distribute the additional copies to the appropriate parties at the Commission. Additionally, I ask that you date stamp the file copy provided and return it with our messenger. Thank you in advance for your attention to this matter, and should you have any questions please contact me at (304) 353-8196.

Best Regards,

John C. Stump
(W. V. State Bar No. 6385)

Enclosures

01:19 PM JAN 29 2013 PSC EXEC SEC DIV

Griffith & Associates, PLLC Accountants & Consultants

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 12-0678-S-CN

SISTERSVILLE MUNICIPAL SEWER DEPARTMENT

Application for a certificate of convenience to construct certain additions and improvements to its existing sewerage system and for approval of the financing thereof..

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN TO-WIT:

AFFIDAVIT

I, Michael Griffith, CPA, after making an oath of affirmation to tell the truth, say that, I have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 12-0678-S-CN entered November 5, 2012 approving funding consisting of (a) a Clean Water State Revolving Fund loan of $216,000, amortized over 38 years at 0% interest, with a 0.5% annual administrative fee, and (b) a Clean Water State Revolving Fund forgivable Loan of $884,000.

Based upon all the information that has been provided to me, to date, I am of the opinion that the rates and charges are not affected by the revised funding consisting of (a) a Clean Water State Revolving Fund loan of $203,000, amortized over 38 years at 0% interest, with a 0.5% annual administrative fee, and (b) a Clean Water State Revolving Fund forgivable Loan of $745,454.

This Affidavit is executed on the 28th day of January, 2013

Michael D. Griffith, CPA, AFI
Griffith and Associates, PLLC

Taken, subscribed and sworn to before me this 28th day of January, 2013.

My commission expires April 26, 2014

Dreama Kingrey
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DREAMA KINGREY
GRIFFITH & ASSOCIATES
950 LITTLE COAL RIVER ROAD
ALUM CREEK, WV 25003
My commission expires April 26, 2014

Michael D. Griffith, CPA, AFI
mgriffith@gcorpwv.com
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
11/25/2012

Entered: November 5, 2012

CASE NO. 12-0678-S-CN

SISTERSVILLE MUNICIPAL SEWER DEPARTMENT
Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing sewerage system, and for approval of the financing thereof.

RECOMMENDED DECISION

This Recommended Decision grants the application of Sistersville Municipal Sewer Department for a certificate of convenience and necessity to construct certain additions and improvements to its existing sewerage system; approves the financing proposed for the project; approves the Applicant's interim financing; and grants the Applicant's request to withdraw its request for waiver of the requirement that a Rule 42 Exhibit be filed in this case.

On May 22, 2012, Sistersville Municipal Sewer Department (Applicant or Utility) filed an application with the West Virginia Public Service Commission (Commission) for a certificate of convenience and necessity to construct certain additions and improvements to its existing sewerage system and for approval of the financing thereof. The project included (i) construction of a connection which would allow the Applicant to serve approximately forty-five (45) new customers in the Hanford City area, located adjacent to the Sistersville corporate limits; and (ii) replacement of the existing Hanford City area sewerage system, including installation of 4,400 linear feet of 8-inch PVC sewer line, 1,600 linear feet of 4-inch PVC service laterals, 20 manholes, 45 connections to existing laterals, a 40 gallons-per-minute pump station, 1,500 linear feet of 2-inch force main and 6,000 linear feet of restoration, and appurtenances relating thereto. The Applicant reported that the total estimated cost for the project was not expected to exceed $1,100,000. Project funding had already been approved by the West Virginia Infrastructure and Jobs Development Council. The Applicant also arranged for interim financing for the project and intended to close on a $120,000 loan with Union Bank. The Applicant reported that the project would not require an increase in its current sewer rates because its current rates would be sufficient to support the project. The Applicant requested a waiver of the requirement to file a Rule 42 Exhibit in this matter.

On May 24, 2012, a Notice of Filing was issued by the Commission which required that the Applicant give notice of the filing of the certificate application, by publishing a copy of the Notice of Filing once in a newspaper duly qualified by the Secretary of State, published and of

general circulation in Tyler County. The Applicant was ordered to make due return to the Public Service Commission of proper certification immediately after publication. The Notice of Filing stated that, "Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission Order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings." The Order also stated that, if no protests were received within the thirty (30) day period, the Commission could waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

By Commission Referral Order issued on June 5, 2012, the case was referred to the Division of Administrative Law Judges. The order required that, if no public protest was filed after the required public notice was provided, the decision was to be rendered on or before October 4, 2012. If public protest was received by the Commission during the thirty (30) day public protest period, the decision was to be rendered on or before November 5, 2012.

On June 7, 2012, the Applicant filed an affidavit of publication from the *Tyler Star News*, which established that the Notice of Filing had been published therein on June 6, 2012.

On June 18, 2012, the Applicant filed a Rule 42 Exhibit. The Applicant noted that it had originally requested, as part of its certificate application, a waiver of the requirement to file a Rule 42 Exhibit in this matter. However, after the certificate application and waiver request was filed, the Commission Staff informally requested that the Applicant file a Rule 42 Exhibit. Since the Applicant filed the Rule 42 Exhibit, it also requested that its request for waiver of the requirement be withdrawn in this matter. The Applicant also advised that the proposed project would not require an increase in its current sewer rates because the current rates were sufficient.

On June 22, 2012, Staff Attorney L.R. Sammons, III, of the Commission's Legal Division filed the Initial Joint Staff Memorandum along with the Initial Memorandum prepared by Technical Analyst Associate Mansour Mashayekhi of the Commission's Engineering Division and Utilities Analyst James Boggess of the Commission's Utilities Division. Staff reported that additional information and documentation was needed from the Applicant. Commission Staff specifically requested that the Applicant provide to the Commission a copy of (i) a binding commitment letter for the $216,000 Clean Water State Revolving Fund loan; (ii) and a binding commitment letter for the $844,000 Clean Water State Revolving Fund forgivable loan; and (iii) all required permits and/or approvals for the proposed project. Staff Attorney Sammons requested that the Applicant provide the additional information and documentation to the Commission within twenty (20) days of the date of the memorandum.

On July 12, 2012, the Applicant filed a written response to the Initial Joint Staff Memorandum. The Applicant advised that, "While the City does not have in hand the documentation requested by Staff, it anticipates receiving the same soon. More specifically, with respect to the funding commitment letter, the City has requested the commitment and anticipates receiving it by early August. As for the permits and approvals, the City has

followed up with the respective issuing agencies and anticipates receiving them by early August." The Applicant stated that it would file the documents as soon as they were received.

On August 20, 2012, Staff Attorney Sammons filed the Final Joint Staff Memorandum, along with the Utilities and Engineering Divisions Final Memorandum, prepared by Utilities Analyst Boggess and Technical Analyst Associate Mayshayekhi. Staff reported that the Applicant currently operates a sewage system that serves approximately 580 residential customers, 61 commercial customers, 13 institutional customers and 7 industrial customers, for a total of 661 customers. The Applicant has proposed to construct a connection that would allow it to serve approximately forty-five (45) new customers in the Hanford City area located adjacent to the corporate limits of the Applicant. The Applicant's certificate application includes replacement of the existing Hanford City area sewerage system, including installation of 4,400 linear feet of 8-inch PVC sewer line, 1,600 linear feet of 4-inch PVC service laterals, 20 manholes, 45 connections to existing laterals, a 40 gallons per minute pump station, 1,500 linear feet of 2-inch force main and 6,000 linear feet of restoration. As to the element of need for the project, Commission Staff reported that, "Currently, most residents in Hanford City utilize a community sewer system that discharges raw sewerage directly into the Ohio River. This creates health and water quality problems, as well as aesthetic and unsightly conditions. The sewer system is currently in extremely poor condition. The community sewer collection system does not meet accepted sewer design standards and frequently requires repairs. No permits for the system have been issued."

Commission Staff noted that the cost per customer for this project of $24,444 was high. However, if only the loan portion of the project was considered, the cost per customer would be only $5,048, which was more reasonable. Staff also noted that, since a significant portion of the project was funded by a 0% interest loan, no rate increase was required for this project. As to engineering fees, Commission Staff concluded that total engineering costs were 16.4% of the total project cost and 22.4% of the construction costs. Staff stated that, "In comparison to similar projects, Staff believes that the engineering fees are slightly on the high side."

Staff reported that the Applicant has obtained signed users agreements from forty-three (43) of the forty-five (45) potential customers. Ninety-six percent (96%) of potential customers have signed on as customers. The operation and maintenance costs are expected to increase as a result of this project form $295,012 to $307,781 annually, approximately 4.3%. However, with the addition of new customers, the operation and maintenance expense per customer will decrease from $446 per year to $436 per year, or by 2.2%. Staff reported that it was waiting to receive funding commitment letters and necessary permits or approvals from the various agencies. Staff recommended that this case be dismissed because the funding commitment letters had not been submitted and because the necessary permits and approvals for the project had not been submitted to the Commission.

Legal Staff agreed with Technical Staff's recommendation that the case be dismissed. Staff Attorney Sammons stated that, "Despite the City's continuing efforts, Staff must complete its investigation within the Commission's guidelines. Therefore, Legal Staff agrees with the

recommendations of Staff. Legal Staff notes the City may seek a tolling if needs additional time to seek the documents in question."

On August 30, 2012, the Applicant's attorney filed a response to the Final Joint Staff Memorandum in which he reported that the Applicant had received the funding commitment letter but had not received all the necessary permits and approvals for the project. The Applicant's attorney stated that the Applicant intended to move the Commission to toll the case.

On September 14, 2012, the Applicant filed with the Commission the funding commitment letter, the State Historic Preservation Office clearance and the NPDES permit modification.

On September 18, 2012, the Applicant filed with the Commission a revised version of the State Historic Preservation Office clearance needed for the proposed project. The Applicant stated that the original SHPO clearance filed on September 14, 2012, was not correctly dated.

On September 26, 2012, the Applicant filed with the Commission a motion to toll the statutory deadline for a period of thirty (30) days in order to allow the Commission Staff sufficient time to review the information and documents recently filed by the Applicant. Counsel for the Applicant reported that he had consulted with the Staff Attorney and the Staff Attorney did not object to the Applicant's motion for a tolling of the statutory deadline.

On October 2, 2012, Staff Attorney Lisa L. Wansley filed the Further Joint Staff Memorandum along with the Further Final Recommendation prepared by Technical Analyst Associate Mashayekhi and Utilities Analyst Boggess. Staff reviewed the funding commitment letters submitted by the Applicant. The Applicant filed a funding commitment letter for a Clean Water State Revolving Fund repayable loan of $203,000 and a Clean Water State Revolving Fund forgivable loan of $884,000. Staff reported that the commitment for the repayable loan left a shortfall of $13,000. Staff spoke by telephone with Katheryn D. Emery, P.E., Program Manager for the Clean Water State Revolving Fund Program, and was informed that Clean Water State Revolving Fund would provide one hundred percent of the financing for the project. Staff also reported that the Applicant issued Sewage System Design Bond Anticipation Notes, Series 2012 A, in the aggregate principal amount of $120,000 as interim financing for the project. The Union Bank of Sistersville purchased the bonds. A commitment letter from Union Bank of Sistersville was included as part of the original certificate application.

Commission Staff recommended that the Applicant be granted a certificate of convenience and necessity to construct additions and improvements to its existing sewer system as fully described in the engineering plans and documents and that the proposed funding package, consisting of a Clean Water State Revolving Fund loan of $216,000, amortized over thirty-eight years at 0% interest with a 0.5% annual administrative fee and an $884,000 Clean Water State Revolving Fund forgivable loan, be approved. Staff also recommended that, if any changes occurred in the plans or scope of the project, the Applicant must seek Commission approval. Staff also recommended that, if there were changes in the rates to be charged

associated with this project, the Applicant must also seek Commission approval of such changes. Since this project has been approved by the West Virginia Infrastructure and Jobs Development Council, it would not be necessary for the Applicant to seek Commission approval of changes in project costs or financing, so long as the project-related rates remained unchanged. However, in such a situation, Commission Staff recommended that the Applicant be required to file an affidavit executed by its certified public accountant verifying that project-related charges were not affected. Staff also recommended that, should bids exceed the estimated construction costs approved herein, the Applicant request approval for any necessary project revisions, and submit necessary engineering data in support thereof. Commission Staff also recommended that the Applicant provide a copy of the engineer's certified tabulations of bids, within ten (10) days of the bid opening date, for each construction contract or vendor bid contract to be awarded for this project. Commission Staff recommended that the Applicant submit a certificate of substantial completion as soon as it becomes available.

By Commission Order entered on October 2, 2012, the Applicant's motion for a thirty (30) day tolling of the statutory deadline and an extension of the Administrative Law Judge decision due date was granted and the running of the current statutory due date was tolled until December 12, 2012. The Administrative Law Judge decision due date was extended until November 5, 2012.

On October 12, 2012, the Applicant filed a response to the October 2, 2012 Further Joint Staff Memorandum in which it advised that it did not object to any of the recommendations contained in the memorandum and it supported Staff's recommendation that an order be entered incorporating the recommendations.

DISCUSSION

The record in this matter reflects that the Notice of Filing was properly published as a Class I legal notice, as directed in the Commission's May 24, 2012 Order. The Notice of Filing provided that public protests or requests for intervention regarding the certificate application filed by Sistersville Municipal Sewer Department be filed with the Public Service Commission within thirty (30) days of the date of publication of the Notice of Filing. The Applicant subsequently filed an affidavit of publication demonstrating that publication of the Notice of Filing occurred on June 6, 2012, and the record reflects that no public protests and no requests to intervene were filed in this matter during the thirty (30) day public protest period or as of the date of this Recommended Decision. Therefore, it is reasonable to conclude that there is no objection from the public to the issuance of a certificate of convenience and necessity for the Applicant to construct the sewer system additions and improvements described in the certificate application.

FINDINGS OF FACT

1. On May 22, 2012, Sistersville Municipal Sewer Department filed an application with this Commission for a certificate of convenience and necessity to construct specific additions and improvements to its existing sewage system facilities. The project was described

to include construction of a connection to allow the Applicant to serve approximately 45 new sewer customers in the Hanford City area located adjacent to the Applicant's corporate limits and replacement of the existing Hanford City area sewage system, including installation of 4,400 linear feet of 8-inch PVC sewer line, 1,600 linear feet of 4-inch PVC service laterals, 20 manholes, 45 connections to existing laterals, a 40 gallons-per-minute pump station, 1,500 linear feet of 2-inch force main and 6,000 linear feet of restoration. (See, May 22, 2012 filing).

2. Sistersville Municipal Sewer Department published the Notice of Filing regarding this certificate application in the *Tyler Star News*, a weekly newspaper of general circulation published at Sistersville, Tyler County, West Virginia, on June 6, 2012. (See, affidavit of publication filed June 7, 2012).

3. More than thirty (30) days have passed since the Notice of Filing was published in this matter by the Applicant and no public protests were received by the Public Service Commission during the public protest period or as of the date of this Recommended Decision. (See, case file generally).

4. The total estimated project cost is $1,100,000 and will be financed through a $216,000 Clean Water State Revolving Fund repayable loan, at a 0% rate of interest, amortized over thirty-eight (38) years, with an annual administrative fee of 0.5%, and a Clean Water State Revolving Fund forgivable loan of $884,000. The administrator of the Clean Water State Revolving Fund has confirmed that the Fund would provide 100% of the project funding. (See, commitment letter filed September 13, 2012; Further Joint Staff Memorandum filed October 2, 2012).

5. The existing sewerage system in the Hanford City area adjacent to the Applicant's corporate boundaries is discharging raw sewage directly into the Ohio River, creating health and water quality problems; is in extremely poor condition; requires frequent repairs; and does not meet accepted sewer design standards. (See, Further Joint Staff Memorandum and Further Final Recommendation filed October 2, 2012).

6. Operation and maintenance expenses are projected to increase by $12,769 (or 4.3%) annually, from $295,012 to $307,781, as a result of this project. (See, Further Joint Staff Memorandum and Further Final Recommendation filed October 2, 2012).

7. The Applicant intends to continue to charge its existing rates (pursuant to its current sewer tariff on file with the Commission) after the proposed sewer project is completed. (See, certificate application filed May 22, 2012).

8. Commission Staff has reviewed the project and has recommended that the project and its funding be approved. (See, Further Final Recommendation filed October 2, 2012).

9. The Applicant is in agreement with the recommendations of Commission Staff as set forth in the Further Joint Staff Memorandum and attachments filed on October 2, 2012, in this matter. (See, October 11, 2012 filing).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the improvements and additions to its existing sewage collection and treatment facilities described by Sistersville Municipal Sewer Department in its certificate application filed on May 22, 2012.

2. It is reasonable to grant Sistersville Municipal Sewer Department's application for a certificate of public convenience and necessity to construct improvements and additions to existing sewage system facilities as described in its certificate application filed on May 22, 2012.

3. It is reasonable to approve the proposed financing for the project, consisting of a Clean Water State Revolving Fund loan of $216,000, amortized over thirty-eight years at 0% interest, with a 0.5% annual administrative fee, and an $884,000 Clean Water State Revolving Fund forgivable loan.

ORDER

IT IS, THEREFORE, ORDERED that the application filed herein on May 22, 2012, by Sistersville Municipal Sewer Department, for a certificate of convenience and necessity to construct additions and improvements to its existing sewage facilities, be, and hereby is, granted.

IT IS FURTHER ORDERED that the Applicant's proposed financing for the project, consisting of a Clean Water State Revolving Fund loan of $216,000, amortized over thirty-eight (38) years at 0% interest, with a 0.5% annual administrative fee, and a Clean Water State Revolving Fund forgivable loan of $884,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Applicant's proposed interim financing, as described herein, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Applicant's motion to withdraw its original request for a waiver of the requirement that a Rule 42 Exhibit be filed in this case, be, and hereby is, granted.

IT IS FURTHER ORDERED that Sistersville Municipal Sewer Department submit a certificate of substantial completion for each construction contract involved in this project, within ten (10) days of its issuance.

IT IS FURTHER ORDERED that Sistersville Municipal Sewer Department file a copy of the engineer's certified tabulation of bids for each construction contract or vendor bid contract awarded for this project, within ten (10) days of the bid opening date.

IT IS FURTHER ORDERED that, should there be any changes in the scope, plans or financing of the project, or if a change in project cost affects the Applicant's rates, Sistersville Municipal Sewer Department obtain Commission approval of such changes, prior to commencing construction.

IT IS FURTHER ORDERED that, if there is a change in project cost that does not affect rates, Sistersville Municipal Sewer Department is not required to obtain Commission approval of such change. However, Sistersville Municipal Sewer Department shall, in such case, file an affidavit with the Commission, duly executed by its Certified Public Accountant, verifying that rates are not affected.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, Sistersville Municipal Water Department comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

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

IT IS FURTHER ORDERED that the Executive Secretary shall serve a copy of this Recommended Decision upon all parties by electronic service, if they have filed an e-service agreement with the Commission; by United States Certified Mail, return receipt requested, if they have not filed an e-service agreement with the Commission; and upon Commission Staff by hand delivery.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this Recommended Decision 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 Recommended Decision 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.

Cecelia Gail Jarrell

Cecelia Gail Jarrell
Administrative Law Judge

CGJ:s:ksf
120678a.doc

Affidavit of filing

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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
(304) 353-8148 – Telephone
(304) 353-8180 – Facsimile
todd.swanson@steptoe-johnson.com
WVSB No. 10509

June 7, 2012

VIA HAND DELIVERY

04:17 PM JUN 07 2012 PSC EXEC SEC DIV

Sandra Squire, *Executive Secretary*
Public Service Commission of West Virginia
201 Brooks Street
Charleston, West Virginia 25323

Re: **CASE NO.: 12-0678-S-CN**
CITY OF SISTERSVILLE
Tyler County, West Virginia
Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing sewerage system, and for approval of the financing thereof.

Dear Ms. Squire:

Enclosed herein for filing on behalf of the City of Sistersville, please find the original and twelve (12) copies of the affidavit of publication verifying that the Notice of Filing was published in the *Tyler Star News* on June 6, 2012.

I ask that you please file the enclosed affidavit and distribute the additional copies to the appropriate parties at the Commission. Additionally, please date stamp the file copy provided and return it with our messenger.

Thank you in advance for your attention to this matter, and please contact me should you have any questions.

Sincerely,

Todd M. Swanson

TMS
Encl.
cc: Honorable David B. Fox (w/ encl.)
Ashok M. Sanghavi, P.E. (w/o encl.)
Tim Meeks (w/o encl.)
Michael D. Griffith, CPA (w/o encl.)

154840.00002

CH6028138.1

04:17 PM JUN 07 2012 PSC EXEC SEC DIV

TYLER STAR NEWS

Sistersville, WV June 6, 2012

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 1 successive weeks in the Tyler Star News, beginning on the 6 day of June, 2012 and ending on the 6 day of June, 2012.

Manager, Tyler Star News

Subscribed and sworn to before me, a Notary Public of said County, on this 6 day of June, 2012.

Notary Public

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

Printers Fee.....

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DIANN S. WRIGHT
218 South 2nd Avenue
Paden City, West Virginia 26159
My Commission Expires Jan. 4, 2016

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on
the 24th day of May 2012.

CASE NO. 12- 0678-S-CN

CITY OF SISTERSVILLE
Tyler County, West Virginia
Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing sewerage system, and for approval of the financing thereof.

NOTICE OF FILING

On May 22, 2012, the City of Sistersville (City) filed a duly verified application for a Certificate of convenience and necessity to construct certain additions and improvements to the City's existing sewerage system in Tyler County.

The City proposes to construct additions and improvements to its sewerage system consisting of (i) construction of a connection to serve approximately 45 new customers in the Hanford City area, which area is located adjacent to the City's corporate limits, (ii) replacement of the existing Hanford City area sewerage system, including installation of 4,400 linear feet of 8-inch PVC sewer line, 1,800 linear feet of 4-inch PVC service laterals, 20 manholes, 45 connections to existing laterals, a 40 gallon per minute pump station, 1,500 linear feet of 2-inch force main and 6,000 linear feet of restoration, and (iii) appurtenances relating thereto.

The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, Charleston, West Virginia.

The City estimates that construction will cost approximately $1,100,000. It is proposed that the construction will be financed by a Clean Water State Revolving Fund (CWSRF) loan in the amount of $216,000.00 for a term of 40 years at 0%, 0.5% administrative fee, and a CWSRF forgivable loan in the amount of $884,000.00.

The City of Sistersville does not seek a rate increase in connection with this project and will continue to charge its existing rates for its customers, pursuant to its current sewer tariff on file with the Commission. The City's current rates were enacted and became effective February 26, 2009, in accordance with the Public Service Commission's rules for municipal rate
change:

APPLICABILITY
Applicable within the entire territory served.

AVAILABILITY
Available for domestic, commercial, industrial (except unusual industrial waste) and resale sewer service.

EFFECTIVE FOR THE FISCAL YEAR ENDING JUNE 30, 2009

RATES

First 7,500 gallons per month	$12.00 per 1,000 gallons
All Over 7,500 gallons per month	$8.00 per 1,000 gallons

MINIMUM CHARGE (Customers with a metered water supply) Each customer shall pay a minimum charge of $36.00 per month
(Equivalent to 3,000 gallons of water usage)

FLAT RATE CHARGE (Customers with non-metered water supply) Each customer shall pay a minimum charge of $54.00 per month
(Equivalent to 4,500 gallons of water usage)

DELAYED PAYMENT PENALTY
The above schedule is net. On all current usage billings not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

WATER SERVICE CONNECTION CHARGE
The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

Legal Notices

A tap fee of $350.00, or the actual cost of the connection (solely determined by the Utility), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE
A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE
$25.00
Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge of $25.00 have been paid.

There shall be a $25.00 reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason.

In the event that Utility staff or agent collect money at the customer's residence in order to stop disconnection, an administrative fee of $25.00 shall be paid in addition to other charges to prevent disconnection.

INCREMENTAL COSTS
An amount not to exceed $5.00 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Utility shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

SURCHARGE
All water customers shall pay a temporary surcharge of $1.00 (one dollar) per thousand gallons of water purchased from the City, which amount shall be dedicated to and applied to payment of the said deficiencies each month until such time as the said deficiencies have been eliminated.

MULTIPLE OCCUPANCY
On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum charge times the number of units, or the actual charge of the water used, whichever is greater.

SECTION II

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S SANITARY SYSTEM

APPLICABILITY
Where the Utility has discovered that a customer's roof drain, downspouts, storm sewer, or other similar facilities conducting surface water has been connected to the Utility's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the Utility in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = AxRx.0006233 xC$$

S = The surcharge in dollars,

A = The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.

R = The measured monthly rainfall, in inches.

.0006233 = A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.

C = The Utility's approved rate per thousand gallons of metered water usage.

The Utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

Legal Notices

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USER PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci = Charge to unusual users per year.

Vo = Average unit cost of transport and treatment chargeable to volume, in dollars per gallon.

Vi = Volume of wastewater from unusual users in gallons per year.

Bo = Average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound.

Bi = Weight of BOD from unusual users in pounds per year.

So = Average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound.

Si = Weight of total solids from unusual users in pounds per year.

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Utility, should not be introduced into the sewer system, need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage service will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Utility, as the case may be. Such audited figures will then be
used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE IV

APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE CITY OF SISTERSVILLE

Where the amount of sanitary sewage discharged into the Utility's wastewater collection and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

Legal Notices

AVAILABILITY

Available for wastewater and leachable haulers.

RATES

Commodity Charge – Each customer shall pay a commodity charge of $40.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

$25.00

A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

The City has no resale customers.

Anyone desiring to protest or intervene in this Certificate proceeding should file a written protest or request to intervene within thirty (30) days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case or participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or request to intervene. Requests to intervene must comply with the rules on intervention set forth in the Commission Rules of Practice and Procedure. All protests and requests to intervene should be addressed to Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

In the absence of substantial protest received within thirty (30) days of this publication, the Commission may waive formal hearing and grant the application based on Commission review of the evidence submitted with the application.

City of Sistersville

TSN 6-6 613

WEST VIRGINIA
Infrastructure & Jobs Development Council

Gov. Earl Ray Tomblin
Chairman

Kenneth Lowe, Jr.
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Louis R. Spatafore
Public Member

Joseph Freeland
Public Member

D. K. "Bud" Carr
Public Member

James W. Ellars, P.E.
Executive Director

Barbara J. Pauley
Administrative Secretary

July 13, 2011

The Honorable David B. Fox
Mayor, City of Sistersville
200 Diamond Street
Sistersville, WV 25176

Re: City of Sistersville (Hanford City)
Sewer Project 2011S-1253 (Revised Funding)

Dear Mayor Fox,

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) has reviewed the City of Sistersville's (City) preliminary application to provide a wastewater collection system for Hanford City with treatment at the City of Sistersville wastewater treatment plant (Project).

Based on the findings of the Sewer 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 Sewer Technical Review Committee as the City may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the preliminary application, the Infrastructure Council determined that the City should pursue $884,000 Clean Water State Revolving Fund debt forgiveness and a $216,000 Clean Water State Revolving Fund loan (0%, ½% Admin Fee, 40 yrs) to fund this $1,100,000 Project. Please contact the West Virginia Division of Environmental Protection office at 304-926-0499 (X1596) for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from this agency.**

If you have any questions regarding this matter, please contact Jim Ellars at 304-414-6501 (X106).

Sincerely,

Kenneth Lowe, Jr.

Enclosure

cc: Kathy Emery, P.E., DEP (w/o enclosure) *(via e-mail)*
Ashok M. Sanghavi, S & S Engineers, Inc.
Tim Meeks, Mid-Ohio Valley Regional Council

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.gov

August 17, 2012

Honorable David Fox
Mayor, City of Sistersville
200 Diamond St.
Sistersville, West Virginia 25176

RE: City of Sistersville
SRF No. C-544467
Binding Commitment

Dear Mayor Fox:

This letter is to confirm our intention of providing the long-term financing through the Clean Water State Revolving Fund Program for the City's wastewater improvement project. The project involves a wastewater collection system extension to serve approximately 45 customers in the Hanford City area of Tyler County.

We are hereby committing an amount of $1,100,000 which contains two loan components. A repayable loan amount of $203,000 will be issued at 0% interest, 0.5% annual administrative fee, for a term of 40 years (38-year payback). A forgivable loan amount of $884,000 may also be assumed. These funds are being provided through the base CWSRF program. The City qualifies for these terms as long as the 4,000 gallon average sewer rate is equal to or greater than $39.08 (1.75% MHI). The final loan amount may be adjusted after receipt of bids and a formal application is submitted.

If the City's bonds have not been issued to the Fund prior to February 17, 2013, it is understood that the Fund reserves the right to discontinue processing the City's application and on that day, will have no further responsibilities or obligations hereunder.

Should you have any questions, please do not hesitate to contact me at (304) 926-0499, extension 1596 or at Katheryn.D.Emery@wv.gov .

Sincerely,

Katheryn D. Emery, P.E.
Program Manager
Clean Water SRF Program

KDE/cg

cc: Mr. Tim Meeks, MOVRC
Mr. Ashok Sanghavi, P. E., S&S Engineers
Mr. Todd Swanson, Steptoe & Johnson
Ms. Samme Gee, Esquire, Jackson Kelly

THE CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On the 27th day of February, 2013, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of The City of Sistersville (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 27th day of February, 2013, the Authority received the Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), of the Issuer, in the principal amount of $203,000, numbered AR-1 (the "Series 2013 A Bonds") and the Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), of the Issuer, in the principal amount of $745,454, numbered BR-1 (the "Series 2013 B Bonds"), each issued as a single, fully registered Bond, and each dated February 27, 2013.

2. At the time of such receipt, all the Series 2013 A Bonds and the Series 2013 B Bonds had been executed by the Mayor and the Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2013 A Bonds, of $106,397, being a portion of the principal amount of the Series 2013 A Bonds. The balance of the principal amount of the Series 2013 A Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

4. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2013 B Bonds, of $6,596, being a portion of the principal amount of the Series 2013 B Bonds. The balance of the principal amount of the Series 2013 B Bonds will be advanced by the Authority and by the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

THE CITY OF SISTERSVILLE

By: _____
Its: Mayor

827780.00013

6018062

THE CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 27th day of February, 2013.

(1) Bond No. AR-1, constituting the entire original issue of The City of Sistersville Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), in the principal amount of $203,000 (the "Series 2013 A Bonds") and Bond No. BR-1, constituting the entire original issue of The City of Sistersville Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), in the principal amount of $745,454 (the "Series 2013 B Bonds"), both dated February 27, 2013 (collectively, the "Series 2013 Bonds"), executed by the Mayor and the Clerk of The City of Sistersville (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on February 11, 2013, and a Supplemental Resolution duly adopted by the Issuer on February 11, 2013 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-described Bond issues, duly certified by the Clerk of the Issuer;

(3) Executed counterparts of a Bond Purchase Agreement for the Series 2013 Bonds, dated February 27, 2013, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"); and

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the Bond Purchase Agreement and the Series 2013 Bonds.

You are hereby requested and authorized to deliver the Series 2013 A Bonds to the Authority upon payment to the Issuer of the sum of $106,397, representing a portion of the principal amount of the Series 2013 A Bonds. You are further hereby requested and authorized to deliver the Series 2013 B Bonds to the Authority upon payment to the Issuer of the sum of $6,596, representing a portion of the principal amount of the Series 2013 B Bonds. Prior to such delivery of the Series 2013 Bonds, you will please cause the Series 2013 Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

THE CITY OF SISTERSVILLE

By: _____
Its: Mayor

827730.00013

6018064

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SISTERSVILLE
SEWER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

$203,000

KNOW ALL MEN BY THESE PRESENTS: That on the 27th day of February, 2013, THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO HUNDRED THREE THOUSAND DOLLARS ($203,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2014, to and including December 1, 2052 as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee of 0.5% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing December 1, 2014, as set forth on Exhibit B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Issuer, the Authority, and the DEP, dated February 27, 2013.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) to pay the Prior Notes; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on February 11, 2013, and a Supplemental Resolution duly adopted by the Issuer on February 11, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions

thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S: (I) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 1, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,057,749 (THE "SERIES 1990 A BONDS"); AND (II) THE SEWER REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $745,454, (THE "SERIES 2013 B BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

THIS BOND IS ISSUED SENIOR AND PRIOR TO, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT AND IN ALL RESPECTS WITH THE ISSUER'S SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 1, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,361 (THE "SERIES 1990 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1990 A Bonds and the Series 2013 B Bonds and senior and prior to the Series 1990 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2013 A Bonds (the "Series 2013 A Bonds Reserve Account"), and unexpended proceeds of the Series 2013 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2013 A Bonds Reserve Account and unexpended proceeds of the Series 2013 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2013 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior or subordinate to the Series 2013 A Bonds including the Series 2013 B Bonds and the Prior Bonds; provided however, that, so long as there exists in the Series 2013 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Series 2013 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding on a parity with or junior and subordinate to the Bonds, including the Series 2013 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is

made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

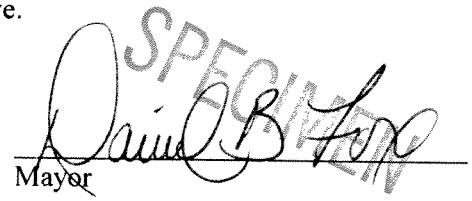
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

[Remainder of Page Intentionally Blank]

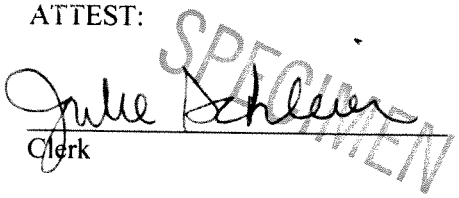
IN WITNESS WHEREOF, THE CITY OF SISTERSVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated the day and year first written above.

[SEAL]



Mayor

ATTEST:



Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: February 27, 2013.

THE HUNTINGTON NATIONAL BANK
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $106,397	2/27/2013	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Bond Debt Service

City of Sistersville

CW SRF

$203,000

40 Years from Closing Date

0% Interest Rate

0.5% Administrative Fee

Dated Date	2/27/2013
Delivery Date	2/27/2013

Period Ending	Principal	Interest	Debt Service	Adm Fee Expense	Quarterly repayment'
9/1/2014					
12/1/2014	1,327		1,327	127.69	1,454.69
3/1/2015	1,327		1,327	127.69	1,454.69
6/1/2015	1,327		1,327	127.69	1,454.69
9/1/2015	1,327		1,327	127.69	1,454.69
12/1/2015	1,327		1,327	127.69	1,454.69
3/1/2016	1,327		1,327	127.69	1,454.69
6/1/2016	1,327		1,327	127.69	1,454.69
9/1/2016	1,327		1,327	127.69	1,454.69
12/1/2016	1,327		1,327	127.69	1,454.69
3/1/2017	1,327		1,327	127.69	1,454.69
6/1/2017	1,327		1,327	127.69	1,454.69
9/1/2017	1,327		1,327	127.69	1,454.69
12/1/2017	1,327		1,327	127.69	1,454.69
3/1/2018	1,327		1,327	127.69	1,454.69
6/1/2018	1,327		1,327	127.69	1,454.69
9/1/2018	1,327		1,327	127.69	1,454.69
12/1/2018	1,327		1,327	127.69	1,454.69
3/1/2019	1,327		1,327	127.69	1,454.69
6/1/2019	1,327		1,327	127.69	1,454.69
9/1/2019	1,327		1,327	127.69	1,454.69
12/1/2019	1,327		1,327	127.69	1,454.69
3/1/2020	1,327		1,327	127.69	1,454.69
6/1/2020	1,327		1,327	127.69	1,454.69
9/1/2020	1,327		1,327	127.69	1,454.69
12/1/2020	1,327		1,327	127.69	1,454.69
3/1/2021	1,327		1,327	127.69	1,454.69
6/1/2021	1,327		1,327	127.69	1,454.69
9/1/2021	1,327		1,327	127.69	1,454.69
12/1/2021	1,327		1,327	127.69	1,454.69
3/1/2022	1,327		1,327	127.69	1,454.69
6/1/2022	1,327		1,327	127.69	1,454.69
9/1/2022	1,327		1,327	127.69	1,454.69
12/1/2022	1,327		1,327	127.69	1,454.69
3/1/2023	1,327		1,327	127.69	1,454.69
6/1/2023	1,327		1,327	127.69	1,454.69
9/1/2023	1,327		1,327	127.69	1,454.69
12/1/2023	1,327		1,327	127.69	1,454.69

Bond Debt Service

City of Sistersville

CW SRF

$203,000

40 Years from Closing Date

0% Interest Rate

0.5% Administrative Fee

Period Ending	Principal	Interest	Debt Service	Adm Fee Expense	Quarterly repayment'
3/1/2024	1,327		1,327	127.69	1,454.69
6/1/2024	1,327		1,327	127.69	1,454.69
9/1/2024	1,327		1,327	127.69	1,454.69
12/1/2024	1,327		1,327	127.69	1,454.69
3/1/2025	1,327		1,327	127.69	1,454.69
6/1/2025	1,327		1,327	127.69	1,454.69
9/1/2025	1,327		1,327	127.69	1,454.69
12/1/2025	1,327		1,327	127.69	1,454.69
3/1/2026	1,327		1,327	127.69	1,454.69
6/1/2026	1,327		1,327	127.69	1,454.69
9/1/2026	1,327		1,327	127.69	1,454.69
12/1/2026	1,327		1,327	127.69	1,454.69
3/1/2027	1,327		1,327	127.69	1,454.69
6/1/2027	1,327		1,327	127.69	1,454.69
9/1/2027	1,327		1,327	127.69	1,454.69
12/1/2027	1,327		1,327	127.69	1,454.69
3/1/2028	1,327		1,327	127.69	1,454.69
6/1/2028	1,327		1,327	127.69	1,454.69
9/1/2028	1,327		1,327	127.69	1,454.69
12/1/2028	1,327		1,327	127.69	1,454.69
3/1/2029	1,327		1,327	127.69	1,454.69
6/1/2029	1,327		1,327	127.69	1,454.69
9/1/2029	1,327		1,327	127.69	1,454.69
12/1/2029	1,327		1,327	127.69	1,454.69
3/1/2030	1,327		1,327	127.69	1,454.69
6/1/2030	1,327		1,327	127.69	1,454.69
9/1/2030	1,327		1,327	127.69	1,454.69
12/1/2030	1,327		1,327	127.69	1,454.69
3/1/2031	1,327		1,327	127.69	1,454.69
6/1/2031	1,327		1,327	127.69	1,454.69
9/1/2031	1,327		1,327	127.69	1,454.69
12/1/2031	1,327		1,327	127.69	1,454.69
3/1/2032	1,327		1,327	127.69	1,454.69
6/1/2032	1,327		1,327	127.69	1,454.69
9/1/2032	1,327		1,327	127.69	1,454.69
12/1/2032	1,327		1,327	127.69	1,454.69
3/1/2033	1,327		1,327	127.69	1,454.69
6/1/2033	1,327		1,327	127.69	1,454.69

Bond Debt Service

City of Sistersville

CW SRF

$203,000

40 Years from Closing Date

0% Interest Rate

0.5% Administrative Fee

Period Ending	Principal	Interest	Debt Service	Adm Fee Expense	Quarterly repayment'
9/1/2033	1,327		1,327	127.69	1,454.69
12/1/2033	1,327		1,327	127.69	1,454.69
3/1/2034	1,327		1,327	127.69	1,454.69
6/1/2034	1,327		1,327	127.69	1,454.69
9/1/2034	1,327		1,327	127.69	1,454.69
12/1/2034	1,327		1,327	127.69	1,454.69
3/1/2035	1,327		1,327	127.69	1,454.69
6/1/2035	1,327		1,327	127.69	1,454.69
9/1/2035	1,327		1,327	127.69	1,454.69
12/1/2035	1,327		1,327	127.69	1,454.69
3/1/2036	1,327		1,327	127.69	1,454.69
6/1/2036	1,327		1,327	127.69	1,454.69
9/1/2036	1,327		1,327	127.69	1,454.69
12/1/2036	1,327		1,327	127.69	1,454.69
3/1/2037	1,327		1,327	127.69	1,454.69
6/1/2037	1,327		1,327	127.69	1,454.69
9/1/2037	1,327		1,327	127.69	1,454.69
12/1/2037	1,327		1,327	127.69	1,454.69
3/1/2038	1,327		1,327	127.69	1,454.69
6/1/2038	1,327		1,327	127.69	1,454.69
9/1/2038	1,327		1,327	127.69	1,454.69
12/1/2038	1,327		1,327	127.69	1,454.69
3/1/2039	1,327		1,327	127.69	1,454.69
6/1/2039	1,327		1,327	127.69	1,454.69
9/1/2039	1,327		1,327	127.69	1,454.69
12/1/2039	1,327		1,327	127.69	1,454.69
3/1/2040	1,327		1,327	127.69	1,454.69
6/1/2040	1,327		1,327	127.69	1,454.69
9/1/2040	1,327		1,327	127.69	1,454.69
12/1/2040	1,327		1,327	127.69	1,454.69
3/1/2041	1,327		1,327	127.69	1,454.69
6/1/2041	1,327		1,327	127.69	1,454.69
9/1/2041	1,327		1,327	127.69	1,454.69
12/1/2041	1,327		1,327	127.69	1,454.69
3/1/2042	1,327		1,327	127.69	1,454.69
6/1/2042	1,327		1,327	127.69	1,454.69
9/1/2042	1,327		1,327	127.69	1,454.69
12/1/2042	1,327		1,327	127.69	1,454.69

Bond Debt Service

City of Sistersville

CW SRF

$203,000

40 Years from Closing Date

0% Interest Rate

0.5% Administrative Fee

Period Ending	Principal	Interest	Debt Service	Adm Fee Expense	Quarterly repayment'
3/1/2043	1,327		1,327	127.69	1,454.69
6/1/2043	1,327		1,327	127.69	1,454.69
9/1/2043	1,327		1,327	127.69	1,454.69
12/1/2043	1,327		1,327	127.69	1,454.69
3/1/2044	1,327		1,327	127.69	1,454.69
6/1/2044	1,327		1,327	127.69	1,454.69
9/1/2044	1,327		1,327	127.69	1,454.69
12/1/2044	1,327		1,327	127.69	1,454.69
3/1/2045	1,326		1,326	127.69	1,453.69
6/1/2045	1,326		1,326	127.69	1,453.69
9/1/2045	1,326		1,326	127.69	1,453.69
12/1/2045	1,326		1,326	127.69	1,453.69
3/1/2046	1,326		1,326	127.69	1,453.69
6/1/2046	1,326		1,326	127.69	1,453.69
9/1/2046	1,326		1,326	127.69	1,453.69
12/1/2046	1,326		1,326	127.69	1,453.69
3/1/2047	1,326		1,326	127.69	1,453.69
6/1/2047	1,326		1,326	127.69	1,453.69
9/1/2047	1,326		1,326	127.69	1,453.69
12/1/2047	1,326		1,326	127.69	1,453.69
3/1/2048	1,326		1,326	127.69	1,453.69
6/1/2048	1,326		1,326	127.69	1,453.69
9/1/2048	1,326		1,326	127.69	1,453.69
12/1/2048	1,326		1,326	127.69	1,453.69
3/1/2049	1,326		1,326	127.69	1,453.69
6/1/2049	1,326		1,326	127.69	1,453.69
9/1/2049	1,326		1,326	127.69	1,453.69
12/1/2049	1,326		1,326	127.69	1,453.69
3/1/2050	1,326		1,326	127.69	1,453.69
6/1/2050	1,326		1,326	127.69	1,453.69
9/1/2050	1,326		1,326	127.69	1,453.69
12/1/2050	1,326		1,326	127.69	1,453.69
3/1/2051	1,326		1,326	127.69	1,453.69
6/1/2051	1,326		1,326	127.69	1,453.69
9/1/2051	1,326		1,326	127.69	1,453.69
12/1/2051	1,326		1,326	127.69	1,453.69
3/1/2052	1,326		1,326	127.69	1,453.69
6/1/2052	1,326		1,326	127.69	1,453.69
9/1/2052	1,326		1,326	127.69	1,453.69
12/1/2052	1,327		1,327	127.69	1,454.69
	203,000		203,000		

A quarterly administrative fee of $127.69 results in a total administrative expense of $19,536.57 over the life of the loan

(Form of)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SISTERSVILLE
SEWER REVENUE BONDS, SERIES 2013 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1

$745,454

KNOW ALL MEN BY THESE PRESENTS: That on the 27th day of February, 2013, THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of SEVEN HUNDRED FORTY-FIVE THOUSAND FOUR HUNDRED FIFTY-FOUR DOLLARS ($745,454), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously forgiven, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference. The Series 2013 B Bonds are not subject to the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation).

This Bond shall bear no interest. The principal amounts advanced under the Series 2013 B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2013 B Bonds shall be deemed no longer outstanding after the last advance is forgiven.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Issuer, the Authority, and the DEP, dated February 27, 2013.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on February 11, 2013, and a Supplemental Resolution duly adopted by the Issuer on February 11, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S: (I) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 1, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,057,749 (THE "SERIES 1990 A BONDS"); AND (II) THE SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 27, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $203,000, (THE "SERIES 2013 A BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

THIS BOND IS ISSUED SENIOR AND PRIOR TO, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT AND IN ALL RESPECTS WITH THE ISSUER'S SUPPLEMENTAL SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 1, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $49,361 (THE "SERIES 1990 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1990 A Bonds and the Series 2013 A Bonds, and senior and prior to the Series 1990 B Bonds, and unexpended proceeds of the Series 2013 B Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, and unexpended proceeds of the Series 2013 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2013 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior or subordinate to the Series 2013 B Bonds including the Series 2013 A Bonds and the Prior Bonds; provided however, that, so long as the respective reserve accounts established for any other obligations Outstanding on a parity with or junior and subordinate to the Bonds, including the Series 2013 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and 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 the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

Mayor

ATTEST:

Clerk

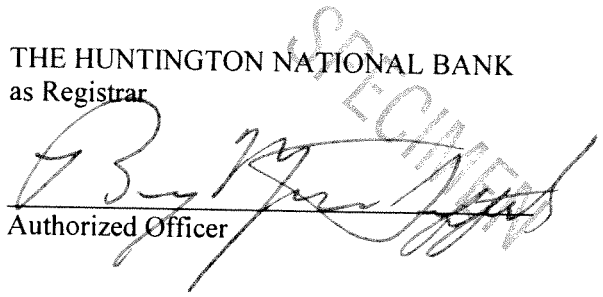
SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: February 27, 2013.

THE HUNTINGTON NATIONAL BANK
as Registrar



Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $6,596	2/27/2013	(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

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

Dated: _____, 20___.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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 27, 2013

The City of Sistersville
Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

The City of Sistersville
Sistersville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to The City of Sistersville (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its $203,000 Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) a Bond Purchase Agreement dated February 27, 2013, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are issued in the principal amount of $745,454, in the form of one bond, bearing no interest, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning December 1, 2014, to and including December 1, 2052, all as set forth in "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds. The Series 2013 A Bonds are subject to the SRF Administrative Fee equal to 0.50% of the principal amount of the Series 2013 A Bonds as set forth in the Schedule Y attached to the Bond Purchase Agreement.

The Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) paying the Prior Notes; and (iii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond

Ordinance duly enacted by the Issuer on February 11, 2013, as supplemented by the Supplemental Resolution duly adopted by the Issuer on February 11, 2013 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase Agreement has been undertaken. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Bond Purchase Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

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

1. The Bond Purchase Agreement has been duly authorized by and executed on behalf of the Issuer and is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof.

2. The Bond Purchase Agreement inures to the benefit of the Authority and DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

3. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

4. The Bond Legislation and all other necessary ordinances and resolutions have been legally and effectively adopted or enacted by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions in the form of those set forth in Section 4.1 of the Bond Purchase Agreement.

5. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's (i) Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $1,057,749 (the "Series 1990 A Bonds"); and (ii) Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), dated February 27, 2013, issued in the original aggregate principal amount of $745,454, (the "Series 2013 B Bonds") issued contemporaneously herewith, all in accordance with the terms of the Bond Legislation. There are Outstanding obligations of the Issuer which will rank junior and subordinate to the Series 2013 A Bonds as to liens, pledges of and security for payment, being the Issuers Supplemental Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $49,361 (the "Series 1990 B Bonds").

6. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

7. The Bonds have not been issued on the basis that the interest thereon, if any, is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners

thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

8. With the proceeds of the Series 2013 A Bonds, the Prior Notes have been paid in full within the meaning and with the effect expressed in the ordinances and resolutions authorizing such Notes, and the covenants, agreements and other obligations of the Issuer to the owners of such Notes have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the receipt of payment from Union Bank that they have received payment for the entire Outstanding principal of such Notes and all interest accrued thereon on the date hereof and that such Notes have been paid in full.

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

827780.00013

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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 27, 2013

The City of Sistersville
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

The City of Sistersville
Sistersville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to The City of Sistersville (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its $745,454 Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) a Bond Purchase Agreement dated February 27, 2013, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are issued in the principal amount of $745,454, in the form of one bond, bearing no interest, registered as to principal only to the Authority, with the principal amounts advanced under the Series 2013 B Bonds being deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2013 B Bonds shall be deemed no longer Outstanding after the last advance is forgiven. The Series 2013 B Bonds are not subject to the SRF Administrative Fee.

The Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on February 11, 2013, as supplemented by the Supplemental Resolution duly adopted by the Issuer on February 11, 2013 (collectively, the "Bond Legislation"),

pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase Agreement has been undertaken. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Bond Purchase Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

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

1. The Bond Purchase Agreement has been duly authorized by and executed on behalf of the Issuer and is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof.

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

3. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

4. The Bond Legislation and all other necessary ordinances and resolutions have been legally and effectively adopted or enacted by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions in the form of those set forth in Section 4.1 of the Bond Purchase Agreement.

5. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's: (i) Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $1,057,749 (the "Series 1990 A Bonds"); and (ii) Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated February 11, 2013, issued in the original aggregate principal amount of $203,000, (the "Series 2013 A Bonds") issued contemporaneously herewith, all in accordance with the terms of the Bond Legislation. There are Outstanding obligations of the Issuer which will rank junior and subordinate to the Series 2013 B Bonds as to liens, pledges of and security for payment, being the Issuers Supplemental Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $49,361 (the "Series 1990 B Bonds").

6. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

827780.00013

6018068

FREDERICK M. DEAN ROHRIG
ATTORNEY AT LAW

FACSIMILE: (304) 758-4666

POST OFFICE BOX 128
MIDDLEBOURNE, WV 26149
dean@rohriglaw.com

TELEPHONE: (304) 758-2114

February 27, 2013

The City of Sistersville
Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

The City of Sistersville
Sistersville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to The City of Sistersville in Tyler County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinions of Steptoe & Johnson PLLC, as bond counsel, a Bond Purchase Agreement for the Series 2013 Bonds, dated February 27, 2013, including all schedules and exhibits attached thereto, by and among the Issuer and the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), a Bond Ordinance duly enacted by the Issuer on February 11, 2013, as supplemented by a Supplemental Resolution duly adopted by the Issuer on February 11, 2013 (collectively, the "Bond Legislation"), a Petition of the Sanitary Board duly adopted December 11, 2012, and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

I am of the opinion that:

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

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

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

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

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

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

7. I have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug-free workplace plan, and the contracts contain language that complies with the Drug-Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. Prior to the execution of construction contracts by the Issuer, I will verify that all successful bidders have made the required provisions for all insurance and payment and performance bonds and I will verify such insurance policies and bonds for accuracy. Prior to the execution of construction contracts by the Issuer, I will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and verify that such surety bonds and policies: (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Bond Purchase Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

Frederick M. Dean Rohrig

827730.00013

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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 27, 2013

The City of Sistersville
Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

The City of Sistersville
Sistersville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We are special counsel to The City of Sistersville, a municipality in Tyler County, West Virginia (the "Issuer"). As such counsel, we have represented the Issuer before the Public Service Commission of West Virginia in connection with the issuance of the above-referenced bonds, and the acquisition and construction of the Project. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

We are of the opinion that the Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision entered November 5, 2012, which became Final Order on November 25, 2012, in Case No.12-0678-S-CN and an affidavit of CPA dated January 28, 2013, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Order has expired prior to the date hereof. The Order is in full force and effect.

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

Very truly yours,

STEPTOE & JOHNSON PLLC

827780.00013

6018077

FREDERICK M. DEAN ROHRIG
ATTORNEY AT LAW

FACSIMILE: (304) 758-4666

POST OFFICE BOX 128
MIDDLEBOURNE, WV 26149
dean@rohriglaw.com

TELEPHONE: (304) 758-2114

January 29, 2013

City of Sistersville
200 Diamond Street
Sistersville, WV 26175

West Virginia Department of Environmental Protection
601-57th Street
Charleston, WV 25304

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

Steptoe & Johnson
P. O. Box 1588
Charleston, WV 25326-1588
Attention: John C. Stump

Re: Final Title Opinion for City of Sistersville/Hanford City Sewer Extension

Ladies and Gentlemen:

I am counsel to the City of Sistersville (the "Issuer") in connection with a proposed sewer project to construct an extension of the City's sewer system in the Hanford City area (the "Project"). I provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

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

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

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

4. I have examined the records on file in the Office of the Clerk of the County Commission of Tyler County, West Virginia, the county in which the Project is to be located, and, in my opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights of way, with the exception of those listed in Paragraph 5, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. The following listed properties are to be acquired by eminent domain and the necessary filings have been made in the Office of the Clerk of the Circuit Court of Tyler County, West Virginia, to permit the Issuer a right-of-entry for the purpose of construction, operation and maintenance of the Project on the subject properties. The Issuer's title thereto is defeasible in the event the Issuer does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and our certification is subject to the following pending litigation:

None

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

Very truly yours,

Frederick M. Dean Rohrig

THE CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. BOND PURCHASE AGREEMENT
11. INSURANCE
12. VERIFICATION OF SCHEDULE
13. RATES
14. SIGNATURES AND DELIVERY
15. PUBLIC SERVICE COMMISSION ORDER
16. BOND PROCEEDS
17. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
18. SPECIMEN BONDS
19. CONFLICT OF INTEREST
20. CLEAN WATER ACT
21. PROCUREMENT OF ENGINEERING SERVICES
22. 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 hereby certifies on this 27th day of February, 2013 in connection with the Issuer's Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program) and Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), both dated the date hereof (collectively, the "Series 2013 Bonds" or individually, the "Series 2013 A Bonds" and the "Series 2013 B Bonds," respectively), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted February 11, 2013, and the Supplemental Resolution duly adopted February 11, 2013 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Series 2013 Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues or any grants, or in any way contesting or affecting the validity of the Series 2013 Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Series 2013 Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Series 2013 Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Series 2013 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 Net Revenues or the pledge of Net Revenues as security for the Series 2013 Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System and the issuance of the Series 2013 Bonds have been obtained and remain in full force and effect, and competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

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

Upon payment of the Prior Notes, there are Outstanding obligations of the Issuer which will rank on a parity with the Series 2013 Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $1,057,749 (the "Series 1990 A Bonds"). There are Outstanding obligations of the Issuer which will rank junior and subordinate to the Series 2013 Bonds as to lien, pledge of and security for payment, being the Issuer's Supplemental Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $49,361 (the "Series 1990 B Bonds and collectively with the Series 1990 A Bonds, the "Prior Bonds").

The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 1990 A Bonds are met; (ii) the written consent of the Holders of the Series 1990 A Bonds to the issuance of the Series 2013 Bonds on a parity with the Series 1990 A Bonds; and (iii) the written consent of the Holders of the 1990 B Bonds to the issuance of the Series 2013 Bonds senior and prior to the Series 1990 B Bonds. Other than the Prior Bonds, there are no other bonds, notes or other obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is current on the Prior Bonds payments and is in compliance with all covenants and requirements of the Prior Ordinance.

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

Bond Ordinance

Supplemental Resolution

Bond Purchase Agreement for Series 2013 Bonds

Public Service Commission Orders

Infrastructure Council Approval

Charter

Ordinance Creating Sanitary Board

Petition of Sanitary Board

Oaths of Office of Officers and Council Members

Resolution on Open Governmental Proceedings Rules

Sewer Rate Ordinance

Minutes on Enactment of Sewer Rate Ordinance

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

Minutes on Enactment of Bond Ordinance and Adoption of Supplemental Resolution

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

Prior Bond Ordinance

Consent of WDA to Issuance of Parity Bonds

Evidence of Insurance

Receipt and Release of Prior Notes

6. INCUMBENCY AND OFFICIAL NAME: 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 is a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of a Mayor, Clerk and eight (8) council members, 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:

Name	Date of Commencement of Office	Date of Termination of Office
David Fox, Mayor	04//2012	04/2014
Colin Marrin	09/2012	04/2016
Dave Dietrich	04//2012	04/2016
Ann Doig	04/2010	04/2014
William Rice	04/2010	04/2014
Richard Long	04/2010	04/2014
Mitch Corley	04/2012	04/2016
Jason Hood	04/2012	04/2016

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

Chairman	-	David Fox
Member	-	Allen Wilson
Member	-	B.S. Saluja, P.E

The duly appointed Clerk is Julie Schlerer and the duly appointed and acting Counsel to the Issuer is Dean Rohrig, Middlebourne, West Virginia and the duly appointed Special PSC Counsel is Steptoe & Johnson PLLC, Charleston, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or will be acquired 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 2013 Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2013 Bonds and the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code. Prior to the execution of construction contracts by the Issuer, all insurance for the System required by the Bond Legislation will be in full force and effect.

10. BOND PURCHASE AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Bond Purchase Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Bond Purchase Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Bond Purchase Agreement not misleading; and (iv) the Issuer is in compliance with the Bond Purchase Agreement.

The Issuer will serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer will not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer will certify to the Authority the number of customers added to the System.

11. INSURANCE. The Issuer will maintain or, as appropriate, will require all contractors to maintain workers' compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Ordinance and the Bond Purchase Agreement. All insurance for the System required by the Ordinance and the Bond Purchase Agreement are in full force and effect.

12. VERIFICATION OF SCHEULE: The final Schedule B attached to the Certificate of Consulting Engineer, accurately represents the estimated Costs of the Project, the sources of funds available to pay the Costs of the Project and the costs of financing of the Bonds.

13. RATES: The Issuer has duly enacted a sewer rate ordinance on January 12, 2009, setting forth the respective rates and charges for the services of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal, and such rate ordinance is currently in effect.

14. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Series 2013 Bonds of the aforesaid issue, consisting upon original issuance of a single Bond of each series, dated the date hereof, by his or her manual signature, and the undersigned Clerk did officially cause the official seal of the Issuer to be affixed upon said Series 2013 Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Series 2013 Bonds to a representative of the Authority as the original purchaser of the Series 2013 Bonds under the Bond Purchase Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision entered on November 5, 2012, which became Final Order on November 25, 2012 and an affidavit of CPA dated January 28, 2013, in Case No. 12-0678-S-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof without any appeal. The Order is in full force and effect.

16. BOND PROCEEDS: On the date hereof, the Issuer received $106,397 from the Authority and the DEP, being a portion of the principal amount of the Series 2013 A Bonds and $6,596 from the Authority and the DEP, being a portion of the principal amount of the Series 2013 B Bonds. The balance of the principal amount of the Series 2013 A Bonds and the Series 2013 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

17. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the *Tyler Star News*, a qualified newspaper of general circulation in The City of Sistersville, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Series 2013 Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 11th day of February, 2013, at 7:00 p.m., at City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

18. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2013 Bonds.

19. CONFLICT OF INTEREST: No member, 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 Series 2013 Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

20. CLEAN WATER ACT: The Project described in the Bond Ordinance complies with the Clean Water Act.

21. 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.

22. 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.

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

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	Clerk
_____	Counsel to Issuer
_____	Special PSC Counsel (Paragraph 15)

827780.00013

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

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	Clerk
_____	Counsel to Issuer
_____	Special PSC Counsel (Paragraph 15)

827780.00013

THE CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of The City of Sistersville in Tyler County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $203,000 Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), and $745,454 Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), of the Issuer, dated February 27, 2013 (the "Bonds" or the "Series 2013 Bonds"), hereby certifies on the 27th day of February, 2013, as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on February 11, 2013, as supplemented by Supplemental Resolution duly adopted by the Issuer on February 11, 2013 (the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on February 11, 2013, the date on which the Bonds are being physically delivered in exchange for an initial advance of $106,397, being a portion of the principal amount of the Series 2013 A Bonds and $6,596, being a portion of the principal amount of the Series 2013 B Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority"), from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2013 A Bonds were sold on February 27, 2013, to the Authority, pursuant to a Bond Purchase Agreement dated February 27, 2013, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), for an aggregate purchase price of $203,000 (100% of par), at which time, the Issuer received $106,397 from the Authority and the

DEP, being the first advance of the principal amount of the Series 2013 A Bonds. No accrued interest has been or will be paid on the Series 2013 A Bonds. The balance of the principal amount of the Series 2013 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2013 B Bonds were sold on February 27, 2013, to the Authority, pursuant to a Bond Purchase Agreement dated February 27, 2013, by and among the Issuer, the Authority and the DEP, for an aggregate purchase price of $745,454 (100% of par), at which time, the Issuer received $6,596 from the Authority and the DEP, being the first advance of the principal amount of the Series 2013 B Bonds. No accrued interest has been or will be paid on the Series 2013 B Bonds. The balance of the principal amount of the Series 2013 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

7. The Series 2013 Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the Issuer (the "Project"); (ii) paying the Prior Notes; and (iii) paying certain costs of issuance of the Bonds and related costs.

8. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2013 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of Costs of the Project on or before June 1, 2014. The acquisition and construction of the Project is expected to be completed by December 1, 2013.

9. The total Cost of the Project is estimated at $948,454. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2013 A Bonds	$203,000.00
Proceeds of the Series 2013 B Bonds	$745,454.00
Total Sources	$948,454.00
USES	
Costs of Acquisition and Construction of the Project	$862,271.75
Pay Prior Notes	$67,682.25
Costs of Issuance	$18,500.00
Total Uses	$948,454.00

10. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2013 Bonds:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2013 Bonds Construction Trust Fund;

(4) Series 2013 A Bonds Sinking Fund; and

(5) Series 2013 A Bonds Reserve Account.

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

(1) Proceeds of the Series 2013 A Bonds in the amount of $-0- will be deposited with the Commission on the Series 2013 A Bonds Sinking Fund as capitalized interest.

(2) Proceeds of the Series 2013 A Bonds in the amount of $-0- will be deposited with the Commission in the Series 2013 A Bonds Reserve Account.

(3) Proceeds of the Series 2013 A Bonds in the amount of $67,682.25 will be wired to Union Bank to pay in full the Prior Notes.

(4) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2013 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2013 Bonds Construction Trust Fund and applied solely to payment of the Costs of the Project and, until so expended, are hereby pledged as additional security for the Series 2013 A Bonds.

(5) As the Issuer receives advances of the monies derived from the sale of the Series 2013 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2013 Bonds Construction Trust Fund and applied solely to payment of the Costs of the Project and, until so expended, are hereby pledged as additional security for the Series 2013 B Bonds.

12. Monies held in the Series 2013 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2013 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2013 A Bonds Sinking Fund and Series 2013 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2013 Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 9 months of the date hereof.

14. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

15. With the exception of the amount deposited in the Series 2013 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 15 months from the date of issuance thereof.

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

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

18 All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

19. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

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

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

22. The Bonds are not federally guaranteed.

23. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain public purpose or governmental bonds.

24. The Issuer has either (a) funded the Series 2013 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 2013 A Bonds in the then current or any succeeding year with the proceeds of the Series 2013 A Bonds, or (b) created the Series 2013 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2013 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Series 2013 A Bonds in the then current or any succeeding year. Monies in the Series 2013 A Bonds Reserve Account and the Series 2013 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay Costs of the Project.

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

together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

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

27. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

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

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WITNESS my signature on this the day and year first above written.

THE CITY OF SISTERSVILLE

By: _____
Its: Mayor

827780.00013

The City of Sistersville
Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Ashok Sanghavi, Registered Professional Engineer, West Virginia License No. 6177, of S&S Engineers, Inc., Charleston, West Virginia, hereby certify this 27th day of February, 2013 as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the sewerage system (the "System") of The City of Sistersville (the "Issuer"), to be constructed in Tyler County, West Virginia, which acquisition and construction are being permanently financed by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on February 11, 2013, as supplemented by the Supplemental Resolution of the Issuer adopted February 11, 2013 (collectively, the "Bond Legislation"), the Bond Purchase Agreement for the Series 2013 Bonds by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), dated February 27, 2013 (the "Bond Purchase Agreement").

2. The Bonds are being issued (i) to pay the costs of acquisition and construction of the Project; (ii) to pay the Prior Notes; and (iii) to pay certain costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and the Authority and any change orders approved by the Issuer, the Authority, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and Dean Rohrig, counsel to the Issuer, will ascertain that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the successful bidders have provided the drug-free workplace affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vi) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided

to the bidders contain the critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (x) the net proceeds of the Bonds, together with all other monies on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The Project has been designed to, and the construction contracts provide for, sewer service for up to 45 new customers in the Hanford City area.

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WITNESS my signature and seal on the day and year first written above.

S&S ENGINEERS, INC.

(SEAL)

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

827780.00013

6018056

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION

SCHEDULE B Revised 1-30-13

City of Sistersville - Hanford City Collection System Extension

CWSRF C-544467

A. Cost of Project		Total	SRF Loan (40 yrs, 0%)	SRF Debt Forgiveness
1. Construction				
Contract 1 - Kanawha Stone		619,365.00	59,979.00	559,386.00
2. Technical Services				
a. Planning		0.00	0.00	0.00
b. Design (addendum #3)		11,600.00	11,600.00	0.00
c. Engineering During Construction		21,600.00	0.00	21,600.00
d. Special Serices		17,000.00	0.00	17,000.00
e. Inspections Services		90,000.00	0.00	90,000.00
3. Legal & Fiscal				
a. Legal (Project)		8,500.00	8,500.00	0.00
b. Legal (PSC)		8,500.00	8,500.00	0.00
c. Accounting		17,738.00	17,738.00	0.00
Project Coordinator		25,000.00	0.00	25,000.00
4. Sites & Other Lands				
a. Sites and Lands		0.00	0.00	0.00
b. Right-of-Way Activities		0.00	0.00	0.00
5. Miscellaneous				
a. Permits		1,500.00	0.00	1,500.00
b. Equipment		10,000.00	10,000.00	0.00
6. Interim Financing (Union Bank)		67,683.00	67,683.00	0.00
7. Construction Contingency	5.0%	30,968.00	0.00	30,968.00
8. Total of Lines 1 through 9		929,454.00	184,000.00	745,454.00
B. Cost of Financing				
10. Capitalized Interest		0.00	0.00	0.00
11. Reserve		0.00	0.00	0.00
12. Bond Counsel		18,500.00	18,500.00	0.00
13. Bank Registrar Fee		500.00	500.00	0.00
14. Total Cost of Financing		19,000.00	19,000.00	0.00
16. TOTAL PROJECT COST (line 10 plus line 11)		**948,454.00**	**203,000.00**	**745,454.00**
C. Sources of Funds				
17. Federal Grants		0.00	0.00	0.00
18. State Grants		0.00	0.00	0.00
19 Other Grant		0.00	0.00	0.00
20 Total Grants		0.00	0.00	0.00
21 Size of Bond Issue (Line 16 minus Line 20)		**948,454.00**	**203,000.00**	**745,454.00**

David R Fox

City of Sistersville

2-11-2013

Date

S&S Engineers, Inc.

2-12-2013

Date

February 27, 2013

The City of Sistersville
Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

The City of Sistersville
Sistersville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance of The City of Sistersville (the "Issuer"), enacted January 12, 2009, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by S&S Engineers, Inc., the Consulting Engineers to the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage 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 Issuer's Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), issued in the principal amount of $203,000 and Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), issued in the principal amount of $745,454 (collectively, the "Bonds"), and all other obligations secured by a lien on or payable from such revenues, including the Issuer's: (i) Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $1,057,749 (the "Series 1990 A Bonds"); and (ii) Supplemental Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $49,361 (the "Series 1990 B Bonds), (collectively, the "Prior Bonds"), and that such rates and charges shall be sufficient to comply with the other requirements of the Bond Purchase Agreement.

It is our further 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 2013 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 the Series 2013 Bonds, if any, 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 2013 A Bonds and the Prior Bonds.

Very truly yours,

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

Michael D. Griffith, CPA, AFI
mgriffith@gcorpwv.com
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

CHARTER

OF THE CITY OF

SISTERSVILLE, WEST VIRGINIA

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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 or 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 specifically.	Councilman, First Ward.	Councilman Second Ward.	Councilman Third Ward.	Councilman Fourth Ward.

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 dutes 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 dutles.

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, posess, 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 ritous 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 in 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 it 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 enumerared, 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

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 22, 2012, 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 2012, 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 2nd day of April, 2012.

Diana L. Mace, Clerk-Treasurer

Filed in my office on the 2nd day of April, 2012.

Diana L. Mace, Clerk-Treasurer

APPOINTED COUNCILMAN
OATH OF OFFICE

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

Colin Marrin , 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.

Colin Marrin

Subscribed and sworn before me this ___10th___ day of _____Sept__, 2012

David B. Fox, Mayor

Filed in my office on the ___11____ day of _____Sept_____, 2012

Julie S. Schleier Clerk-Treasurer

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 23rd day of April, 2008.

Diana L. Mace, Clerk-Treasurer

3rd. Ward

COUNCILMAN'S OATH OF OFFICE

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

Ann Daig, who, at an election held therein on March 25, 2010, was chosen as councilman of the City of Sistersville, a West Virginia municipal corporation, for the term of 4 years from the second Monday in April 2010, 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.

x Ann Daig

Subscribed and sworn before me this 12th day of April, 2010.

David B. Fox

David B. Fox, Mayor

Filed in my office on the 12th day of April, 2010.

Diana L. Mace

Diana L. Mace, Clerk-Treasurer

2nd. Ward

COUNCILMAN'S OATH OF OFFICE

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

William Rice, who, at an election held therein on March 25, 2010, was chosen as councilman of the City of Sistersville, a West Virginia municipal corporation, for the term of 4 years from the second Monday in April 2010, 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.

Subscribed and sworn before me this 12th day of April, 2010.

David B. Fox, Mayor

Filed in my office on the 12th day of April, 2010.

Diana L. Mace, Clerk-Treasurer

1- Ward

COUNCILMAN'S OATH OF OFFICE

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

Richard Long, who, at an election held therein on March 25, 2010, was chosen as councilman of the City of Sistersville, a West Virginia municipal corporation, for the term of 4 years from the second Monday in April 2010, 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.

x Richard Long

Subscribed and sworn before me this 14th day of June, 2010.

David B. Fox

David B. Fox, Mayor

Filed in my office on the 14th day of June, 2010.

Diana L. Mace

Diana L. Mace, Clerk-Treasurer

THE CITY OF SISTERSVILLE

200 DIAMOND STREET
SISTERSVILLE, WEST VIRGINIA 26175-1349

COUNCIL MEMBER'S OATH OF OFFICE

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

Mitch Corley, who, at an election held therein on March 22, 2012, was chosen as 2nd ward council member of the City of Sistersville, a West Virginia municipal corporation, for the term of four (4) years from the second Monday in April 2012, 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 before me this 9th day of April, 2012.

David B. Fox, Mayor

Filed in my office on the 9th day of April, 2012.

Diana L. Mace, Clerk-Treasurer

THE CITY OF SISTERSVILLE

200 DIAMOND STREET
SISTERSVILLE, WEST VIRGINIA 26175-1349

COUNCIL MEMBER'S OATH OF OFFICE

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

Jason Hood, who, at an election held therein on March 22, 2012, was chosen as 3rd ward council member of the City of Sistersville, a West Virginia municipal corporation, for the term of four (4) years from the second Monday in April 2012, 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.

Jason Hood

Subscribed and sworn before me this 9th day of April, 2012.

David B. Fox

David B. Fox, Mayor

Filed in my office on the 9th day of April, 2012.

Diana L. Mace

Diana L. Mace, Clerk-Treasurer

THE CITY OF SISTERSVILLE

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

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

RECEIVED
2009 NOV 25 AM 8 45
WV PUBLIC SERVICE
SECRETARY'S OFFICE

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, Article 135.

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 sewer 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 sewer 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.

"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 sewerage 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 6, 7 and 8 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, 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.

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

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.

Passed on First Reading: - June 9, 2008

Passed on Final Reading Following Public Hearing: - January 12, 2009

Adopted: - January 12, 2009

Section 3.08. Effective Date. This Ordinance shall take effect upon approval by the Public Service Commission, but in no event sooner than 45 days after final reading and passage.

Enacted this 12th day of January, 2009.

David B Fox
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of The City of Sistersville on the 12th day of January, 2009.

Dated: this 12th day of January, 2009.

[SEAL]

Recorder

ORDINANCE
EXHIBIT A

SISTERSVILLE MUNICIPAL SEWER DEPARTMENT
RATES - RULE 42 EXHIBIT
PROFORMA TARIFF - STEP 1 (EFF: JULY 1, 2008)
FOR THE FISCAL YEAR ENDING JUNE 30, 2009

STATEMENT D
SCHEDULE 6
PAGE 1

SCHEDULE 1

APPLICABILITY

Applicable within the entire territory served.

AVAILABLILTY

Available for domestic, commercial, industrial (except unusual industrial waste) and resale sewer service.

(A,C) RATES

First 7,500 gallons used per month	$	12.00	per 1,000 gallons
All Over 7,500 gallons used per month	$	8.00	per 1,000 gallons

(A) MINIMUM CHARGE (Customers with a metered water supply)

Each customer shall pay a minimum charge of (Equivalent to 3,000 gallons of water usage)	$	36.00	per month

(A) FLAT-RATE CHARGE (Customers with non-metered water supply)

Each customer shall pay a minimum charge of (Equivalent to 4,500 gallons of water usage)	$	54.00	per month

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full when due, ten percent (10% will be added to the net curent amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

(C) WATER SERVICE CONNECTION CHARGE $ 350.00

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $350.00, or the actual cost of the connection (solely determined by the Utility), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE $ 25.00

A service charge of **$25.00** will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

A - Indicates Advance C- Indicates Change N - Indicates New

SCHEDULE 1 (Con't)

(C) DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE **$25.00**

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge of $25.00 have been paid.

There shall be a $25.00 reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason.

In the event that Utility staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $25.00 shall be paid in addition to other charges to prevent disconnection.

(A,C) INCREMENTAL COSTS **$ 5.00** per 1,000 gallons

An amount not to exceed $5.00 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Utility shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

(N) EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SURCHARGE

All water customers shall pay a temporary surcharge of **$1.00** (one dollar) per thousand gallons of water purchased from the City, which amount shall be dedicated to and applied to payment of the bond deficiencies each month until such time as the bond deficiencies have been eliminated.

(N) MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum charge times the number of units, or the actual charge of the water used, whichever is greater.

SCHEDULE II

(C) SURCHARGE FORMULA TO BE APPLIED WHERE SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S SANITARY SEWER SYSTEM

Where the Utility has discovered that a customer's roof drain, down spouts, storm sewer or other similar facilities conducting surface water have been connected to the Utility's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the Utility in accordance with the Rules and Regulations of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

S - A x R x .0006233 x C

S - The surcharge in dollars.

A - The area under roof and/or the area of any other water collection surface connected to the sanitary system, in square feet.

R - The measured monthly rainfall, in inches.

.0006233 - A conversion factor to change inches of rain x square feet of a surface to thousands of gallons of water.

C - The Utility's approved rate per thousand gallons of metered water usage.

The Utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from the receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE III

(C) SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci = Charge to unusual users per year.

Vo = Average unit cost of transport and treatment chargeable to volume, in dollars per gallon.

Vi = Volume of waste from unusual users, in gallons per year.

Bo = Average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per year.

Bi = Weight of BOD from unusual users in pounds per year.

So = Average unit costs of treatment (including sludge treatment chargeable to total solids), in dollars per pound.

Si = Weight of total solids from unusual users, in pounds per year.

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made at the owner's expense. Waste containing material which, in the judgement of the Utility, should not be introduced into the sewer system, need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed service service and the charge thereof, based upon the formula set out above.

Thereafter, unusual sewage service will be monitored on a regular basis and the conclusion of each fiscal year, based on the investigation aforesaid and the audit of the Utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid for by the unusual user. Based on these audited figures, additional billings covering the past fuscal year will be made for payment by each unusual user, or refund given by the Utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next year, at the end of which an adjustment will be made asforesaid.

SCHEDULE IV

(C) APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE UTILITY

Where the amount of sanitary sewage discharged into the Utility's wastewater collection and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

(A,C) RATES

Commodity Charge - Each customer shall pay a commodity charge of **$40.00** per 1,000 gallons per load. Load will be the ***actual capacity*** of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full when due, ten percent (10% will be added to the net curent amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE $ **25.00**

A service charge of **$25.00** will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

SISTERSVILLE MUNICIPAL SEWER DEPARTMENT
RATES - RULE 42 EXHIBIT
PROFORMA TARIFF - STEP 2 (EFF: MAY 1, 2009)
FOR THE FISCAL YEAR ENDING JUNE 30, 2010

STATEMENT D
SCHEDULE 7
PAGE 1

SCHEDULE 1

APPLICABILITY

Applicable within the entire territory served.

AVAILABLILTY

Available for domestic, commercial, industrial (except unusual industrial waste) and resale sewer service.

(A,C) RATES

First	10,000 gallons used per month	$ 13.00	per 1,000 gallons
All Over	10,000 gallons used per month	$ 9.00	per 1,000 gallons

(A) MINIMUM CHARGE (Customers with a metered water supply)

Each customer shall pay a minimum charge of $ 39.00 per month
(Equivalent to 3,000 gallons of water usage)

(A) FLAT-RATE CHARGE (Customers with non-metered water supply)

Each customer shall pay a minimum charge of $ 58.50 per month
(Equivalent to 4,500 gallons of water usage)

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full when due, ten percent (10% will be added to the net curent amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

WATER SERVICE CONNECTION CHARGE $ 350.00

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $350.00, or the actual cost of the connection (solely determined by the Utility), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE $ 25.00

A service charge of **$25.00** will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

A - Indicates Advance C- Indicates Change N - Indicates New

SCHEDULE 1 (Con't)

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE **$25.00**

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge of $25.00 have been paid.

There shall be a $25.00 reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason.

In the event that Utility staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $25.00 shall be paid in addition to other charges to prevent disconnection.

INCREMENTAL COSTS **$ 5.00** per 1,000 gallons

An amount not to exceed $5.00 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Utility shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SURCHARGE

All water customers shall pay a temporary surcharge of **$1.00** (one dollar) per thousand gallons of water purchased from the City, which amount shall be dedicated to and applied to payment of the bond deficiencies each month until such time as the bond deficiencies have been eliminated.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum charge times the number of units, or the actual charge of the water used, whichever is greater.

SCHEDULE II

SURCHARGE FORMULA TO BE APPLIED WHERE SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S SANITARY SEWER SYSTEM

Where the Utility has discovered that a customer's roof drain, down spouts, storm sewer or other similar facilities conducting surface water have been connected to the Utility's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the Utility in accordance with the Rules and Regulations of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

S - A x R x .0006233 x C

S - The surcharge in dollars.

A - The area under roof and/or the area of any other water collection surface connected to the sanitary system, in square feet.

R - The measured monthly rainfall, in inches.

.0006233 - A conversion factor to change inches of rain x square feet of a surface to thousands of gallons of water.

C - The Utility's approved rate per thousand gallons of metered water usage.

The Utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from the receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci = Charge to unusual users per year.

Vo = Average unit cost of transport and treatment chargeable to volume, in dollars per gallon.

Vi = Volume of waste from unusual users, in gallons per year.

Bo = Average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per year.

Bi = Weight of BOD from unusual users in pounds per year.

So = Average unit costs of treatment (including sludge treatment chargeable to total solids), in dollars per pound.

Si = Weight of total solids from unusual users, in pounds per year.

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made at the owner's expense. Waste containing material which, in the judgement of the Utility, should not be introduced into the sewer system, need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed service service and the charge thereof, based upon the formula set out above.

Thereafter, unusual sewage service will be monitored on a regular basis and the conclusion of each fiscal year, based on the investigation aforesaid and the audit of the Utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid for by the unusual user. Based on these audited figures, additional billings covering the past fuscal year will be made for payment by each unusual user, or refund given by the Utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next year, at the end of which an adjustment will be made asforesaid.

SCHEDULE IV

APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE UTILITY

Where the amount of sanitary sewage discharged into the Utility's wastewater collection and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

(A) RATES

Commodity Charge - Each customer shall pay a commodity charge of **$50.00** per 1,000 gallons per load. Load will be the ***actual capacity*** of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full when due, ten percent (10% will be added to the net curent amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE **$ 25.00**

A service charge of **$25.00** will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

SCHEDULE 1

APPLICABILITY

Applicable within the entire territory served.

AVAILABLILTY

Available for domestic, commercial, industrial (except unusual industrial waste) and resale sewer service.

(A,C) RATES

First 10,000 gallons used per month	$	**14.00**	per 1,000 gallons
Next 10,000 gallons used per month	$	**10.00**	per 1,000 gallons
All Over 20,000 gallons used per month	$	**7.50**	per 1,000 gallons

(A) MINIMUM CHARGE (Customers with a metered water supply)

Each customer shall pay a minimum charge of $ **42.00** per month
(Equivalent to 3,000 gallons of water usage)

(A) FLAT-RATE CHARGE (Customers with non-metered water supply)

Each customer shall pay a minimum charge of $ **63.00** per month
(Equivalent to 4,500 gallons of water usage)

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full when due, ten percent (10% will be added to the net curent amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

(C) WATER SERVICE CONNECTION CHARGE $ **500.00**

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $500.00, or the actual cost of the connection (solely determined by the Utility), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE $ **25.00**

A service charge of **$25.00** will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

A - Indicates Advance C- Indicates Change N - Indicates New

SCHEDULE 1 (Con't)

(A,C) DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE **$30.00**

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge of $30.00 have been paid.

There shall be a $30.00 reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason.

In the event that Utility staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

(A) INCREMENTAL COSTS **$ 7.00** per 1,000 gallons

An amount not to exceed $7.00 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Utility shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

SURCHARGE

All water customers shall pay a temporary surcharge of **$1.00** (one dollar) per thousand gallons of water purchased from the City, which amount shall be dedicated to and applied to payment of the bond deficiencies each month until such time as the bond deficiencies have been eliminated.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum charge times the number of units, or the actual charge of the water used, whichever is greater.

SCHEDULE II

SURCHARGE FORMULA TO BE APPLIED WHERE SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S SANITARY SEWER SYSTEM

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S - A x R x .0006233 x C

S - The surcharge in dollars.

A - The area under roof and/or the area of any other water collection surface connected to the sanitary system, in square feet.

R - The measured monthly rainfall, in inches.

.0006233 - A conversion factor to change inches of rain x square feet of a surface to thousands of gallons of water.

C - The Utility's approved rate per thousand gallons of metered water usage.

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Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci = Charge to unusual users per year.

Vo = Average unit cost of transport and treatment chargeable to volume, in dollars per gallon.

Vi = Volume of waste from unusual users, in gallons per year.

Bo = Average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per year.

Bi = Weight of BOD from unusual users in pounds per year.

So = Average unit costs of treatment (including sludge treatment chargeable to total solids), in dollars per pound.

Si = Weight of total solids from unusual users, in pounds per year.

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made at the owner's expense. Waste containing material which, in the judgement of the Utility, should not be introduced into the sewer system, need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed service service and the charge thereof, based upon the formula set out above.

Thereafter, unusual sewage service will be monitored on a regular basis and the conclusion of each fiscal year, based on the investigation aforesaid and the audit of the Utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid for by the unusual user. Based on these audited figures, additional billings covering the past fuscal year will be made for payment by each unusual user, or refund given by the Utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next year, at the end of which an adjustment will be made asforesaid.

SCHEDULE IV

APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE UTILITY

Where the amount of sanitary sewage discharged into the Utility's wastewater collection and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

(A) RATES

Commodity Charge - Each customer shall pay a commodity charge of **$50.00** per 1,000 gallons per load. Load will be the ***actual capacity*** of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full when due, ten percent (10% will be added to the net curent amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE $ 25.00

A service charge of **$25.00** will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

Sistersville, WV
January 12, 2009

\ regular meeting of the common council of the City of Sistersville was held at the Sistersville City Bldg. at /:00 p.m. on Monday, January 12, 2009. Dave Fox presided with Diana Mace taking minutes. Councilmen in attendance were Mike Tuttle, Ann Doig, Doug Williams, Richard Long, Dave Dieterich, and Vance Ash. Absent were council members Judy Light and Randall Eastham. Also in attendance were City Commissioner, David Bassett; City Attorney Ryan Morgan; Allan Maxwell, Harold Dally, Jonay Corley, Rev. Jerry Toothman; Danny Heintzman; Teresa Shepherd, Community Resources; and Mary Ann Hughes, Artslink.

A public hearing was held on the final reading of the sewer rate increase. Danny Heintman protested the increase stating that the economy is to bad right now. He said we need to cut things first such as selling the Ferry or selling Sistersville General Hospital to Camden Clark Memorial Hospital. He also asked if we needed six police officers. Councilman Williams noted that each budget must support itself and no funds were taken from water or sewer, for example, to support the ferry. With no one else present to address council, the public hearing was closed and the meeting called to order.

The minutes from 12/8/08 regular meeting were approved on a motion made by Councilman Dieterich and seconded by Councilman Ash. The 12/8/08 executive session minutes were approved on a motion made by Councilman Tuttle and seconded by Councilman Ash.

Public Forum
-Harold Dally asked about an ordinance restricting trailers. He spoke about limiting areas to where they are already located. Councilman Dieterich asked about double wides. Dally said you can word the ordinance however you want. Mayor Fox asked about the state laws. Ryan Morgan will look into the matter and report back to council
- Mary Ann Hughes representing Artslink, noted they received a grant for the Big Read project. February will be reading of "Call of the Wild". The following resolution was passed on a motion made by Councilman Williams and seconded by Councilman Ash.

RESOLUTION

WHEREAS *the National Endowment for the Arts designed the Big Read initiative in 2006 to restore reading to the center of American culture and to bring together partners across the nation to encourage reading for both pleasure and enlightenment; and*
WHEREAS *the Big Read was launched in 2007 in partnership with the Institute of Museum and Library Services and in cooperation with Arts Midwest and projects approximately 400 communities participating in 2009; and*
WHEREAS *the NEA has awarded ArtsLink, Inc. a $2500 matching grant to bring their Big Read program to Wetzel and Tyler counties in the state of West Virginia and to Monroe county in the neighboring state of Ohio; and*
WHEREAS *ArtsLink has designated the month of February 2009 as its Big Read month and has chosen Jack London's The Call of the Wild as its reading selection to encourage all citizens to read this great literary work; and*
WHEREAS *ArtsLink's goal is not only to "return the community to the joy of reading, but also to invigorate the very idea of community",*
NOW, THEREFORE, *I, David Fox, Mayor of the City of Sistersville, West Virginia, do hereby proclaim the month of February, 2009, as the Big Read month, thereby joining communities nationwide participating in this program in order to make the transformative power of reading a regular part of our daily lives.*

Given under my hand this 12th day of January, 2009.

_____ ***David Fox, Mayor***

Theresa Shepherd, representing Community Resources, was present to discuss some of the programs offered uch as VITA (Volunteer Income Tax Assistance) for those making $42,000/yr or under, the Weatherization

program, Crisis Intervention, and Prescription Assistance. She requested a representative for Sistersville. Meetings are once a month (the 3rd Thurs. of each month).

The 2nd 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. A motion to approve the reading was made by Councilman Williams, seconded by Councilman Tuttle, and unanimously approved. Councilman Dieterich made a motion to adopt the ordinance. Seconded by Councilman Doig, the motion carried.

Councilman Williams made a motion to hire David Howell as Police Chief beginning 2/2/09. Seconded by Councilman Ash, the motion unanimously carried.

A letter was received from former Chief Bob Kendle regarding his comp. time. He requested to be paid out for his remaining time. Councilman Ash made a motion to approve the request pending research on total hours. Seconded by Councilman Long, the motion carried.

Councilman Williams made a motion to approve the request from Sistersville General Hospital to increase their Line of Credit from $100,000 to $200,000. Seconded by Councilman Dieterich, the motion carried.

Tim Meeks from the Mid-Ohio Valley Regional Council sent forms to be signed regarding reapplication for the Transportation Enhancement Grant – Downtown Revitalization Project ($225,000). Councilman Tuttle made a motion to authorize the Mayor to sign the application forms. Seconded by Councilman Dieterich, the motion carried unanimously.

A motion to approve the ferry drawdown in the amount of $32,036.97 was approved on a motion made by Councilman Williams and seconded by Councilman Tuttle.

Urban Renewal Authority had nothing to report.

Planning Commission updated council. Ryan Morgan noted they had been discussing an ordinance regulating trailers in the city limits as brought up by Harold Dally under public forum. Morgan noted that they were going to submit a grant application for the mural project. He also discussed ways to notify neighbors when citizens request a conditional use of property.

NEW BUSINESS

-Councilman Williams questioned advertising for appointed positions. Ryan Morgan noted that it was usually only done if there was a vacancy.

COMMITTEES

Water – It was noted that permission to drill wells in the flood plain had been received. A spot behind the Senior Housing was being planned. The water board, David Bassett and Ryan Morgan have been working on the necessary easements for the new tank area and Virginia Terrace project.

Finance - Councilman Doig made a motion to approve the Hospital's bills totaling $372,575.77 and the payroll totaling $270,571.16. Seconded by Councilman Dieterich, the motion carried. A motion to pay the City's bills totaling $30,244.93 was made by Councilman Dieterich. Seconded by Councilman Doig, the motion carried. Councilman Ash made a motion to approve $5,500 for repairs needed to Fire Dept. Truck 35-Mini Pumper. Seconded by Councilman Dieterich, the motion carried.

Councilman Williams asked about the sewer surcharge. Mace will call regarding the status.

Councilman Tuttle made a motion to go into executive session at 7:45 p.m. for potential litigation. Seconded by Councilman Ash, the motion carried. The meeting was resumed at 8:02 p.m. on a motion made by Councilman Doig and seconded by Councilman Tuttle.

A motion was made by Councilman Tuttle to allow City Attorney Ryan Morgan to proceed with eminent domain if necessary on the water project. Seconded by Councilman Doig, the motion carried.

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

David B. Fox, Mayor

Diana Mace, Clerk-Treasurer

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 Pharmancy. 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.

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.

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

_____ David B. Fox, Mayor

_____ Diana L. Mace,
City Clerk-Treasurer

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 UNDERGE 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.

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

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	Passed on First Reading	May 12, 2008
	Passed on Second Reading	June 9, 2008
_____ Diana Mace, Clerk-Treas.	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.

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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W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

TYLER STAR NEWS

Sistersville, WV ....., 2009

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 31 day of December, 2008 and ending on the 7 day of January, 2009.

Brian O Clutter
Manager, Tyler Star News

Subscribed and sworn to before me, a Notary Public of said County, on this ..... day of ....., 2009.

Diann S. Wright Notary Public

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

Printers Fee.....

NOTARY
STATE OF WEST VIRGINIA
DIANN S. WRIGHT
218 South 2nd Avenue
Ohio, West Virginia 26150
My Commission Expires Jan. 4, 2016

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, January 12, 2009, 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.

Pursuant to the requirements of W. Va. Code 16-13-16, the City hereby provides notice of the proposed rates to be imposed under the ordinance as follows:

SCHEDULE I

STEP 1 - EFFECTIVE JULY 1, 2008

APPLICABILITY

Applicable within the entire territory served

(C) AVAILABILITY

Available for domestic, commercial, industrial (except unusual industrial waste) and resale sewer service

(A,C) RATES

First 7,500 gallons used per month $12.00 per 1,000 gallons

Over 7,500 gallons used per month $8.00 per 1,000 gallons

(N) MINIMUM CHARGE (Customers with a metered water supply)

Each customer shall pay a minimum charge of $36.00 per month

(Equivalent to 3,000 gallons of water usage)

(A) FLAT-RATE CHARGE (Customers non-metered water supply)

Each customer shall pay a minimum charge of $54.00 per month

(Equivalent to 4,500 gallons of water usage)

SCHEDULE I

STEP 2 - EFFECTIVE MAY 1, 2009

APPLICABILITY

Applicable within the entire territory served

AVAILABILITY

Available for domestic, commercial, industrial (except unusual industrial waste) and resale sewer service

(A,C) RATES

First 10,000 gallons used per month $14.00 per 1,000 gallons

(Customers non-metered water supply)

Each customer shall pay a minimum charge of $58.50 per month

(Equivalent to 4,500 gallons of water usage)

SCHEDULE I

[PROVISIONS CONSTANT FOR STEP 1 and STEP 2]

STEP 1 - EFFECTIVE JULY 1, 2008

STEP 2 - EFFECTIVE MAY 1, 2009

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full when due, ten percent

(10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once where it is appropriate.

SEWER SERCIVE CONNECTION CHARGE

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant

s premises that is associated with a certificate proceeding.

A tap fee of $350.00, or the actual cost of the connection (solely determined by the Utility), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge of $25.00 have been paid.

There will be a $25.00 reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason.

In the event Utility staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $25.00 shall be paid in addition to other charges to prevent disconnection.

INCREMENTAL COSTS

An amount not to exceed $5.00 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter.

This rate shall be applied to all such consumption above the customer's historical usage. The Utility shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

EFT, CREDIT CARD AND DROP-BOX PAYMENTS

A service charge will be imposed on EFT, Credit card or Drop Box payments. The amount shall be equal to the actual charges to the Utility from the financial institution for processing payment.

All water customers shall pay a temporary surcharge of $1.00 (one-dollar) per thousand gallons of water purchased from the City, which amount shall be dedicated to and applied to payment of the bond deficiencies each month until such time as the bond deficiencies have been eliminated.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum charge times the number of units, or the actual charge of the water used, whichever is greater.

SCHEDULE I

STEP 3 - EFFECTIVE MAY 1, 2010

APPLICABILITY

Applicable within the entire territory served

AVAILABILITY

Available for domestic, commercial, industrial (except unusual industrial waste) and resale sewer service

(A,C) RATES

First 10,000 gallons used per month $14.00 per 1,000 gallons

Next 10,000 gallons used per month $10.00 per 1,000 gallons

Over 20,000 gallons used per month $7.50 per 1,000 gallons

(A) MINIMUM CHARGE (Customers with a metered water supply)

Each customer shall pay a minimum charge of $42.00 per month

(Equivalent to 3,000 gallons of water usage)

(A) FLAT-RATE CHARGE (Customers non-metered water supply)

Each customer shall pay a minimum charge of $63.00 per month

(Equivalent to 4,500 gallons of water usage)

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once where it is appropriate.

SEWER SERCIVE CONNECTION CHARGE

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $500.00, or the actual cost of the connection (solely determined by the Utility), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge of $30.00 have been paid.

There will be a $30.00 reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason.

In the event Utility staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $30.00 shall be paid in addition to other charges to prevent disconnection.

INCREMENTAL COSTS

An amount not to exceed $7.00 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter.

This rate shall be applied to all such consumption above the customer's historical usage. The Utility shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

EFT, CREDIT CARD AND DROP-BOX PAYMENTS

A service charge will be imposed on EFT, Credit card or Drop Box payments. The amount shall be equal to the actual charges to the Utility from the financial institution for processing payment.

SURCHARGE

All water customers shall pay a temporary surcharge of $1.00 (one-dollar) per thousand gallons of water purchased from the City, which amount shall be dedicated to and applied to payment of the bond deficiencies each month until such time as the bond deficiencies have been eliminated.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum charge times the number of units, or the actual charge of the water used, whichever is greater.

SCHEDULE II

[PROVISIONS CONSTANT FOR ALL STEPS]

STEP 1 - EFFECTIVE JULY 1, 2008

STEP 2 - EFFECTIVE MAY 1, 2009

STEP 3 - EFFECTIVE MAY 1, 2010

BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S SANITARY SEWER SYSTEM

APPLICABILITY

Where the Utility has discovered that a customer's roof drain, downspouts, storm sewer, or other similar facilities conducting surface water have been connected to the Utility's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the Utility in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

S = A x R x .0006233 x C

S The surcharge in dollars

A The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.

R The measured monthly rainfall, in inches

.0006233 A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water

C The Utility's approved rate per thousand gallons of metered water usage.

The Utility shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE III

[PROVISIONS CONSTANT FOR ALL STEPS]

STEP 1 - EFFECTIVE JULY 1, 2008

STEP 2 - EFFECTIVE MAY 1, 2009

STEP 3 - EFFECTIVE MAY 1, 2010

First 10,000 gallons used per

Public Service Commission
Of West Virginia

201 Brooks Street, P. O. Box 812
Charleston, West Virginia 25323

Phone: (304) 340-0300
FAX: (304) 340-0325

March 25, 2009

Ryan Morgan, Counsel
City of Sistersville
Steptoe & Johnson, PLLC
Chase Tower, Eighth Floor
PO Box 1588
Charleston, WV 25326

ORDS Sistersville 09A

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2009 MAR 25 A 11: 21
WVA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

RE: RFA 09-01/W
City of Sistersville - Adoption of Ordinance increasing sewer rates

Dear Mr. Morgan:

Ms. Sandra Squire, Executive Secretary of the Commission, has referred the City of Sistersville's sewer rate ordinance adopted on January 12, 2009, and filed with the Public Service Commission on January 15, 2009, to the Commission's Legal Division for review.

In a letter dated January 22, 2009, I outlined items that the City of Sistersville still needed to file. More specifically, I noted that the City of Sistersville needed to file affidavits affirming that it posted notice as required by Rule 2.1. (C)(4) of the Commission's Procedural Rules for Commission Review of Electric Cooperatives, Natural Gas Cooperatives, Telephone Cooperatives, and Municipal Rate Change Pursuant to West Virginia Code §24-2-4b (Procedural Rules). Additionally, I noted that the City of Sistersville needed to file affidavits indicating that customers were given notice in accordance with W. Va. Code § 24-2-4b(c) and Procedural Rule 2.1.(c)(4).

In a letter dated January 29, 2009, I stated based upon Staff's review of this ordinance, the City had provided financial justification for the first phase of this increase, but did not provide justification for phase two and phase three. At that time, I informed the City that if no further financial justification was provided for phase two and phase three of this ordinance, I would have no choice but to disallow those portions of this proposed rate increase. I further noted the Commission had disallowed charging a fee for payment with a credit card in the past and stated my belief that portion of the ordinance should not appear on the final tariff when it is filed with the Commission.

Since that time, the City has made additional filings, none containing additional financial information. On March 18, 2009, the City of Sistersville submitted a letter to which it attached affidavits of publication indicating that its customers were given notice in accordance with West Virginia Code §24-2-4(b) and Procedural Rule 2.1. (e)(4). The affidavits indicate that the notice was published in *Tyler Star News* on January 14, 2009 and January 21, 2009. Additionally, the City of Sistersville attached affidavits of posting indicating that it posted notice as required by Procedural Rule 2.1. (e)(4).

With the receipt of the above information from the City of Sistersville, the City of Sistersville has substantially complied with the applicable statute and Commission rules.

The thirty(30) day protest period has expired, and to my knowledge there have been no protests. Therefore, the City of Sistersville's ordinance will be forwarded to the Commission's Tariff Officer, Ms. Vickie Priddy for processing. As stated above, the City did not provide further financial justification for Phases Two and Three of this proposed ordinance, therefore, those portions of the ordinance shall be denied. Further, the City should not add the credit card language to its final filed tariff. The City of Sistersville may begin applying the approved new rates and charges, but no sooner than forty-five (45) days after the adoption of the ordinance.

Sincerely,

JOHN AUVILLE
Staff Attorney
West Virginia Bar I.D. No. 8057

JRA/s

cc: Caryn Watson Short, Supervising Attorney
Sandra Squire, Executive Secretary
Amy Swann, Director of Water & Wastewater Division
Vickie Priddy, Tariff Office

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WVA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

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 specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

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

Adopted this 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

11/19/03
827720.00002

ARTICLE 135
Sanitary Board

135.01 Statutory authority and findings.
135.02 System under control and supervision of Board.
135.03 Creation and membership of Board.
135.04 Terms of office.
135.05 Vacancy in office.
135.06 Organization of Board
135.07 Compensation of Board Members and officers.
135.08 Bonds.

CROSS REFERENCES
Composition of board – see W.Va. Code 16–13–18
Publication of financial statement – see W.Va. Code 16–13–18a

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135.01 STATUTORY AUTHORITY AND FINDINGS.

(a) Authority of this Article. This article is enacted pursuant to the provisions of West Virginia, 1931, as amended (the "act") particularly Section 18 thereof, and other applicable provisions of law.

(b) Findings. It is hereby found, determined and declared as follows:

(1) The City of Sistersville, West Virginia (the "City"), contemplates the construction and acquisition of certain improvements, extensions, betterments and additions (the "projects") to its municipal sewerage system (the existing collection lines together with the project and any further extensions, improvements, betterments and additions thereto, (the "system") and the permanent financing of such construction and acquisition not otherwise provided by the issuance of sewerage system revenue bonds pursuant to the act.

(2) In accordance with Section 18 of the Act, Council must provide by ordinance that the custody, administration, operation and maintenance of the system shall be under the supervision and control of a Sanitary Board.

(3) It is necessary and desirable for the health, welfare and safety of the inhabitants of the City that the system be constructed and acquired pursuant to the provisions of the act and, accordingly, that a Sanitary Board be created, appointed and given supervision and control of the System.

(Passed 3–7–88.)

135.02 SYSTEM UNDER CONTROL AND SUPERVISION OF BOARD.

The custody, administration, operation and maintenance of the system, including any further extensions, betterments or improvements to the system that may hereafter be acquired, shall be, and are hereby, placed under the supervision and control of the Sanitary Board created pursuant to Section 135.03. Such Sanitary Board shall have all the power and authority properly vested in it in accordance with the act.
(Passed 3-7-88.)

135.03 CREATION AND MEMBERSHIP OF BOARD.

There is hereby created a Sanitary Board of the City (the "Sanitary Board"), composed of the Mayor and two persons appointed by Council, one of whom, during the period of construction of the project or any extensions, betterments or improvements to the system must be a registered professional engineer. The engineer member of the Sanitary Board need not be a resident of the City. After any such construction has been completed, the engineer member may be succeeded by a person not an engineer. No officer or employee of the City, whether holding a paid or unpaid office, shall be eligible to appointment on the Sanitary Board until at least one year after the expiration of his or her term of public office.
(Passed 3-7-88.)

135.04 TERMS OF OFFICE.

The term of office of an appointed Sanitary Board member shall be three years; provided, however, the original appointees shall be appointed for terms of two and three years, respectively.
(Passed 3-7-88.)

135.05 VACANCY IN OFFICE.

Any vacancy in the office of an appointed Sanitary Board member shall be filled for the unexpired term in the same manner as the original appointment.
(Passed 3-7-88.)

135.06 ORGANIZATION OF BOARD.

The Mayor shall act as Chairman of the Sanitary Board. The Sanitary Board shall elect a Vice-Chairman from its members and shall designate a Secretary and Treasurer, who need not be members of the Sanitary Board; provided, however, the Secretary and Treasurer may be one and the same person. The Vice-Chairman, Secretary and Treasurer shall hold office as such at the will of the Sanitary Board. The Sanitary Board shall have power to establish bylaws, rules and regulations for its own government.
(Passed 3-7-88.)

135.07 COMPENSATION OF BOARD MEMBERS AND OFFICERS.

(a) The members of the Sanitary Board shall receive as compensation for their services as Council may provide from time to time for each meeting of the Sanitary Board attended; provided, however, no member shall be compensated for any meeting that he or she does not attend. In addition to the compensation provided in the preceding sentence, the members of the Sanitary Board shall be entitled to payment for their reasonable expenses incurred in the performance of their respective duties.

(b) The Secretary and the Treasurer of the Sanitary Board shall receive no compensation for his or her respective services; provided that the Secretary and Treasurer or the Secretary-Treasurer, as the case may be, shall be entitled to payment for their or his or her reasonable expenses incurred in the performance of their respective or his or her duties.

(c) All compensation and reimbursement of expenses referred to in this section shall be paid solely from funds provided under the authority of the act. (Passed 3-7-88.)

135.08 BONDS.

No bond shall be required for the members of the Sanitary Board; provided, however, that any withdrawl, disbursement, transfer or exchange of or any other transaction involving funds or other property of, or under the supervision and control of, the Sanitary Board shall require the signature at least of the Treasurer of the Sanitary Board. Such Treasurer of the Sanitary Board shall be bonded in the amount of fifty thousand dollars ($50,000) throughout his or her term as Treasurer. (Passed 3-7-88.)

THE CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

PETITION OF SANITARY BOARD

RE: Hanford Sewer Extension Project

The Sanitary Board of The City of Sistersville (the "City") hereby petitions the Council of the City to enact an ordinance directing that Sewer Revenue Bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be issued in two or more series in an aggregate amount not to exceed $1,320,000 for the purpose of (i) paying the Prior Notes; (ii) financing the cost of acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the City, together with all necessary appurtenances; and (iii) paying the costs of issuance and related costs.

Dated: December 11, 2012

SANITARY BOARD OF THE CITY OF SISTERSVILLE

By: _____
Its: Chairman

827780.00013

6018079

THE CITY OF SISTERSVILLE

200 DIAMOND STREET
SISTERSVILLE, WEST VIRGINIA 26175-1349

(304) 652-6361 FAX (304) 652-1217

MINUTES

City of Sistersville City Council
Regular meeting
Held at City Hall
Dec 10, 2012
Meeting called to order at 7:00 pm

1. Presiding was Mayor David B. Fox and Councilmen, Dave Dietrich, Mitch Corley, Bill Rice, Ann Doig and Colin Marrin. Recording by clerk Julie Schleier.
2. Motion was made to approve the minutes from 11-13-12.
3. Motion was made to approve direct deposit of payroll checks.
4. Compensate employee for health insurance-tabled until Jan. 2013 council meeting.
5. Motion was made and approved the 1st reading of Bond Ordinance for issuance of Sewer Revenue Bonds, Series 2013 A and Sewer Revenue Bonds, Series 2013 B.
6. Motion was made to approve the transfer of funds for the City accounts payable.
7. Motion was made to approve the transfer of funds to pay the pension and health insurance for city employees.
8. Motion was made to approve the a/p for the city for November invoices.
9. Motion was made to approve the a/p and pr for SGH for November.
10. Motion was made to adjourn.

THE CITY OF SISTERSVILLE

200 DIAMOND STREET
SISTERSVILLE, WEST VIRGINIA 26175-1349

(304) 652-6361 FAX (304) 652-1217

MINUTES

City of Sistersville City Council
Regular meeting
Held at City Hall
Jan. 14, 2013
Meeting called to order at 7:00 pm

1. Presiding was Mayor David B. Fox and Councilmen, Dave Dietrich, Mitch Corley, Bill Rice, Ann Doig, Jason Hood and Colin Marrin. City Attorney Carolyn Flannery. Recording by clerk Julie Schleier.
2. Motion was made by Councilman Dietrich to approve the minutes from 12-10-12.
3. Motion was made by Councilman Dietrich to approve the minutes of the special meeting from 12-10-12.
4. Motion was made by Councilman Dietrich to approve the minutes of the emergency meeting from 12-28-12.
5. Motion was made by Councilman Dietrich to proclaim February 16, 2013 "Blue Blazers Day".
6. Hanford City Sewer Project: Motion was made by Councilman Dietrich to accept addendum #3, motion was made by Councilman Dietrich to accept the lowest bid and a motion was made by Councilman Dietrich to approve the DEP-SRF Application.
7. Motion was made by Councilman Dietrich to approve accepting the low bid CPA for the Water Source Project of Bennett & Dobbins.
8. Motion was made by Councilman Dietrich to approve the second reading of the Bond Ordinance for issuance of Sewer Revenue Bonds, Series 2013 A and Sewer Revenue Bonds, Series Bond 2013 B.
9. Motion was made by Councilman Hood to accept the police dept and city employee vacation policy.
10. Motion was made by Councilwoman Doig to approve the a/p for the city for December invoices.
11. Motion was made by Councilwoman Doig to approve the a/p and pr for SGH for December
12. Old business: The motion was made by Councilman Dietrich to increase the salary of J. Daniel Grimes to $32,000.00.
13. Motion was made by Councilman Dietrich to adjourn.

THE CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

EXCERPT OF MINUTES ON ADOPTION OF BOND ORDINANCE, SUPPLEMENTAL RESOLUTION, DRAW RESOLUTION AND SWEEP 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 11th day of February, 2013, in Tyler County, West Virginia, at the hour of 7:00 p.m.

PRESENT:
David Fox, Mayor
Julie Schlerer, Clerk
Colin Marrin, Councilmember
Jason Hood, Councilmember
Ann Doig, Councilmember
Richard Long, Councilmember
Bill Rice, Councilmember
Dave Dietrich, Councilmember
Mitch Corley, Councilmember

ABSENT:
None.

David Fox, Mayor, presided, and, 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 EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF SISTERSVILLE AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF SISTERSVILLE OF NOT MORE THAN $220,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $1,100,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Dave Dietrich and seconded by Ann Doig, 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 PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM) AND SEWER REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF SISTERSVILLE; APPROVING AND RATIFYING THE BOND PURCHASE

AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Dave Dietrich and seconded by Ann Doig, 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 Bill Rice and seconded by Ann Doig, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Bill Rice and seconded by Dave Dietrich, it was unanimously ordered that the said Sweep Resolution be adopted.

The Mayor presented the appointment of B.S. Saluja, P.E. to serve on the Sanitary Board. A motion was made and seconded and the motion passed.

*** *** ***

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]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of The City of Sistersville and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 27th day of February, 2013.

Clerk

827780.00013

Legal Notices

THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF SISTERSVILLE AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF SISTERSVILLE OF NOT MORE THAN $220,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $1,100,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) to pay the Prior Notes; and (iii) to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable from the revenues derived from the System. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of The City of Sistersville on January 14, 2013. A certified copy of the above-entitled Ordinance is on file with the City for review by interested parties during regular office hours.

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

/s/ Dave Fox
Mayor
City of Sistersville
TSN 1-30, 2-6 800

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 11, 2013, at 7:00 p.m. at the City Hall, 200 Diamond Street, Sistersville, West Virginia, and at such hearing any person interested may appear before the City and present protests, and all protests and suggestions shall be heard by the City 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

TYLER STAR NEWS

Sistersville, WV February 6, 2013

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 30 day of January, 2013 and ending on the 6 day of February, 2013.

Manager, Tyler Star News

Subscribed and sworn to before me, a Notary Public of said County, on this 6 day of February, 2013.

Notary Public

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

Printers Fee.....

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DIANN S. WRIGHT
218 South 2nd Avenue
Parkersburg, West Virginia 26159
My Commission Expires Jan. 4, 2016

WV MUNICIPAL BOND COMMISSION
State Lottery Building
900 Pennsyvania Avenue, Suite 1117
Charleston, WV 25302
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 2/27/2013

ISSUE: The City of Sistersville
Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program)

ADDRESS: 200 Diamond Street, Sistersville, West Virginia 26175 COUNTY: Tyler

PURPOSE OF ISSUE:
New Money: X
Refunding:

ISSUE DATE: 2/27/2013
ISSUE AMOUNT: $203,000
1ST DEBT SERVICE DUE: 12/1/2014
1ST DEBT SERVICE AMOUNT $1,327

REFUNDS ISSUE(S) DATED: NA
CLOSING DATE: 2/27/2013
RATE: 0% 0.5% Admin Fee
1ST PRINCIPAL DUE: 12/1/2014
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: Union Bank
Contact: Margaret Jeffries
Phone: 304.652.3511

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Dave Fox
Position: Mayor
Phone: 304.652.6361

OTHER:
Agency: West Virginia Department of Environmental Protection
Contact: Rosalie Brodersen
Position: Program Manager
Phone: 304.926.0499 x 1608

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

____ Accrued Interest: $
____ Capitalized Interest: $
____ Reserve Account: $
____ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT

____ To Escrow Trustee $
____ To Issuer $
____ To Cons. Invest. Func $
____ To Other: ____ $

NOTES: The Series 2013 A Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

WV MUNICIPAL BOND COMMISSION
State Lottery Building
900 Pennsyvania Avenue, Suite 1117
Charleston, WV 25302
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 27-Feb-13

ISSUE: The City of Sistersville
Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program/Forgivable)

ADDRESS: 200 Diamond Street, Sistersville, West Virginia 26175 COUNTY: Tyler

PURPOSE OF ISSUE:
New Money: x
Refunding:

ISSUE DATE: 27-Feb-13
ISSUE AMOUNT: $745,454
1ST DEBT SERVICE DUE: 100% forgivable
1ST DEBT SERVICE AMOUNT 100% forgivable

REFUNDS ISSUE(S) DATED: NA
CLOSING DATE: 27-Feb-13
RATE: 0% (no admin fee)
1ST PRINCIPAL DUE: 100% forgivable
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: Union Bank
Contact: Margaret Jeffries
Phone: 304.652.3511

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Dave Fox
Position: Mayor
Phone: 304.652.6361

OTHER:
Agency: West Virginia Department of Environmental Protection
Contact: Rosalie Brodersen
Position: Program Manager
Phone: 304.926.0499 x1608

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

____ Accrued Interest: $
____ Capitalized Interest: $
____ Reserve Account: $
____ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT

____ To Escrow Trustee $
____ To Issuer $
____ To Cons. Invest. Func $
____ To Other: ____ $

NOTES: Series 2013 B Bonds are forgivable. No accounts are established at the Municipal Bond Commission.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

Hanford Sewer Extension Project

THE CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Union Bank, Sistersville, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Sistersville (the "Issuer") enacted by the Issuer on February 11, 2013, and a Supplemental Resolution adopted by the Issuer on February 11, 2013 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program) and Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), each dated February 27, 2013, in the respective aggregate principal amounts of $203,000 and $745,454 (collectively, the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 27th day of February, 2013.

UNION BANK

By: _____
Its: Authorized Officer

827780.00013

6018053

Hanford Sewer Extension Project

THE CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with The City of Sistersville Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program) and Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), each dated February 27, 2013, in the respective aggregate principal amounts of $203,000 and $745,454 (collectively, the "Series 2013 Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2013 Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2013 Bonds.

WITNESS my signature on this 27th day of February, 2013.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

827879.00013

Hanford Sewer Extension Project

THE CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

The Huntington National Bank, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of The City of Sistersville (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), of the Issuer, dated February 27, 2013, in the principal amount of $203,000, numbered AR-1, and the single, fully registered Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), of the Issuer, dated February 27, 2013, in the principal amount of $745,454, numbered BR-1, were registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of the Registrar.

WITNESS my signature on this 27th day of February, 2013.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

827780.00013

6018057

CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 27th day of February, 2013, by and between THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $203,000 principal amount of Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program) and $745,454 principal amount of Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), in fully registered form (collectively, the "Series 2013 Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted February 11, 2013, and a Supplemental Resolution of the Issuer duly adopted February 11, 2013 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Series 2013 Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Series 2013 Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2013 Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest, if any, on the Series 2013 Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:
The City of Sistersville
200 Diamond Street
Sistersville, West Virginia 26175
Attention: Mayor

REGISTRAR:
Huntington National Bank
1 Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The registrar shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legal available remedies.

9. The Registrar is hereby requested and authorized to authenticate and deliver the Series 2013 Bonds in accordance with the Bond Legislation.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF SISTERSVILLE

By: _____
Its: Mayor

HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

827780.00013

6018083

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)

Huntington

Huntington Wealth Advisors
900 Lee Street - 2nd Floor I WE3013 I Charleston, West Virginia 253C

STATEMENT OF REGISTRAR'S FEES
Invoice Date February 27, 2013

The City of Sistersville
Account Number 6089001809

The City of Sistersville
Sewer Revenue Bonds, Series 2013 A
c/o Katy Mallory
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR February, 2013

****

TOTAL AMOUNT	$ 500.00
TOTAL DUE	**$ 500.00**

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

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ACORD CERTIFICATE OF LIABILITY INSURANCE

INSURED COPY | DATE (MM/DD/YY) 02/06/13

PRODUCER Serial # A15440

WV BOARD OF RISK & INSURANCE MGT.
90 MACCORKLE AVE. SW, SUITE 203
SOUTH CHARLESTON, WV 25303

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED

City of Sistersville
200 Diamond Street
Sistersville WV 26175

INSURER A: NATIONAL UNION FIRE CO OF PITTSBURGH, PA
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR X WRONGFUL ACT X PROFESSIONAL GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	L&P 90000047	07/01/2012	07/01/2013	EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 0 $ INCLUDED $ NONE $ NONE
A	AUTOMOBILE LIABILITY ANY AUTO X ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	L&P 90000047	07/01/2012	07/01/2013	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
	EXCESS LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE AGGREGATE	$ $
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY STOPGAP	L&P 90000047	07/01/2012	07/01/2013	WC STATU-TORY LIMITS / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000
B	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:

WATER PROJECT

CERTIFICATE HOLDER | ADDITIONAL INSURED; INSURER LETTER: ___

WV WATER DEVELOPMENT AUTHORITY
1009 BULLITT STREET
CHARLESTON WV 25301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE Jerry W. Gladwell

ACORD 25-S (7/97)
C:\FMPRO\CERTPROS.WEB

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STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **February 27, 2013**

Re: **The City of Sistersville**
200 Diamond Street
Sistersville, West Virginia 26175
Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program)

---

1. DISBURSEMENTS TO THE CITY OF SISTERSVILLE

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2013 A Bonds Proceeds
Amount:	$106,397
Form:	Wire Transfer
Payee:	The City of Sistersville
Bank:	Union Bank, 700 Wells Street, Sistersville, WV 26175
ABA No.:	043404443
Acct. No.:	10786
Contact:	Margaret Jeffries, 304.652.3511
Account:	Series 2013 Bonds Construction Trust Fund

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2013 B Bonds Proceeds
Amount:	$6,596
Form:	Wire Transfer
Payee:	The City of Sistersville
Bank:	Union Bank, 700 Wells Street, Sistersville, WV 26175
ABA No.:	043404443
Acct. No.:	10786
Contact:	Margaret Jeffries, 304.652.3511
Account:	Series 2013 Bonds Construction Trust Fund

2. INTERNAL TRANSFER BY UNION BANK

Payor:	The City of Sistersville
Source:	Series 2013 A Bonds Proceeds
Amount:	$67,682.25
Form:	Internal Transfer
Payee:	The City of Sistersville
Acct. No.:	25274
Account:	Payoff Series 2012 A Notes

827780.00013

SRF PAYMENT REQUISITION FORM

Rev 04/07/09

1. LOAN RECIPIENT/VENDOR:

NAME: City of Sistersville ✓

ADDRESS: 200 Diamond Street ✓

Sistersville, WV 26175 ✓

FEIN: 55-6000052 ✓

DUNS: 042754630 ✓

2. SRF #: C-544467 ✓

3. INVOICE NUMBER: 1 ✓

4. PERIOD COVERED BY THIS REQUEST (MO/DAY/YR)

FROM: (MO/DAY/YR) 12/1/2011 ✓

TO: (MO/DAY/YR) 1/23/2013 ✓

5. % PHYSICAL CONSTRUCTION COMPLETION 0%

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY SRF
1) CONSTRUCTION	$ ✓ 619,365		$ -	$ -	
2) EQUIPMENT	$ ✓ 10,000		$ -	$ -	
3) ENGINEERING					
a. Planning	$ -		$ -	$ -	
b. Design (add #3)	$ ✓ 11,600		$ -	$ -	
c. Construction	$ ✓ 21,600		$ -	$ -	
d. Spec Services	$ ✓ 17,000		$ -	$ -	
e. Inspection	$ ✓ 90,000		$ -	$ -	
4) LEGAL	$ ✓ 17,000		$ ✓ 10,865	$ ✓ 10,865	10,865
5) ACCOUNTING	$ ✓ 17,738		$ ✓ 8,849	$ ✓ 8,849	8,849
6) ADMINISTRATIVE	$ ✓ 25,000		$ ✓ 6,596	$ ✓ 6,596	6,596
7) CONTINGENCY	$ ✓ 30,968		$ -	$ -	
8) PERMITS	$ ✓ 1,500		$ -	$ -	
9) INTERIM FINANCING	$ ✓ 67,683		$ ✓ 67,683	$ ✓ 67,683	67,683
10) CLOSING COSTS	$ ✓ 19,000		$ ✓ 19,000	$ ✓ 19,000	19,000
11) SUBTOTAL	$ ✓ 948,454	$ -	$ ✓ 112,993	$ ✓ 112,993	112,993
12) LESS PREVIOUSLY PAID				$ -	0
13) INVOICE AMOUNT				$ ✓ 112,993	112,993

14) David B Fox ✓ 2-11-2013

AUTHORIZED SIGNATURE — DATE

David Fox, Mayor

TYPED OR PRINTED NAME AND TITLE

15) Katy Mallory ✓ 2-11-2013

PERSON PREPARING FORM SIGNATURE — DATE

Katy Mallory

TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:

THIS REQUEST APPROVED BY:

Tim Pudne — 2-13-13

PROJECT REVIEWER — DATE

WV DEPARTMENT OF ENVIRONMENTAL PROTECTION

R Bodenner — 2/15/13

AUTHORIZED OFFICER — DATE

DEBIT CONFIRMATION

Transaction Reference Number:	2013022700002686
Value Date:	02/27/2013
Account Number:	17
Account Name:	STATE OF WEST VIRGINIA OFFICE OF THE ST TREASURER MAIN AC 122 STATE CAPITOL ROOM E CHARLESTON WV 25305
Reference Number:	0227E3QP021C000421
Transaction Posting Time:	2013/02/27 09:45:51

Amount:	112,993.00	Currency:	US Dollar

Debit Party Information:	.17/ STATE OF WEST VIRGINIA OFFICE OF THE ST TREASURER MAIN AC 122 STATE CAPITOL ROOM E CHARLESTON WV 25305
Sender's Reference:	3052086WTQP
Credit Party Information:	143 UNION BANK INC. SISTERSVILLE, WV
Beneficiary Party Information:	86 CITY OF SISTERSVILLE 200 DIAMOND STREET SISTERSVILLE WV 26175
Originator to Beneficiary Information:	CITY OF SISTERSVILLE PROJECT SRF# C -544467COMMITMENT#C389737SERIES 201 3 BNDS CONSTR TRST FND ATTN: MARGAR ET JEFFERIES 304 652-3511

State of West Virginia

WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1217
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

Date 2/26/13 Time 1:10 LGA City of Sistersville Program CW

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Sheila Miller	WDA	304-414-6500	304-414-0865	smiller@wvwda.org
Rose Brodersen	WV DEP	304 926 0499 x1608	304 926 0496	rosalie.m.brodersen@wv.gov
John Stump	Steptoe & Johnson PLLC	304.353.8196	304.353.8801	john.stump@steptoe-johnson.com
Symme Lee	Jackson Kelly PLLC	304 340 1318	304 340 1272	sylee@jacksonkelly.com

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Dave Fox, Mayor Telephone 304.652.6361 E-Mail

Address 200 Diamond Street, Sistersville 26175

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.gov

August 29, 2012

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

RE: City of Sistersville
Hanford City Extension
Plans and Specifications Approval
SRF No. C-544467

Dear Mayor Fox:

The plans and specifications for the above referenced project are hereby approved.

This approval DOES NOT constitute authority to advertise for bids. You will be advised by separate letter from this agency as to when such an advertisement can be initiated.

Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids to include the current State and Federal Labor Wage Determinations. This and all addenda and revisions to the contract documents must be electronically submitted to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids. Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If any questions arise, please contact Corey McComas at (304) 926-0499, ext.1592.

Sincerely,

Katheryn Emery, P.E.
Program Manager
Clean Water SRF Program

KE/cmc

cc: Ashok Sanghavi, P.E., S&S Engineers, Inc.,

OWR Permit Details

(1)OWR Permit	
PERMITTEE	SISTERSVILLE CITY OF
DEP OFFICE	OWR
PERMIT ID	WV0021814
ISSUE/REISSUE DATE	04/29/08
EXPIRATION DATE	04/28/13
FACILITY NAME	CITY OF SISTERSVILLE
DESCRIPTION	
No. of CUSTOMERS	850
DISTURBED ACRES	
SLUDGE TONNAGE	
DESIGN FLOW(MGD)	0.300000
AVERAGE FLOW(MGD)	
MAJOR FACILITY	N
EXTENSION DATE	

(1) County / Quad	
County: Tyler	Quad: NEW MATAMORAS

(7) Inspectable Units	
INSPECTABLE UNIT CODE	TYPE
C002	Combined Sewer Overflow
C004	Combined Sewer Overflow
C003	Combined Sewer Overflow
ENTIRE	Entire Default
IU01	Industrial Users(Pretreatment)
001	Outlet
S01	Sludge

(7) Permit Geography		
INSPECTABLE UNIT CODE:	001	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 33'29.0000"	
LONGITUDE:	81° 0'23.0000"	
COUNTY:	Tyler	
INSPECTABLE UNIT CODE:	C002	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		

LATITUDE:	39° 33'37.0000"	
LONGITUDE:	81° 0'19.0000"	
COUNTY:	Tyler	
INSPECTABLE UNIT CODE:	C003	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 33'41.0000"	
LONGITUDE:	81° 0'18.0000"	
COUNTY:	Tyler	
INSPECTABLE UNIT CODE:	C004	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 33'49.0000"	
LONGITUDE:	81° 0'52.0000"	
COUNTY:	Tyler	
INSPECTABLE UNIT CODE:	ENTIRE	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 33'29.0000"	
LONGITUDE:	81° 0'23.0000"	
COUNTY:	Tyler	
INSPECTABLE UNIT CODE:	IU01	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 33'29.0000"	
LONGITUDE:	81° 0'23.0000"	
COUNTY:	Tyler	
INSPECTABLE UNIT CODE:	S01	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 33'29.0000"	
LONGITUDE:	81° 0'23.0000"	
COUNTY:	Tyler	

SWEEP RESOLUTION

WHEREAS, The City of Sistersville (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, PURSUANT TO Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the "MBC Fee");

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Mayor and Clerk are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 11th day of February, 2013.

Mayor

Clerk

THE CITY OF SISTERSVILLE

Sewerage System Bond Anticipation Notes, Series 2012 A
(Union Bank)

RECEIPT AND RELEASE

The undersigned duly authorized representative of Union Bank, Sistersville, West Virginia (the "Bank"), Holder of The City of Sistersville Sewerage System Bond Anticipation Notes, Series 2012 A, dated February 22, 2012, issued in the original aggregate principal amount of $120,000 (the "Series 2012 A Notes"), hereby certifies and declares that on the date hereof, the Bank received on behalf of The City of Sistersville (the "Issuer") the sum of $67,682.25 and that such sum is sufficient to pay in full the entire outstanding principal of and all interest accrued on the Series 2012 A Notes to the date hereof and to discharge all liens, pledges and encumbrances securing the Series 2012 A Notes.

Dated this 27th day of February, 2013.

UNION BANK

Authorized Officer

827780.00013

6018082

WEST VIRGINIA
Water Development Authority
Celebrating 37 Years of Service ***1974 - 2013***

February 27, 2013

Hanford Sewer Extension Project

THE CITY OF SISTERSVILLE

Sewer Revenue Bonds, Series 2013 A; and
Sewer Revenue Bonds, Series 2013 B
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Griffith & Associates, PLLC, independent certified public accountants, and an opinion of Steptoe & Johnson PLLC, as bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "WDA"), the Registered Owner of the Series 1990 A Bonds and the Series 1990 B Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2013 A (West Virginia SRF Program), in the aggregate principal amount of $203,000 and Sewer Revenue Bonds, Series 2013 B (West Virginia SRF Program), in the aggregate principal amount of $745,454 (collectively, the "Series 2013 Bonds") by The City of Sistersville (the "Issuer"), under the terms of the Bond Ordinance authorizing the Series 2013 Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's Outstanding Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated March 1, 1990, issued in the original aggregate principal amount of $1,057,749 (the "Series 1990 A Bonds"); and senior and prior to the Issuer's Supplemental Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated March 1, 1990 issued in the original aggregate principal amount of $49,361 (the "Series 1990 B Bonds"), (collectively, the "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Sheila A. Miller

Authorized Representative

827780.00013

1009 Bullitt Street, Charleston, WV 25301
Phone (304) 414-6500 / fax (304) 414-0865
www.wvwda.org

THE CITY OF SISTERSVILLE, WEST VIRGINIA

DESIGN NOTE, INTERIM FINANCING AND BOND ORDINANCE

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DESIGN NOTE, INTERIM FINANCING AND BOND ORDINANCE

An Ordinance authorizing the preparation of plans and specifications for extensions, improvements and betterments to the existing sewer system of The City of Sistersville and the temporary financing of the costs thereof through the issuance by The City of Sistersville of not more than $200,000 in aggregate principal amount of Sewer System Design Notes, Series 1988; authorizing the subsequent acquisition and construction of said extensions, improvements and betterments to the existing sewer system of The City of Sistersville and the financing of the costs thereof, not otherwise provided, through the issuance by The City of Sistersville of not more than $1,300,000 in aggregate principal amount of Sewer Revenue Bonds and not more than $500,000 in aggregate principal amount of Supplemental Sewer Revenue Bonds and authorizing not more than $2,500,000 in interim construction financing, consisting of grant anticipation notes or a line of credit evidenced by notes, or any combination of the foregoing; authorizing the execution and delivery of a Trust Indenture securing the Notes; defining and prescribing the terms and provisions of the Design Notes, the Bonds and the Notes; providing for the rights and remedies of and security for the Registered Owners of the Design Notes, the Bonds and the Notes; and adopting other provisions related thereto.

Be It Enacted And Ordained By The Council Of The City Of Sistersville, West Virginia:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01. Definitions. The following terms shall have the following meanings in this Ordinance unless the context expressly requires otherwise:

A. "Act" means Article 13 of Chapter 16 of the Code of West Virginia, 1931, as amended and in effect on the date of enactment of this Ordinance.

B. "Advance-Refunded Municipal Bonds" shall mean obligations, the interest on which is excludable from gross income for Federal income tax purposes, which have been advance-refunded prior to their maturity and are fully and irrevocably secured as to principal and interest by Government Obligations held in trust for the payment thereof, and which obligations are serial bonds or term bonds not callable prior to maturity except at the option of the holder or owner thereof.

C. "Authority Loan Agreements" means, collectively, Loan Agreement and the Supplemental Loan Agreement as both are hereinafter defined.

D. "Authorized Officer" means the Mayor of the City or any acting Mayor duly appointed or any other officer duly so authorized by the Council as hereinafter defined.

E. "Bond" or "Bonds" means the Original Bonds, as hereinafter defined, and any additional parity bonds hereafter issued within the terms, restrictions and conditions contained in this Ordinance.

F. "Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01(3) hereof.

G. "Bond Register" means the books of the City maintained by the Bond Registrar, as hereinafter defined, for the registration and transfer of Bonds.

H. "Bond Registrar" means the Registrar for the Bonds, which shall be appointed by a resolution supplemental hereto.

I. "Bondholder," "Registered Owner" or "Owner of the Bonds" or any similar term means any person who shall be the registered owner, as shown by the Bond Register, of any outstanding Bond.

J. "Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Design Notes, the Bonds or the Notes in substantially the form set forth in the Bond form or Design Note form contained herein and, with respect to the Notes, in substantially the form set forth in the Trust Indenture, as hereinafter defined.

K. "City" means The City of Sistersville, a municipal corporation, in Tyler County, West Virginia, and, where appropriate, also means the Council thereof and any department, board, agency or instrumentality thereof in control of the management and operation of the System, as hereinafter defined.

L. "Clerk" means the Clerk of the City.

M. "Code" means the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated pursuant thereto or to any predecessors or successors thereto.

N. "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.

O. "Consulting Engineers" means S & S Engineers, Incorporated, Consulting Engineers, Charleston, West Virginia, or any engineer or firm of engineers of reputation for skill and experience with respect to the design and construction of sewer systems that shall at any time be retained by the City as consulting engineers for the System, as hereinafter defined.

P. "Costs" or "Costs of Project" or any similar phrase means those costs described in Section 1.03(H) hereof to be a part of the cost of the acquisition and construction of the Project, as hereinafter defined.

Q. "Council" means the Council of the City or any other governing body of the City that succeeds to the functions of the Council as presently constituted and shall be deemed to refer also to the Sanitary Board of the City to the full extent of the powers relating to the System, as hereinafter defined, conferred upon said Sanitary Board.

R. "Depository Bank" means, with respect to either the Design Notes or the Bonds, the bank eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC, as hereinafter defined, designated as such by a resolution supplemental hereto, and any successor thereto.

S. "Design Notes" means the not more than $200,000 in aggregate principal amount of Sewer System Design Notes, Series 1988, originally authorized hereby.

T. "Design Notes Payment Fund" means the Sewer System Design Notes Payment Fund established by Section 3.09 hereof.

U. "Design Notes Proceeds Fund" means the Sewer System Design Notes Proceeds Fund established by Section 3.08 hereof.

V. "Design Notes Registrar" means the Registrar for the Design Notes which shall be appointed by a resolution supplemental hereto.

W. "EPA" means the United States Environmental Protection Agency and any successor to the functions of EPA.

X. "EPA Grant" means the Step II/III grant from EPA awarded September 25, 1987, pursuant to an EPA Assistance Agreement, as it may be supplemented or amended.

Y. "Event of Default" means any event or occurrence specified in Section 10.01.

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

AA. "Feasibility Study" or similar phrases mean the 201 Facilities Plan (Step I) approved by EPA.

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

CC. "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, including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (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.

DD. "Grant Agreement" means a written commitment for the payment of the EPA Grant or of any of the Other Grants, if any, specifying the amount of such Grant, the terms and conditions upon which said Grant is made and the date or dates or event or events upon which Grant is to be paid to the City; provided that, "EPA Grant Agreement" means only the Grant Agreement relating to the EPA Grant and "Other Grant Agreements" means only those Grant Agreements relating to the Other Grants.

EE. "Grant Receipts" means all Step II EPA Grant Receipts received by the City on account of the design of the Project after the date of issuance of the Design Notes and after payment of the Design Notes means all moneys received by the City on account of any Grant to pay Costs of the Project; provided that "EPA Grant Receipts" means only Grant Receipts on account of the EPA Grant, and "Other Grant Receipts" means only Grant Receipts on account of any or all of the Other Grants.

FF. "Grants" means, collectively, the EPA Grant and the Other Grants, if any, as hereinafter defined.

GG. "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 provisions 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 Tap Fees, as hereinafter defined.

HH. "Indenture" or "Trust Indenture" means a Trust Indenture which may be entered into or between the City and a trustee, as hereinafter defined, to be appointed by a resolution supplemental hereto relating to the Notes, as hereinafter defined, and all supplements or amendments thereto, in the form approved by a resolution supplemental hereto.

II. "Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall be retained by the City to prepare an independent annual or special audit of the accounts of the System, as hereinafter defined, or for any other purpose except keeping the accounts of such System in the usual operations of its business and affairs.

JJ. "Line of Credit" means the irrevocable line of credit in an amount not to exceed $2,500,000 authorized by Section 8.01 hereof, the terms and amount of which may be approved by a resolution supplemental hereto.

KK. "Line of Credit Agreement" means the agreement, if any, establishing the Line of Credit, said agreement to be approved by a resolution supplemental hereto.

LL. "Loan Agreement" means the loan agreement to be entered into between the City and the Original Bonds Purchaser; pursuant to which the Original Bonds Purchaser shall agree, subject to the City's satisfying certain legal and other requirements, to purchase the Original Primary Bonds originally authorized hereby with a portion of the proceeds of the next issue of the Original Bonds Purchaser's bonds issued with respect to the Program as hereinafter defined and which shall be approved by the Supplemental Resolution.

MM. "Mayor" means the Mayor of the City.

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

OO. "Noteholder," Registered Owner of the Notes" or "Owner of the Notes" or any similar term means the person, whenever used herein with respect to an outstanding Note or Notes, as hereinafter defined, in whose name such Note is registered.

PP. "Notes" or "Credit Line Note" means the not more that $2,500,000 in aggregate principal amount of interim construction financing, consisting of grant anticipation notes or a Line of Credit evidenced by notes, or any combination of the foregoing, as authorized by Article VII and Article VIII hereof and, unless the context clearly indicates otherwise, the term "Notes" includes any refunding grant anticipation notes of the City.

QQ. "Notes Registrar" means the Registrar for the Notes which may be designated by a resolution supplemental hereto.

RR. "Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System, as hereinafter defined, 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 of Project, fees and expenses of the fiscal agents, registrars, paying agents, trustees, Original Bonds Purchaser, and the Depository Bank, other than those capitalized as part of the Costs of Project, 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, if any, or interest on the Notes or the Bonds or Design Notes, charges for depreciation, losses from the sale of 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.

SS. "Ordinance," regardless of whether preceded by the article "the" or "this," means this Ordinance as it may hereafter from time to time be amended or supplemented.

TT. "Original Bonds" means, collectively the Original Primary Bonds and the Original Supplemental Bonds, both as hereinafter defined.

UU. "Original Bonds Purchaser" or "Authority" or "WDA" means the West Virginia Water Development Authority as the purchaser of the Original Bonds or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

VV. "Original Primary Bonds" means the not more than $1,300,000 in aggregate principal amount of Sewer Revenue Bonds, originally authorized hereby to pay a portion of the Costs of the Project.

WW. "Original Supplemental Bonds" means the not more than $500,000 in aggregate principal amount of Supplemental Sewer Revenue Bonds, originally authorized hereby to pay a portion of the Costs of the Project.

XX. "Original Design Notes Purchaser" means the Union Bank of Tyler County, Sistersville, West Virginia, a West Virginia banking corporation, or such other person or persons, firm or firms, bank or banks, corporation or corporations, or such other entity or entities as shall purchase the Design Notes directly from the City, as determined by a resolution supplemental hereto; provided, that such purchaser or purchasers and the City shall agree to the purchase of the Design Notes, including the exact principal amount thereof and interest rate or rates, not exceeding the then legally permissible limit, as fixed by said supplemental resolution to be adopted by the Council at the time of approval of sale of said Design Notes, with the sale price thereof to be not less than a price such that the interest cost of the proceeds therefrom, based upon the average maturity of such Design Notes and computed accordingly to standard tables of bond values, does not exceed thirteen percent (13%) per annum.

YY. "Original Notes Purchaser" means, in the event the Notes are issued, the original purchaser of the Notes as shall be named in a resolution supplemental hereto, and in the event a note or notes evidencing a Line of Credit are issued, such bank or banks as shall be named in a resolution supplemental hereto.

ZZ. "Other Grants" means any other grant, except for the EPA Grant, hereafter received by the City to aid in financing any Costs of Project.

AAA. "Outstanding," when used with reference to Bonds, Design Notes or Notes, as of any particular date, describes all Bonds, Design Notes or Notes theretofore and thereupon being issued and delivered except (a) any Bond, Design Note or Note cancelled by the respective registrars at or prior to said date; (b) any Bond, Design Note or Note 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, Design Note or Note deemed to have been paid as provided in Section 13.01 hereof; and (d) with respect to determining a specified percentage of Registered Owners for the purpose of consents, notices and the like, any Bond, Design Note or Note registered to the City.

BBB. "Parity Bonds" means, collectively, Parity Primary Bonds and Parity Supplemental Bonds.

CCC. "Parity Primary Bonds" means any additional bonds issued under the provisions and within the limitations prescribed by Section 9.08 hereof, payable from net revenues on a parity with the Original Primary Bonds.

DDD. "Parity Supplemental Bonds" means any additional bonds issued under the provisions and within the limitations prescribed by Section 9.08 hereof, payable from net revenues on a parity with the Original Supplemental Bonds.

EEE. "Paying Agent" means the bank or banks or other entity designated as such for the Design Notes and the Notes, respectively, in resolutions supplemental hereto and means with respect to the Original Bonds the Commission.

FFF. "Primary Bonds" means, collectively the not more than $1,300,000 in aggregate principal amount of Original Primary Bonds and any Parity Primary Bonds hereafter issued.

GGG. "Program" means the Original Bonds Purchaser's loan program, under which the Original Bonds Purchaser purchases the revenue bonds of local government entities satisfying certain legal and other requirements with the proceeds of sewer development revenue bonds of the Original Bonds Purchaser or any successor to said Program as currently constituted.

HHH. "Project" means the extensions, improvements and betterments to the existing sewer system of the City described in Exhibit A attached hereto and incorporated herein by reference.

III. "PSC" means the Public Service Commission of West Virginia or any other agency of the State that succeeds to the functions of the PSC.

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

(a) Government Obligations;

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

(c) Any bond, debenture, note, participation certificate or other similar obligation 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;

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

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

(f) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (d) 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 paid repurchase agreements, and provided further that the owner 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;

(g) The "consolidated fund" (or any distinct portion thereof) managed by the West Virginia State Board of Investments pursuant to Article 6, Chapter 12 of the Code of West Virginia, 1931, as amended; and

(h) Advance-Refunded Municipal Bonds.

KKK. "Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01(2).

LLL. "Reserve Account" means the account in the Sinking Fund, as hereinafter defined, created by Section 5.02(1)(a).

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

NNN. "Revenue Fund" means the revenue fund created by Section 5.01(1).

OOO. "Sanitary Board" or "Board" means the Sanitary Board of the City established by an ordinance duly enacted by the Council of the City on March 7, 1988, and any successors to the functions thereof.

PPP. "Sinking Fund" means the Sinking Fund established for the Primary Bonds by Section 5.02(1).

QQQ. "State" means the State of West Virginia.

RRR. "Supplemental Bonds" means, collectively the not more than $500,000 in aggregate principal amount of Original Supplemental Bonds and any Parity Supplemental Bonds hereafter issued.

SSS. "Supplemental Reserve Account" means the account established in the Supplemental Sinking Fund, as hereinafter defined, pursuant to Section 5.02(2)(a).

TTT. "Supplemental Reserve Requirement" means the maximum amount of principal and interest, if any, which will become due on the Supplemental Bonds in the then current and any succeeding year.

UUU. "Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article the, refers specifically to the Supplemental Resolution authorizing the sale of the Design Notes, the Supplemental Resolution authorizing the sale of the Original Bonds and the Supplemental Resolution authorizing the sale of the Notes, as the case may be; provided, that any provision intended to be included in the Supplemental Resolution with respect to the Design Notes or the Original Bonds or the Notes, as the case may be, and not so included may be contained in any other Supplemental Resolution.

VVV. "Supplemental Loan Agreement" means the loan agreement to be entered into between the City and the Original Bonds Purchaser; pursuant to which the Original Bonds Purchaser shall agree, subject to the City's satisfying certain legal and other requirements, to purchase the Original Supplemental Bonds originally authorized hereby and by the Supplemental Resolution.

WWW. "Supplemental Sinking Fund" means the Supplemental Sinking Fund established for the Supplemental Bonds by Section 5.02(2).

XXX. "Surplus Revenues" means the Net Revenues not required by this Ordinance to be set aside and held in,

including but not limited to, sinking funds, the reserve accounts and the renewal and replacement funds for the payment of or security for the Bonds or any other obligations of the City, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project.

YYY. "System" means the works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, owned by the City under the supervision and control of the Sanitary Board, and any additions, improvements or betterments thereto or hereafter constructed or acquired from any sources whatsoever and includes the Project.

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

AAAA. "Trustee" means the Trustee for the Notes, if any, as designated in the Indenture or a resolution supplemental hereto.

BBBB. 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 or neuter gender shall include all other genders.

CCCC. 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 general accepted accounting principles.

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

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

Section 1.02. Authority of This Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. It is hereby found, determined and declared that:

(A) The City now owns and operates public works for the collection, treatment, purification and disposal of sewage.

(B) In accordance with Section 18 of the Act, the System is under the supervision and control of the Sanitary Board.

(C) The Sanitary Board has presented a petition to the City for the temporary financing of the design of certain extensions, improvements and betterments to the System, and following such design, for the acquisition and construction of the Project, enactment of this Ordinance and the issuance of the Design Notes, Bonds and Notes.

(D) The City has been awarded the EPA Grant by that certain EPA Assistance Agreement dated September 25, 1987. Said Agreement is for a Step II/III grant, the Step II design allowance portion of which will be used for the partial payment of the Design Notes.

(E) It is deemed necessary for the City to issue its Design Notes, in an aggregate principal amount of not more than $200,000 to finance, temporarily, the costs of design of the Project, in anticipation of the EPA Grant Receipts, and the issuance of the Original Bonds.

(F) It is further deemed necessary and desirable for the health, welfare and safety of the inhabitants of the City that the Project be acquired and constructed in accordance with the plans and specifications to be prepared by the Consulting Engineers, subject to the approval of the EPA, the issuance of a certificate of convenience and necessity by the PSC and specific authorization by a Supplemental Resolution.

(G) The estimated maximum cost of the design of the Project is $168,000. The estimated maximum cost of the construction of the Project is $2,345,250, of which approximately $1,137,110 will be permanently obtained from the proceeds of the Original Bonds herein authorized, and approximately $1,208,140 will b obtained from the EPA Grant. The City may obtain such Other Grants as may be necessary to pay Costs of Project.

(H) It is deemed necessary for the City to issue its Original Primary Bonds in an aggregate principal amount not to exceed $1,300,000, and its Original Supplemental Bonds in the aggregate principal amount not to exceed more than $500,000, in part to refund the Design Notes, and to permanently finance the costs of acquisition and construction of the Project and contemporaneously therewith, or as soon as practical thereafter if and when the Council shall deem it to be in the best interest of the City, to issue its Notes in the aggregate principal amount of not more than $2,500,000. Said costs shall be deemed to include the cost of all property rights, easements, and franchises deemed necessary therefor; the cost of the construction of said extensions, additions, betterments and improvements to the System and any other expenses necessary, incidental, desirable or appurtenant to the acquisition and construction of the Project and the placing of

the same in operation, and the performance of the things therein required or permitted, in connection with any thereof; the cost of designing the Project; the cost of interim financing for such Project; interest on the Original Bonds prior to, during and for six months after the estimated date of completion of construction of the Project; interest upon the Notes or the Design Notes, as the case may be, during the term thereof; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; expenses for the service of the Original Bonds Purchaser, registrars, paying agents, depositories or other agents in connection with the issuance of the Original Bonds or the Design Notes or the Notes, as the case may be, and such other expenses as may be necessary or desirable to said acquisition and construction of the Project and placing the same in operation and the financing authorized by this Ordinance and with respect to the Notes, any commitment fees to a bank or banks for the issuance of letters of credit and any costs of obtaining insurance thereon; provided that reimbursement to the City for any amounts expended by it for allowable costs of the Project prior to the issuance of the Original Bonds or the Design Notes or the Notes, as the case may be, or the repayment of indebtedness incurred by the City for such purposes shall be deemed costs of the Project.

(I) The period of usefulness of the System after completion of the Project will not be less than forty years.

(J) The estimated Gross Revenues to be derived in each year after the enactment of this Ordinance from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, provide adequate reserve funds and adequate renewal and replacement funds and pay the principal of and interest on the Original Bonds authorized to be issued pursuant to this Ordinance.

(K) Upon the issuance of the Original Bonds, the City will grant the Original Bonds Purchaser a first lien on the Net Revenues of the System.

(L) The City has complied with all requirements of West Virginia law relating to the issuance of the Design Notes. The City has complied with all requirements of West Virginia law relating to the authorization of the construction, acquisition and operation of the Project and issuance of the Original Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the PSC by final order not subject to appeal or rehearing.

(M) The Code provides exceptions from the rebate provisions for issues of small governmental units meeting certain requirements.

(N) It is in the best interest of the City and its inhabitants to qualify for the small governmental unit exception from the rebate provisions.

(O) The City is a governmental unit with general taxing powers.

(P) The Original Bonds, Design Notes and Notes are not private activity bonds as defined in the Code.

(Q) Ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the Original Bonds, Design Notes and Notes will be used for local governmental activities of the City.

(R) The City reasonably expects that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City and all subordinate entities thereof during the calendar year in which the Original Bonds, Notes and Design Notes will be issued, will not exceed $5,000,000. The City reasonably expects to issue its Design Notes in 1988. The City reasonably expects to issue its Original Bonds and Notes, if any, in 1989.

(S) The City shall not permit at any time any of the proceeds of the Bonds, Notes and Design Notes or other funds of the City to be used directly or indirectly in an manner which would result in the exclusion of the Bonds, Notes and Design Notes from the treatment afforded by Section 103(a) of the Code.

(T) The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds, Notes and Design Notes.

(U) The Bonds, Notes and Design Notes will not be federally guaranteed within the meaning of the Code.

(V) The City and all subordinate entities do not reasonably expect to issue more than $10,000,000 of tax-exempt obligations during the calendar year 1988, and hereby designate the Design Notes as "Qualified Tax-Exempt Obligations" as defined in Section 265(b)(3)(B) of the Code.

Section 1.04. Ordinance Constituting Contract. In consideration of the acceptance of the Bonds, the Design Notes, and the Notes, as the case may be, authorized to be issued hereunder by those who shall respectively hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and such Registered Owners, and the covenants and agreements herein set forth to be performed by said City shall be for the equal benefit, protection and security of the Registered Owners of any and all

of such Bonds, Design Notes or Notes, as the case may be, authorized to be issued hereunder all of which shall respectively be of equal rank and without preference, priority or distinction between any one Design Note and any other Design Notes, between any one Note and any other Notes, between any one Primary Bond and any other Primary Bonds and between any one Supplemental Bond and any other Supplemental Bonds, as the case may be, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SYSTEM

Section 2.01. Authorization of Design. There is hereby authorized the design of the Project generally described in the Feasibility Study prepared by the Consulting Engineers, a summary of which general description is set forth in Exhibit A attached hereto and incorporated herein by reference.

Section 2.02. Authorization of Construction and Acquisition. There is hereby authorized the construction and acquisition of the Project in accordance with plans and specifications therefor prepared by the Consulting Engineers, as authorized by Section 2.01 above; provided, that such plans and specifications, and the acquisition and construction of the Project in accordance therewith, are subject to the approval of the EPA, to the issuance by the PSC of a certificate of convenience and necessity and to specific authorization by the Council pursuant to a Supplemental Resolution.

ARTICLE III

DESIGN NOTES

Section 3.01. Authorization of Design Notes. For the purpose of financing the cost of the design of the Project pending the receipt of the Step II portion of the EPA Grant Receipts and the issuance of the Original Bonds, there shall be issued the Design Notes of the City, in an aggregate principal amount of not more than $200,000. The Design Notes shall be issued in fully registered form, with a payment record attached, in such denomination or denominations as provided by the Supplemental Resolution. The Design Notes shall be dated as of the date of delivery thereof. The Design Notes shall be in such principal amount; shall bear interest from the date thereof at such rate or rates, not exceeding the then legally permissible limit, payable on such date or dates; shall mature on such date or dates; and shall be subject to such prepayment or redemption, all as provided in the Supplemental Resolution; provided, that the Design Notes shall be refunded prior to or immediately upon the issuance of the Original Bonds.

The aggregate principal amount of the Design Notes shall not be paid to the City upon delivery of the Design Notes but shall be advanced to the City as requested by the City; provided, however, that the Design Notes shall evidence only the indebtedness recorded on the Record of Advances and Payments incorporated therein and that interest shall accrue only on the amount of each advance from the actual date thereof as listed on said Record of Advances and Payments.

The Design Notes shall be payable as to principal at the principal office of the Paying Agent, as designated by a resolution supplemental hereto, in any coin or currency which on the date of payment of principal is legal tender for the payment of public and private debts under the laws of the United States of America. Interest on the Design Notes shall be paid by check or draft mailed to the Registered Owner thereof at the address as it appears on the books of the Design Notes Registrar; provided, if the Union Bank of Tyler County is the Original Design Notes Purchaser, interest on the Design Notes may be paid by such other lawful method as is acceptable to such Original Design Notes Purchaser and as set forth in the Supplemental Resolution.

Section 3.02. Execution of Design Notes. The Design Notes shall be executed in the name of the City by the manual or facsimile signature of its Mayor, and the seal of the City shall be impressed thereon, or a facsimile of such seal imprinted thereon, and attested by the manual or facsimile signature of the Clerk of the City. In case any one or more of the officers who shall have signed or sealed any of the Design

Notes shall cease to be such officer of the City before the Design Notes so signed and sealed shall have been actually sold and delivered, such Design Notes may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Design Notes had not ceased to hold such office. Any Design Notes may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Design Notes shall hold the proper office of the City, although at the date of such Design Notes such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Design Notes 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 Design Note, substantially in the form set forth herein, shall have been manually executed by the Design Note Registrar. Any such executed Certificate of Authentication and Registration, upon any such Design Note shall be conclusive evidence that such Design Note has been authenticated, registered, and delivered under this Ordinance. The Certificate of Authentication and Registration on any Design Note shall be deemed to have been executed by the Design Note Registrar if manually signed by an authorized officer of the Design Note Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Design Notes issued hereunder.

Section 3.04. Negotiability, Transfer and Registration. Subject to the restrictions on transfer set forth below, the Design Notes shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting any of said Design Notes, shall be conclusively deemed to have agreed that said Design Notes shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Design Notes remains Outstanding, the Design Notes Registrar shall keep and maintain books for the registration and transfer of the Design Notes.

The Design Notes shall be transferable only upon the books of the Design Notes Registrar, by the Registered Owner thereof in person or by its attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Design Notes Registrar duly executed by the Registered Owner or its duly authorized attorney.

In all cases in which the privilege of exchanging Design Notes or transferring Design Notes is exercised, Design Notes shall be delivered in accordance with the provisions of this Ordinance. All Design Notes surrendered in any such exchanges or transfers shall forthwith be cancelled by the Design Notes Registrar. For every such transfer or exchange of Design Notes, the Design Notes Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Design Note upon each exchange or transfer, and any other expenses of the Design Notes Registrar incurred in connection therewith, which charges and expenses shall be paid by the Registered Owner requesting such exchange or transfer. The Design Notes Registrar shall not be obligated to make any such exchanges or transfer of Design Notes during the fifteenth day of the month preceding an interest payment date and ending on the date preceding such interest payment date or, in the case of any prepayment of the Design Notes during the fifteen days next preceding the date set for such prepayment.

Section 3.05. Design Notes Mutilated, Destroyed, Stolen or Lost. In case any Design Note shall become mutilated or be destroyed, stolen or lost, the City may, in the discretion of the Council, issue, and the Design Notes Registrar shall authenticate and deliver a new Design Note or Notes of like tenor as the Design Note or Notes so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Design Note upon surrender and cancellation of such mutilated Design Note or in lieu of and substitution for the Design Note destroyed, stolen or lost and upon the Registered Owner's furnishing the Council proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Council may prescribe and paying such expenses as the City may incur. All Design Notes so surrendered shall be submitted to and cancelled by the Design Notes Registrar and held for the account of the City. If such Design Note shall have matured or be about to mature, instead of issuing a substitute Design Note, the City may pay the same, upon being indemnified as aforesaid, and if such Design Note be lost, stolen, or destroyed, without surrender therefor.

Any such duplicate Design Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the City, whether or not the lost, stolen or destroyed Design Note be at any time found by any one. Such Design Notes shall be entitled to equal and proportionate benefits and rights as to lien and source of security for payment from the EPA Grant Receipts and the net proceeds of the Original Bonds with all other Design Notes issued hereunder.

Section 3.06. Form of Design Notes. The text of the Design Notes shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance or any Supplemental Resolution adopted or enacted prior to the issuance thereof:

[Form of Design Note]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SISTERSVILLE
SEWER SYSTEM DESIGN NOTE,
SERIES 1988

No. R-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That The City of Sistersville, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, only from the special funds provided therefor, as hereinafter set forth to _____, or registered assigns (the "Payee"), on the ____ day of _____, 19__, the sum of _____ Dollars ($_____). Interest on said sums advanced hereunder is payable from the date hereof at the rate of ____ percent (_____%) per annum _____, on _____, also from said special funds. The principal of this Design Note is payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of _____, as Paying Agent. The interest on this Design Note is payable by check or draft mailed to the registered owner hereof at the address as it appears on the books of _____, as Design Notes Registrar, on the fifteenth day of the month preceding an interest payment date [or by such other lawful method as is acceptable to the Payee].

This Design Note is subject to redemption prior to its stated date of maturity as follows:

This Design Note is one of an issue of Design Notes (the "Design Notes") in the aggregate principal amount of $____, issued to finance temporarily the cost of designing certain extensions, improvements and betterments to the existing sanitary sewerage system of the City (the "Project") (the existing sanitary sewerage system of the City, together with the Project and any further extensions, improvements, or betterments thereto, is hereinafter referred to as the "System"), pending the receipt of the design portion of the proceeds of a Step II/III Grant from the United States Environmental Protection Agency (the "Grant Receipts") and the issuance of certain Sewer Revenue Bonds (the "Bonds"), all under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the City on the _____ day

of _____, 1988, and supplemented thereby on the _____ day of _____, 19__ (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance.

The principal of and interest on the Design Notes are payable from, and secured by a lien on, the Grant Receipts, the net proceeds of the Bonds and the net revenues to be derived from the operation of the System.

This Design Note does not constitute a corporate indebtedness of the City within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the City be obligated to pay the same or the interest hereon except from the sources set forth above. Under the Ordinance, the City has entered into certain covenants with the Payee, for the terms of which reference is made to said Ordinance. Remedies provided the Payee are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth below, this Design Note is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia. This Design Note is transferable, as provided in the Ordinance, only upon the books of the Design Notes Registrar by the registered owner hereof in person or by its attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to said Design Notes Registrar duly executed by the registered owner or its duly authorized attorney. Upon transfer hereof, there shall be issued another fully registered Design Note or fully registered Design Notes of the aggregate principal amount equal to the unpaid amount hereof.

Notwithstanding any provision of this Design Note to the contrary, this Design Note shall evidence only the indebtedness reflected on the Record of Advances and Payments attached hereto, and interest shall accrue only on the amount of each advance from its actual date as hereinafter listed.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in issuance of this Design Note exist, have happened and have been performed in due time, form and manner as required by law, and that the Design Notes, together with all other obligations of the City, do not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that the Grant Receipts and net proceeds of the Bonds have been pledged to and will be set aside into a special fund by the City for, and will be sufficient for, the prompt payment of the principal of and interest on said Design Notes.

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

IN WITNESS WHEREOF, The City of Sistersville, West Virginia, has caused this Design Note to be signed by its Mayor and its corporate seal to be hereunto impressed and attested by its Clerk, all as of the _____ day of _____, 1988.

_____
Mayor

[Seal]

Attest:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Design Note is one of the Sewer System Design Notes, Series 1988, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on the date set forth below.

Date: _____

_____
as Registrar

By _____
Its Authorized Officer

[RECORD OF ADVANCES AND PAYMENTS]

Advances

Date	Amount	Authorized Officer

Principal Installments on Which
Payments Have Been Made Prior to Maturity

Principal Due Date	Amount	Principal Payment	Balance	Date Paid	Authorized Officer and Title
	$	$	$		

[Form of Assignment]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

_____

the within Design Note, and does hereby irrevocably constitute and appoint _____, attorney to transfer said Design Note on the books kept for the registration of the within Design Note of said City with full power of substitution in the premises.

DATED: _____

_____

IN THE PRESENCE OF: _____

Section 3.07. Sale of Design Notes. The Design Notes shall be sold to the Original Design Notes Purchaser contemporaneously with, or as soon as practicable and authorized and permitted by applicable law after, adoption of the Supplemental Resolution; provided, that such Original Design Notes Purchaser and the City shall have agreed to the purchase thereof.

Section 3.08. Design Notes Proceeds Fund. There is hereby created and established with the Depository Bank a special fund, entitled "Design Notes Proceeds Fund," which shall be kept separate and apart from all other funds of the City and the Depository Bank. All proceeds received from the sale of the Design Notes shall be deposited in the Design Notes Proceeds Fund. The City shall request proceeds of the Design Notes as needed by the City to pay the costs of design of the Project or costs incidental to the issuance of the Design Notes, and such proceeds shall be credited by the Original Design Notes Purchaser to the Design Notes Proceeds Fund. Moneys shall be withdrawn from the Design Notes Proceeds Fund only upon resolution of the Sanitary Board and only to pay the costs of design of the Project and costs incidental to the issuance of the Design Notes.

After payment of all costs of the design of the Project, as certified by the Consulting Engineers, and costs incidental to the issuance of the Design Notes, any moneys remaining in the Design Notes Proceeds Fund shall be transferred to the Design Notes Payment Fund, or if no Design Notes are then Outstanding to the Sinking Fund and then to the Supplemental Sinking Fund, or if no Bonds are then Outstanding may be withdrawn by the City and used for any lawful purpose of the System.

Section 3.09. Design Notes Payment Fund. There is hereby created and established with the Depository Bank a special fund, entitled "Design Notes Payment Fund." The Depository Bank shall segregate all funds and securities in the Design Notes Payment Fund from other deposits and funds of the Depository Bank and other deposits and funds of the City, including the Design Notes Proceeds Fund. All moneys in the Design Notes Payment Fund, until payment in full of all principal and interest owing on the Design Notes at their maturity, shall be held in trust for the Registered Owners of the Design Notes, and the City shall have no rights with respect thereto except to receive the balance therein after payment of the Design Notes and the interest thereon and the charges, if any, of the Depository Bank and the Paying Agent.

So long as any of the Design Notes is Outstanding, all EPA Grant Receipts received by the City shall be deposited upon receipt in the Design Notes Payment Fund. Upon the issuance of the Original Bonds, the amount of the net proceeds of the

Original Bonds required, together with any funds already on deposit therein, to pay in full the principal of and interest on the Design Notes shall be deposited in the Design Notes Payment Fund.

If the City's funds are insufficient to pay the principal of and interest on the Design Notes, the City shall on the first day of each month following such determination deposit the Net Revenues of the System in the Design Note Payment Fund until the Design Notes are paid in full.

Amounts held in the Design Notes Payment Fund shall be applied to the payment of principal of and interest on the Design Notes and used for no other purpose. Pending such application, moneys in the Design Note Payment Fund shall be invested and reinvested in accordance with Article XI hereof.

Any moneys remaining in the Design Notes Payment Fund after the payment of the Design Notes in full shall be applied to costs of acquisition and construction of the Project.

Section 3.10. Security for the Design Notes. The principal of and interest on the Design Notes shall be payable in the first instance from the EPA Grant Receipts and the net proceeds of the Original Bonds and, to the extent not so paid, shall also be payable from the Net Revenues derived from the operation of the System.

Section 3.11. Design Notes Are Special Obligations. The Design Notes shall be special obligations of the City, payable as to principal and interest solely from said sources described in Section 3.10 above. The Design Notes do not and shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions. The general funds of the City are not liable, and neither the full faith and credit nor the taxing power of the City is pledged, for the payment of the Design Notes. The Registered Owners of the Design Notes shall never have the right to compel the forfeiture of any property of the City. The Design Notes shall not be a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or upon any of its income, receipts or revenues except the EPA Grant Receipts, the net proceeds of the Original Bonds and other funds pledged therefor by this Ordinance.

Notwithstanding anything in this Ordinance, the City shall not be required to advance any money derived from any source of income other than the EPA Grant Receipts, the net proceeds of the Original Bonds and other funds pledged by this Ordinance for the payment of the principal of or interest on the Design Notes or for the performance of any of its duties under this Ordinance. The City may, however, advance funds for

any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the City for such purpose without incurring indebtedness.

Section 3.12. Failure to Issue Original Bonds. In the event the Project has been duly authorized as required by Section 2.02 hereof and the Original Bonds Purchaser does not purchase the Original Bonds on or prior to the maturity date of the Design Notes, the City covenants and agrees to issue and sell its Original Bonds in an amount sufficient to pay the principal of and interest on the Design Notes as they mature to another original purchaser. In lieu of issuing and selling such Original Bonds, the City may issue and sell sewer system refunding notes as needed to pay the maturing principal of and interest on the Design Notes. The terms of such Original Bonds not sold to the Original Bonds Purchaser or such sewer system refunding notes shall be determined by a Supplemental Resolution.

Section 3.13 Prohibition of Other Debt. So long as any of the Design Notes is outstanding no bonds, notes or other evidences of indebtedness shall be issued by the City in anticipation of any EPA Grant Receipts or any proceeds of the Original Bonds or for the payment of which any EPA Grant Receipts or any proceeds of the Original Bonds are pledged or otherwise made available.

Section 3.14. Covenants with Registered Owners of Design Notes. In order to secure the payment of the Design Notes, the City hereby particularly covenants and agrees with the Registered Owners of the Design Notes, and makes provisions which shall be a part of the contract with such Registered Owners, that the City, if and so long as any of the Design Notes is Outstanding and unpaid:

A. Will proceed with all practicable dispatch to cause to be prepared plans and specifications for the Project acceptable to the EPA;

B. Will not make or cause or permit to be made any application of the proceeds of the Design Notes or of any moneys held in the Design Notes Payment Fund or the Design Notes Proceeds Fund except in accordance with the provisions of this Article III;

C. Will comply in all respects with the terms and provisions of the EPA Grant Agreement and with all applicable State and federal laws and regulations governing the implementation of the EPA Grant Agreement;

D. Will impose and collect rates and charges for the use and service of the System in accordance with the requirements of this Ordinance;

E. Will take all actions necessary to preserve its right to receive reimbursements under the EPA Grant Agreement;

F. Will apply the proceeds of the Original Bonds in accordance with the provisions hereof;

G. Will promptly request any reimbursement to which it has become entitled under the EPA Grant Agreement;

H. Will promptly deposit all EPA Grant Receipts in the Design Notes Payment Fund; and

I. Will not unilaterally terminate, or enter into any agreement to terminate, the EPA Grant Agreement.

Section 3.15. Required Notices to Depository Bank and Registered Owners of Design Notes. The City will give to the Depository Bank and to any Registered Owner of the Design Notes prompt written notice, appropriately documented, of any change in the status of the EPA Grant and of any authorization of additional indebtedness of the City, and particularly of any of the following events:

A. Any modification of the EPA Grant;

B. The suspension of the EPA Grant;

C. The lifting or cancellation of the suspension of the EPA Grant;

D. The termination of the EPA Grant;

E. The annulment of the EPA Grant;

F. The authorization of the City of any additional indebtedness related to the System.

Whenever the Depository Bank shall have received notice that the EPA Grant Agreement has been suspended or a stop-work order has been issued, no further requests for Design Note proceeds may be made and no further withdrawals shall be made from the Design Note Proceeds Fund until the Depository Bank shall have received notice of the lifting of such suspension.

ARTICLE IV

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 4.01. Authorization of the Original Bonds. For the purposes of refunding the Design Notes, paying the costs, not otherwise provided, of acquisition and construction of the Project, of paying certain costs of issuance and related costs, and, if authorized by Supplemental Resolution, of funding the Reserve Account and the Supplemental Reserve Account or for providing for the interest during construction or both, and for such other purposes set forth in the Supplemental Resolution, there shall be issued the Original Bonds of the City. Original Bonds shall be issued contemporaneously with or prior to any issuance of the Notes. The proceeds of the Original Bonds shall be applied as provided in Section 6.01.

Section 4.02. Terms of Original Bonds. The Original Primary Bonds shall be originally issued in the form of a single bond, designated Sewer Revenue Bond No. R-1, fully registered to the Original Bonds Purchaser, in the principal amount of not more than $1,300,000 as shall be set forth in the Supplemental Resolution. The Original Primary Bonds shall be dated the date of delivery thereof; shall be designated as to series; shall bear interest at the rate per annum, not to exceed the maximum legal limit; shall bear interest payable semiannually on such date; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the City shall prescribe in a Supplemental Resolution.

The Original Supplemental Bonds shall be originally issued in the form of a single bond, designated Supplemental Sewer Revenue Bond No. SR-1, fully registered to the Original Bonds Purchaser, in the principal amount of not more than $500,000 as shall be set forth in the Supplemental Resolution. The Original Supplemental Bonds shall be dated the date of delivery thereof; shall be designated as to series; shall bear interest, if any, at the rate per annum, not to exceed the maximum legal limit; shall bear interest, if any, payable semiannually on such date; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the City shall prescribe in a Supplemental Resolution.

The Bonds shall payable as to both principal and interest, if any, at the office of the Paying Agent in any coin or currency which on the respective date of payment of principal and interest, is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at

the address that appears on the books of the Bond Registrar, or by such other lawful method as is acceptable to the Original Bonds Purchaser.

Bonds shall be exchangeable at the option and expense of the Registered Owner for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Original Bonds Purchaser shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds may be issued within the terms and restrictions hereinafter set forth as provided by a Supplemental Resolution and by the terms of the Authority Loan Agreements.

Section 4.03 Additional Terms of Bonds. In addition to the terms set forth in Sections 4.01 and 4.02 hereof, and in anticipation of the sale of the Original Bonds to the Original Bonds Purchaser, the City covenants that the Original Bonds shall comply in all respects with the provisions of the Authority Loan Agreements, and of any resolution of the Original Bonds Purchaser authorizing the issuance of bonds pursuant to the Program.

Section 4.04 Execution of the Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signature of its Mayor, and the seal of the City shall be impressed thereon and attested by the manual or facsimile signature of the City Clerk. In case any one or more of the officers who shall have signed or sealed 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 Bond may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bond shall hold the proper office in the City, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 4.05. 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 Section 4.09, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered, and delivered under this Ordinance. The Certificate of Authentication and Registration

on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 4.06. Negotiability, Transfer and Registration. Subject to the provisions for transfer or registration set forth below, the 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 Registered Owner, in accepting any of said Bond, 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 Registered Owner 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 Bonds remain Outstanding, the Bond Registrar shall keep and maintain books for the registration and transfer of the Bonds.

The Bonds shall be transferable only upon the Bond Register by the Registered Owner thereof in person or by its attorney or legal representative duly authorized in writing, upon surrender thereto, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or such duly authorized attorney or legal representative.

In all cases in which the privilege of exchanging Bonds or transferring the Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfer shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of said Bond Registrar incurred in connection therewith, which changes and expenses for any Bonds owned by the Original Bonds Purchaser, in the event of partial redemption of any bond or connection with the first transfer with any bond from the Original Bonds Purchaser thereof shall be paid the City and, otherwise shall be paid by the Registered Owner requesting such transfer or exchange. The Bond Registrar shall not be obligated to make any such change or transfer of Bonds during the period beginning with the fifteenth day of the month preceding an interest payment date and ending on the date or, in a case of any partial redemption of Bonds during the fifteen days next preceding the date of the selection of Bonds to be redeemed.

Section 4.07. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City may, in the discretion of the Council, issue, and the Bond Register shall authenticate and deliver a new Bond or Bonds of like tenor as the Bond or Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or Bonds, upon surrender and cancellation of such mutilated Bond or Bonds, or in lieu of and substitution for the Bond or Bonds destroyed, stolen or lost, and upon the Registered Owner's furnishing the Council proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Council may prescribe and paying such expenses as the City may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the City. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City 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 an original, additional contractual obligation on the part of the City, whether or not the lost, stolen or destroyed Bond be at any time found by any one, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien and source of security for payment from the revenues pledged herein with all other Bonds issued hereunder.

Section 4.08. Bonds Secured by Pledge of Net Revenues; Not to be Indebtedness of the City. The payment of the debt service of all of the Primary Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System. The payment of the debt service of all of the Supplemental Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior, subordinate and inferior to the lien on the Net Revenues in favor of the Primary Bonds. Such Net Revenues, in the amount sufficient, to pay the principal of and interest on the Bonds and to make the payments required into the Sinking Fund and the Reserve Account therein, the Renewal and Replacement Fund and the Supplemental Sinking Fund and the Supplemental Reserve Fund Account therein, all hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due. The Bonds shall not, in any event, be or constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from Net Revenues and otherwise as provided herein. No Registered Owner or Owners of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the Bonds or the interest thereon.

Section 4.09. Form of Bonds. The text of the Original Bonds shall be in substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance, the Supplemental Resolution or any subsequent resolution or ordinance adopted or enacted prior to the issuance thereof:

[Form of Original Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SISTERSVILLE
SEWER REVENUE BONDS
SERIES ____

No. R-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ ($_____), in installments on the first day of _____ of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum as set forth on said Exhibit A.

Interest on each installment shall run from the date of this Bond and until payment of such installment, and such interest shall be payable on the 1st day of _____, and the 1st day of _____ in each year beginning _____, 19__. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of _____, West Virginia, as registrar (the "Registrar") on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and as otherwise provided by the Loan Agreement, dated as of _____, 19__, between the City and the Authority.

This Bond is issued (1) to refund a portion of certain Sewer System Design Notes, Series 1988 (the "Design Notes"), (2) to pay costs of acquisition and construction of certain

extensions, improvements and betterments to the existing public sewerage system of the City (the "Project") (said existing system, together with the Project and any further extensions, improvements or betterments thereto, is hereinafter referred to as the "System")[; (3) to pay interest on the Bonds during and for six months after completion of the Project; (4) to fund the Reserve Account, as hereinafter defined; and (5)] (3) to pay certain issuance and related costs in connection therewith. This Bond is authorized and issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13 of Chapter 16 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the City on the _____ day of _____, 1988, and supplemented thereby on the _____ day of _____, 19__ (collectively, the "Ordinance"), and is subject to all the terms and conditions of said 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.

This Bond is payable only from and secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System[, moneys in the Reserve Account created under the Ordinance (the "Reserve Account")] and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds and other obligations which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall said City be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues[, the moneys in the Reserve Account] and unexpended Bond Proceeds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the proper and reasonable expenses of operation, repair and maintenance of said System and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on the Bonds, on the Supplemental Bonds, as hereinafter defined, and on all obligations secured by or payable from such revenues prior to or on a parity with the Bonds and said Supplemental Bonds; provided, however, that so long as there exist in the Reserve Account sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, there exist in the reserve account for said Supplemental

Bonds sufficient moneys to pay the maximum amount of principal and interest, if any, which will become due on said Supplemental Bonds in the then current or any succeeding year, and the reserve accounts for any obligations prior to or on a parity with the Bonds or said Supplemental Bonds, are funded at the respective requirement therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to said Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Registrar which shall be kept for that purpose at the office of the Registrar, by the Registered Owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney or legal representative duly authorized in writing.

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

This Bond is issued contemporaneously with the Supplemental Sewer Revenue Bonds, Series 19__, of the City (the "Supplemental Bonds"), issued in the aggregate amount of $_____, which Supplemental Bonds are junior and subordinate with respect to liens and sources of and security for payment of the Bonds of this issue.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts connected with the issuance hereof, as provided by law and the Ordinance, shall be applied solely to refunding the Design Notes and to the costs of acquisition and construction of the Project, and there shall be and hereby is created and granted a lien upon such moneys, 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 have existed, 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 revenues of the System of said City 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 this Bond.

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

IN WITNESS WHEREOF, THE CITY OF SISTERSVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto impressed and attested by its Clerk, all as of the _____ day of _____, 19__.

_____
Mayor

[SEAL]

ATTEST:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Sewer Revenue Bonds, Series 19 _, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on the date set forth below.

Date: _____

_____
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

Dated: _____, _____.

_____

In the presence of:

_____

[FORM OF THE SUPPLEMENTAL BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SISTERSVILLE
SUPPLEMENTAL SEWER REVENUE BOND,
SERIES ____

No. SR-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation 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 West Virginia Water Development Authority (the "Authority"), or registered assigns, the sum of _____ ($_____), in installments on _____ of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"). This Bond bears no interest.

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of the Authority and as otherwise provided by the Supplemental Loan Agreement, dated as of _____, 19__, between the City and the Authority.

This Bond is issued (1) to refund a portion of certain Sewer System Design Notes, Series 1988 (the "Design Notes"), (2) to pay costs of acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage system of the City (the "Project") (said existing system, together with the Project and any further extensions, improvements or betterments thereto, is hereinafter referred to as the "System")[; (3) to fund the Supplemental Reserve Account, as hereinafter defined, and (4)] (3) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the City on the ____ day of _____, 1988, and supplemented thereby on the _____ day of _____, 19__, (collectively, the "Ordinance"), and is subject to all the

terms and conditions thereof. 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.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series ___ of the City (the "Primary Bonds") issued in the aggregate principal amount of $_____, which Primary Bonds rank prior with respect to liens and sources of and security for payment to the Bonds of this issue.

This Bond is payable only from and secured by a lien, subordinate only to the Primary Bonds on the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System[, moneys in the Supplemental Reserve Account created under the Ordinance (the "Supplemental Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the 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 moneys in the Supplemental Reserve Account] and unexpended Bond proceeds. 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 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 amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, the Primary Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Bonds and the Primary Bonds, provided however, that so long as there exists in the Supplemental Reserve Account and in the reserve account for the Primary Bonds amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and on the Primary Bonds, respectively, in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds or the Primary Bonds, are funded at the respective requirement therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of _____, _____,

West Virginia, as registrar (the "Registrar"), kept for that purpose at the office of the Registrar by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its attorney or legal representative duly authorized in writing.

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

All money received from the sale of this Bond, after payment of the Design Notes and after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of Project described in the Ordinance, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond; provided that such lien on moneys deposited in the Bond Construction Trust Fund created by the Ordinance shall be subordinate to that of the Primary Bonds.

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 have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the 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 revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal this Bond.

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

IN WITNESS WHEREOF, THE CITY OF SISTERSVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated _____, 19__.

[SEAL]

_____
Mayor

ATTEST:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Supplemental Sewer Revenue Bonds, Series ___ described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner set forth above.

Date: _____

_____
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 4.10. Sale of the Original Bonds. The Original Bonds shall be sold to the Original Bond Purchaser pursuant to the terms and conditions of the Authority Loan Agreements; provided, that the City shall satisfy certain legal and other requirements of the Program; and provided further, that the form and execution of the Authority Loan Agreements shall be approved by the Supplemental Resolution. The provisions of the Authority Loan Agreements are specifically incorporated in this Ordinance.

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by, the Depository Bank:

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission:

(1) Sinking Fund; and

(a) Within the Sinking Fund, the Reserve Account;

(2) Supplemental Sinking Fund; and

(a) Within the Supplemental Sinking Fund, the Supplemental Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in 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) From the Revenue Fund, the City shall first each month pay the current Operating Expenses of the System.

(2) Thereafter, from the moneys remaining in the Revenue Fund, the City shall next, on the first day of each month, commencing seven (7) months prior to the first day of payment of interest on the Primary Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Sinking Fund, a sum equal to one-sixth (1/6) of the amount of interest which will become due on said Primary Bonds on the next ensuing semiannual interest payment date.

(3) The City shall also, on the first day of each month, commencing thirteen (13) months prior to the first date of payment of principal on the Primary Bonds, apportion and set

apart out of the Revenue Fund and remit to the Commission for deposit in the Sinking Fund, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on said Bonds on the next ensuing principal payment date.

(4) If the Reserve Account was not funded with proceeds of the Primary Bonds, the City shall next from the Revenue Fund on the first day of each month commencing thirteen (13) months prior to the first date of payment of the Primary Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Reserve Account, an amount equal to 1/120th of the Reserve Account Requirement; provided, that no further payment shall be made into the Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit, an amount equal to the Reserve Account Requirement. Once the Reserve Account has been funded with an amount equal to the Reserve Account Requirement the City shall next remit to the Commission for deposit in the Reserve Account an amount equal to any deficiency of the Reserve Account Requirement. Any withdrawals from the Reserve Account which result in a reduction in the balance of the Reserve Account to below the Reserve Account Requirement shall be subsequently restored from the first Net Revenues available after all required payments prescribed above have been made in full.

(5) Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Primary Bonds as the same shall become due. Moneys in the Reserve Account in the Sinking Fund shall be used only for the purpose of paying principal of or interest on the Primary Bonds, as the same shall come due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on moneys in the Sinking Fund and the Reserve Account shall be transferred, not less than once each year to the Bond Construction Trust Fund prior to completion of the Project and thereafter to the Revenue Fund.

(6) The City shall not be required to make any further payments into the Sinking Fund or into the Reserve Account therein when the aggregate amount of funds in said Sinking Fund and said Reserve Account is at least equal to the aggregate principal amount of and interest to come due on the Primary Bonds issued pursuant to this Ordinance then Outstanding.

(7) From the moneys remaining in the Revenue Fund, the City shall next, on the first day of each month, commencing with the month succeeding the first full calendar month after completion of the Project deposit in the Renewal and Replacement Fund a sum equal to two and one-half percent (2 1/2%) of the Gross Revenues each month, exclusive of payments

for account of the Reserve Account in the Sinking Fund. 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 accordance with Article XI hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, enlargements, emergency repairs, improvements and extensions to the System; provided, that any deficiency occurring in the Reserve Account shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

B. (1) The City shall next, on the first day of each month, commencing thirteen months prior to the first date of payment of principal on the Supplemental Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for the deposit in the Supplemental Sinking Fund, the sum equal to 1/12 of the amount of principal which will mature and become due on said Supplemental Bonds on the ensuing principal payment date.

(2) If the Supplemental Reserve Account was not funded with the proceeds of the Supplemental Bonds, the City shall next from the Revenue Fund, on the first day of each month commencing thirteen months prior to the first date of payment of Supplemental Bonds, remit to the Commission for deposit in the Supplemental Reserve Account an amount equal to 1/120th of the Supplemental Reserve Requirement; provided, that no further payment shall be made into the Supplemental Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Supplemental Reserve Requirement. Once the Supplemental Reserve Account has been funded at the Supplemental Reserve Requirement, the City shall next remit to the Commission for deposit in the Supplemental Reserve Account an amount equal to any deficiency in the Supplemental Reserve Requirement. Any withdraws from Supplemental Reserve Account which result in the reduction of the balance of the Supplemental Reserve Account to below the Supplemental Reserve Requirement shall be subsequently restored from the Net Revenues available after all required payments prescribed above have been made in full.

(3) Moneys in the Supplemental Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Supplemental Bonds as the same shall become due. Moneys in the Supplemental Reserve Account and the Supplemental Sinking Fund shall be used only for the purpose of paying principal of or interest, if any, on the Supplemental Bonds, as the same shall become due, when other moneys in the Supplemental Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on moneys in the Supplemental Sinking Fund and the Supplemental Reserve Account shall be transferred, not less than once each year, to the Bond Construction Trust Fund prior to completion of the Project and thereafter to the Revenue Fund.

C. (1) As and when additional Bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments in said Sinking Fund or Supplemental Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Reserve Account or Supplemental Reserve Account in an amount equal to the respective Reserve Requirement.

(2) The Commission is hereby designated as the fiscal agent for the administration of the Sinking Fund and the Supplemental Sinking Fund created hereunder, and all amounts required for said Sinking Fund and the Supplemental Sinking Fund shall be remitted to the Commission from the Revenue Fund by the City at the times provided herein.

(3) The payments into the Sinking Fund and the Supplemental Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a 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 Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amount required to be so transferred and retained and paid into the Sinking Fund, including the Reserve Account therein, the Supplemental Sinking Fund, including the Supplemental Reserve Account therein, and the Renewal and Replacement Fund during the following month or such longer period shall be required by the Act, such excess shall be considered as surplus revenues and may be used for any lawful purpose of the System, including a pledge to and payment of the Notes, if any.

E. The City shall remit from the Revenue Fund to the Commission, the applicable registrars, depository banks or paying agents, on such dates as the Commission, the applicable registrars, depository banks or the paying agents, as the case may be, shall require, such additional sums as shall be necessary to pay the depository banks' charges, the registrars' fees and the paying agents' fees then due.

F. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue 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 law of the State for the Revenue Fund.

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates.

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

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Original Bond Proceeds. From the moneys received from time to time from the sale of any or all of the Original Bonds, the following amounts shall be deposited as set forth below:

A. If required by the Supplemental Resolution the amount of the proceeds which shall be at least sufficient to pay interest on the Original Primary Bonds for the period specified in the Supplemental Resolution shall be deposited in the Sinking Fund with the Commission; provided, that such period may not extend beyond the date which is (6) six months after the estimated date of completion of construction of the Project.

B. The sum required, when added to other moneys on deposit therein, to pay the principal and interest on the Design Notes in full shall be deposited in the Design Notes Payment Fund.

C. If required by the Supplemental Resolution, the amount of the proceeds which shall be at least sufficient to fund the Reserve Account Requirement or the Supplemental Reserve Requirement shall be deposited in the Reserve Account and the Supplemental Reserve Account, respectively, with the Commission; provided, that such amounts shall not exceed in aggregate ten percent (10%) of the proceeds of the Original Bonds.

D. The remaining monies derived from the sale of the Original Bonds shall be deposited by the City in the Bond Construction Trust Fund and applied to the Costs of the Project, including but not limited to payment of the cost of issuance.

Section 6.02. Bond Construction Trust Fund.

The Bond Construction Trust Fund shall be kept separate and apart from all other funds of the City and used and applied by the City solely for the payment of the Costs of Project which include but are not limited to the cost of the issuance of the Original Bonds as well as construction of the Project, as more fully set forth in Section 1.03(H), and for no other purposes whatsoever. Unless invested in Qualified Investments, the moneys in said fund shall be secured at all times by the deposit in such bank, as security, of direct obligations of the United States of America having a fair market value at least equal to the balance in said fund in

excess of the amount insured by the FDIC. Any moneys not needed immediately for said purposes shall be invested in Qualified Investments having maturities so as to enable the moneys to be available as deemed necessary by the Consulting Engineers and otherwise in accordance Article XI hereof. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds, unless otherwise provided for in the Authority Loan Agreements, (i) may be used for other capital construction or acquisition needs of the System during the period of three years of the issuance of the Bonds; (ii) thereafter, shall be used to make up any deficiency in the Reserve Account or the Supplemental Reserve Account or to fund the Reserve Account at the respective requirements therefor; and (iii) if the reserve accounts are fully funded and no deficiencies exist, shall be deposited by the City in escrow with an escrow trustee and used to redeem Original Bonds at the first redemption date and, prior to, to pay a proportion amount of the principal of the Original Bonds by depositing into Sinking Fund and the Supplemental Sinking Fund, respectively, an amount which bears the same ratio to the principal coming due in that year as the excess proceeds bore to the initial aggregate principal amount of the Original Primary Bonds and the Original Supplemental Bonds, as the case may be. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys until so applied in favor of the Owners of the Original Bonds; provided, that the lien in favor of the registered owners of the Original Primary Bonds shall be prior to the lien in favor of the registered owners of the Original Supplemental Bonds.

Expenditures or disbursements by the Depository Bank from said Bond Construction Trust Fund, except for legal, fiscal and engineering expenses and expenses in connection with the issuance and sale of the Bonds and repayment to the Authority of any Step I or Step II loans, shall be made only after such expenditures or disbursements shall have been approved in writing by the Sanitary Board and the Consulting Engineers.

ARTICLE VII

NOTES

Section 7.01. Authorization and General Terms. To the extent practicable and in order to pay certain Costs of Project pending receipt of the Grant Receipts, the City may issue and sell its Notes in the aggregate principal amount of not to exceed $2,500,000. 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 Indenture and the Supplemental Resolution.

Section 7.02. Terms of and Security for Notes; Trust Indenture. The Notes shall be issued in such form, in such denominations, with such terms and secured in the manner set forth in the Indenture to be approved by a Supplemental Resolution.

Section 7.03. Notes are Special Obligations. The Notes shall be special obligations of the City payable as to principal and interest solely from the respective sources described in the Indenture. The Notes do not and shall not constitute a corporate indebtedness of the City within the meaning of the constitutional or statutory provisions or limitations. The general funds of the City are not liable, and neither the full faith and credit nor the taxing power of the City is pledged for the payment of the Notes. The Registered Owners shall never have the right to compel the forfeiture of any property of the City. The Notes shall not be a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or upon any of its income, receipts or revenues except as set forth in the Supplemental Resolution, including in the Indenture.

Section 7.04. Letters of Credit. As additional security for the Notes, the City may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed $1,000,000 in the aggregate. In the event of a draw under any such letter of credit, the City shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of credit shall be authorized and shall have such terms as shall be set forth in the Supplemental Resolution.

ARTICLE VIII

LINE OF CREDIT

Section 8.01. Authorization of Line of Credit. As an alternative method of providing funds for the acquisition and construction of the Project to the extent Grant Receipts and other funds are not available therefor, the Mayor of the City is hereby authorized to arrange for a Line of Credit in an amount not to exceed $2,500,000. The amount and terms of the Line of Credit may be approved by a resolution supplemental hereto.

Section 8.02. Authorization of Credit Line Note. For the purpose of evidencing any draw upon the Line of Credit and thus, of financing a portion of the cost of acquisition and construction of the Project, there may be issued the Credit Line Note of the City in an amount and upon such terms as set forth in a resolution supplemental hereto. The Credit Line Note may be issued in single, fully registered form and dated as of the date of delivery thereof. There shall be attached to the Credit Line Note a Record of Advances and Payments, upon which the date and principal amount of any draw upon the Line of Credit, the date and amount of any payment of principal of the Credit Line Note and the amount of the Credit Line Note outstanding after either of said transactions shall be recorded. Anything to the contrary herein, in the Line of Credit Agreement or therein notwithstanding, the Credit Line Note shall evidence only the outstanding indebtedness recorded on the Record of Advances and Payments attached thereto, and interest shall accrue only on the amount if each advance from the actual date thereof as listed on said Record of Advances and Payments. Each such advance shall bear interest, payable at such times and at a rate set forth in a supplemental resolution, but not to exceed the then legally permissible limit. Interest shall cease to accrue on the amount of the Credit Line Note outstanding, or portions thereof, as the same are paid, as reflected by said Record of Advances and Payments. The Credit Line Note shall mature not more than thirty (30) months from the date thereof. The Credit Line Note shall be subject to such further terms as shall be provided by the Line of Credit Agreement. Notwithstanding the foregoing, the terms of the Credit Line Note, other than the principal amount thereof, may be modified by resolution supplemental and amendatory hereto, subject to the limits of the Act.

The Credit Line Note shall be payable as to principal upon surrender at the principal office of the Notes Registrar, in any coin or currency which on the date of payment of principal is legal tender for the payment of public and private debts under the laws of the United States of America; provided, that any partial payment or principal prior to the final

maturity of the Credit Line Note shall be recorded on the Record of Advances and Payments attached to the Credit Line Note, and the Credit Line Note shall be returned to the Registered Owner. Interest on the Credit Line Note shall be paid by check or draft mailed to the Registered Owner thereof at the address as it appears on the books of said Notes Registrar; provided, that, at the option of the Registered Owner, such payment may be made by wire transfer or such other lawful method as shall be mutually agreeable.

Section 8.03. Execution of Credit Line Note. The Credit Line Note shall be executed in the name of the City by the signature of its Mayor, and the seal of the City shall be impressed thereon and attested by the signature of the City Clerk. Any Credit Line Note may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Credit Line Note shall hold the proper office of the City, although at the date of such Credit Line Note such person may not have held such office or may not have been so authorized.

Section 8.04. Negotiability, Transfer and Registration. Subject to the restrictions on transfer set forth below, the Credit Line Note shall be and have all of the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting the Credit Line Note, shall be conclusively deemed to have agreed that said Credit Line Note shall be incontestable in the hands of a bona fide holder for value.

So long as the Credit Line Note or any portion thereof remains Outstanding, the Notes Registrar shall keep and maintain books for the registration and transfer of the Credit Line Note. The Credit Line Note shall be transferable only upon the books of the Notes Registrar which shall be kept for that purpose at the office of the Notes Registrar (and in such capacity as paying agent) by the Registered Owner thereof in person or by its attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Notes Registrar duly executed by the Registered Owner or its duly authorized attorney. Upon the transfer of the Credit Line Note, there shall be issued at the option of the Registered Owner or the transferee another Credit Line Note or Notes of the aggregate stated principal amount equal to the stated principal amount of such transferred Credit Line Note not paid as reflected on the Record of Advances and Payments attached thereto and outstanding in the aggregate principal amount equal to the advanced but unpaid amount of the transferred Credit Line Note as reflected on the Record of Advances and Payments attached thereto.

In all cases in which the privilege of transferring the Credit Line Note is exercised, Credit Line Notes shall only

be issued in accordance with the provisions of this Ordinance and the Supplemental Resolution. All Credit Line Notes surrendered in any such transfers shall forthwith be cancelled by the Notes Registrar. For every such transfer of Credit Line Notes, the Notes Registrar may make a change sufficient to reimburse its office for any tax, fee or other governmental charge required to be paid with respect to such transfer and the cost of preparing each Credit Line Note upon each transfer, and any other expenses of the Notes Registrar incurred in connection therewith, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer. The Notes Registrar shall not be obligated to make any such transfer of Credit Line Notes during the ten (10) days preceding an interest payment date on the Credit Line Notes or after notice of any prepayment of the Credit Line Notes have been given.

Section 8.05. Form of Credit Line Note and Line of Credit Agreement. The text of the Credit Line Note and the Line of Credit Agreement shall be in substantially the form set forth in the Supplemental Resolution. The Line of Credit Agreement shall be executed on behalf of the City by the Mayor. The Credit Line Note shall not become valid until manually authenticated and registered by the Notes Registrar.

ARTICLE IX

ADDITIONAL COVENANTS OF THE CITY

Section 9.01. General Covenants of the City. 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 Registered Owner or Registered Owners of the Original Bonds, Notes and Design Notes. In addition to the other covenants, agreements and provisions of this Ordinance, the City hereby covenants and agrees with the Registered Owners of the Bonds as hereinafter provided in this Article IX. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Bonds or the interest thereon is Outstanding and unpaid.

Until the payment in full of the principal of and interest on the Design Notes or the Notes when due, the covenants, agreements and provisions contained in this Ordinance shall, where applicable, inure to the benefit of the Registered Owners of the Design Notes or the Notes and constitute valid and legally binding covenants of the City, enforceable in any court of competent jurisdiction by any Registered Owner or Registered Owners of said Design Notes or Notes.

Section 9.02. Bonds, Design Notes and Notes Not To Be Indebtedness of the City. The Bonds, Notes and the Design Notes shall not be nor 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, as herein provided or from the Grant Receipts, as herein provided, or from the net proceeds of the Original Bonds, as herein provided. No Registered Owner or Registered Owners of any Bonds, Design Notes or Notes issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay said Bonds, Design Notes or Notes or the interest thereon.

Section 9.03. Bonds and Design Notes Secured by Pledge of Net Revenues. The payment of the Design Notes shall be secured by a first lien on the Net Revenues levied from the operation of the System until such Design Notes are paid with the proceeds of the Original Bonds. The payment of the debt service of all of the Primary Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System. The payment of the debt service of the Supplemental Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System, on a basis junior and subordinate to the Primary Bonds. The Net Revenues derived from the System, in an amount

sufficient to pay the principal of and interest on the Bonds herein authorized, and to make the payments into the Sinking Fund and the Supplemental Sinking Fund, including the Reserve Accounts 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 principal of and interest on the Bonds herein authorized as the same become due, and for the other purposes provided in this Ordinance.

Section 9.04. Rates. Prior to the issuance of the Original Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file in the office of the Clerk, each of which copies will be open to inspection by all interested parties. The rates and charges shall be effective as prescribed by the rules and regulations of the PSC. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay the Operating Expenses of the System and to make the prescribed payments into the funds and accounts 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 shall be sufficient (i) to provide for all reasonable 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 to pay the principal of and interest on the Original Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Original Bonds; provided, however, in the event that an amount at least equal to or in excess of the Reserve Account Requirement is on deposit in the Reserve Account, an amount at least equal to the Supplemental Reserve Requirement is on deposit in the Supplemental Reserve Account and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Original Bonds and any such prior or parity obligations.

Section 9.05. Completion, Operation and Maintenance. The City will expeditiously complete the Project in accordance with the plans and specifications prepared by the Consulting Engineers and will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for

equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of the System in the manner provided in this Ordinance.

Section 9.06. Sale of the System. The System may be sold, mortgaged, leased, or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay or redeem at or prior to maturity all the Design Notes or Bonds Outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted in the case of the Design Notes to the Registered Owner of the Design Notes or in the case of the Bonds to the Commission for deposit in the Sinking Fund and the Supplemental Sinking Fund, and the City shall direct the Commission to apply such proceeds to the payment of principal and any interest at maturity of the Bonds about to mature and to the redemption prior to maturity, at the earliest date permitted hereby and at the redemption price, of all other Outstanding Bonds. Any balance remaining after the redemption or payment of all the Bonds and interest thereon shall be remitted to the City by the 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 is not in excess of $10,000, the City shall first, in writing, determine that such property comprising a part of the System is longer necessary, useful or profitable in the operation thereof and the Council 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 shall be in excess of $10,000 but not in excess of $50,000, the Council shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be advised, by resolution duly adopted, approve and concur in such finding and 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, in excess of $10,000 and not in excess of $50,000, shall be remitted by the City to the Commission for deposit in the Sinking Fund and the Supplemental Sinking Fund and shall be applied only to the redemption or

purchase, at prices not greater than the applicable redemption price or, if not redeemable, par, of Bonds of the last maturities then Outstanding (upon receipt of approval of the Original Bonds Purchaser, if needed) or, otherwise to the Renewal and Replacement Fund. Such payments of such proceeds in the Sinking Fund and the Supplemental Sinking Fund or the Renewal and Replacement Fund shall not reduce the amount 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 shall be in excess of $50,000 and insufficient to pay or redeem prior to maturity all the Bonds then Outstanding; provided, the prior approval and consent in writing of the Registered Owners, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in amount of the Bonds then Outstanding may be obtained for such purpose. The City shall prepare the form of such approval and consent for execution by the then Registered Owners of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 9.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The City shall not issue any other obligations whatsoever, except Parity Bonds provided for in Section 9.08 hereof, payable from the revenue of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however that Parity Bonds may be issued as provided for Section 9.08. All obligations hereafter issued by the City payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds to the extent such are Outstanding; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Account, the Supplemental Reserve Account and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

Except as provided above, the City shall not create, or cause or permit to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to Parity Bonds, being on a parity with the respective liens of the Bonds, and the interest thereon, upon any of the income revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or a new part thereof.

Section 9.08. Parity Bonds. No Parity Bonds payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant hereto, except under the conditions and in the manner herein provided. Except as expressly provided herein, no Parity Primary Bonds shall be issued so long as any Supplemental Bond remains Outstanding.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements and betterments and to the System or refunding one or more series of Bonds issued hereunder or both such purposes.

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, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (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 three (3) succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than one hundred and fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

(A) The Bonds then Outstanding;

(B) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(C) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three (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 any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, 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 twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the

opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, improvements and betterments to the System which are to be financed by such Parity Bonds.

All the 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 Owners of the Primary Bonds and the Owners of any Parity Bonds and the Owners of the Supplemental Bonds and the Parity Supplemental Bonds subsequently issued from time to time within the limitations of and in compliance with this Section. All the Primary Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System, and their respective source of and security for payment from said revenues, without preference of any Primary Bond over any other. All the Supplemental Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System, and their source of and security for payment from said revenues, without preference of any Supplemental Bond over any others. The City shall comply fully with all the increased payments into the various funds 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.

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

Parity Bonds shall not be issued at any time, however, unless all the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding, and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Parity Bonds.

Notwithstanding the foregoing, the City may issue Parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any issues or series of the Bonds, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

With the written consent in advance of the Original Bonds Purchaser and anything to the contrary in Section 9.07 and in this Section 9.08 notwithstanding, Parity Bonds may be authorized and issued by the City pursuant to a Supplemental Resolution solely to complete the Project as described in the City's Program application to the Original Bonds Purchaser and in accordance with the plans and specifications, in the event that the Bonds should be insufficient, together with other funds lawfully available therefor, to pay all costs of acquisition and construction of the Project; provided, however, that, prior to the issuance of such Parity Bonds and under the provisions of this paragraph, the Consulting Engineers shall file with the Clerk a certificate to the effect that additional funds are necessary for such purpose. All such Parity Bonds and Parity Supplemental Bonds authorized and issued under the provisions of this paragraph shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Project, and the maturities of any such Parity Bonds and Parity Supplemental Bonds shall be in years and amounts suggested by the Original Bonds Purchaser.

As long as any Supplemental Bonds are Outstanding, the City may issue Parity Supplemental Bonds upon satisfaction of the tests set forth above and taking into consideration all debt service requirements on all bonds superior to or on a parity with the Supplemental Bonds and including the proposed Parity Supplemental Bonds.

Section 9.09. 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 Registered Owner of a Bond or Bonds, of a Design Note or Design Notes or of a Note or Notes issued and authorized pursuant to this Ordinance 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 generally accepted accounting practices to the extent allowed by the uniform system of accounts promulgated by the PSC.

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, books, and 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 the Council of the City shall direct.

The City shall file with the Consulting Engineers, the Trustee, if any, the Original Bonds Purchaser, the Design Notes Purchaser and the Notes Purchaser, and shall mail in each year to any Registered Owner of Bonds or Notes or Design Notes, as the case may be, requesting the same, an annual report containing the following:

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

B. A balance sheet statement showing all deposits in all the funds and accounts provided for in this Ordinance and the Indenture, if any, with respect to said Bonds or Design Notes or Notes, as the case may be, and the status of all said funds and accounts.

C. A statement of all new debt issued by the City which is secured by a lien on the Net Revenues or Surplus Revenues of the System.

The City shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail the report of said Independent Certified Public Accountant upon request, to any Registered Owner or Registered Owners of the Bonds, Design Notes or Notes. The report of said audit shall include a statement that the City is in compliance with the terms and provisions of the Authority Loan Agreements and this Ordinance.

Section 9.10. Operating Budget. The City shall annually, at least forty-five (45) days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed budget of the estimated 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 the Consulting Engineers, which funding 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 Council shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of ten percent (10%) of the amount of such budget shall be made except upon further certificate of the Consulting Engineers 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 Bonds Purchaser, the Trustee, if any, and to any Registered Owner of any Bond, Note or Design Note, as the case may be, who requests in writing that copies of all such budgets and resolutions be furnished him or her, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Registered Owner of any Bond, Note or Design Note, as the case may be, or anyone acting for and in behalf of such Registered Owner.

Section 9.11. Services Rendered to the City. The City will not render or cause to be rendered any free services of any nature by its System; and, in the event the City or any department, agency, instrumentality, officer or employee of the City shall avail itself or themselves of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. 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 9.12. Enforcement of Collections. The City will diligently enforce and collect all fees, rentals, or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent, to the full extent permitted or authorized by the laws of the State, and the rules and regulations of the PSC. All such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

Whenever any rates, rentals or charges for the services and facilities of the System, shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the property and 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.

The City further covenants and agrees that it will, to the full extent permitted by law, and the rules and regulations promulgated by the PSC, discontinue and shut off the services and facilities of the System and, in the event the City owns a water facility (the "Water System"), the Water System to all users of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System have been paid in full.

Section 9.13. Insurance. The City will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The City will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority, so long as the Authority is the Owner of the Original Bonds. The City will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the City, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance with the Authority Loan Agreements, during construction of the Project in the full insurable value thereof. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in this Ordinance and otherwise shall be placed in the Renewal and Replacement Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The City will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The City shall carry such other insurance as is required by the Authority, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the City.

Section 9.14. No Competing Franchise. To the extent allowable by law, 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, for the providing of any services which would compete with services provided by the System.

Section 9.15. Connections. To the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto.

Section 9.16. Public Purpose Bonds. The City shall use the Bond, Design Note or Note proceeds solely for the Project and as otherwise set forth herein, and the Project will be solely operated as a public purpose and as local governmental activity of the City.

Section 9.17. Private Activity Bond Covenant. The City shall not permit at any time or times any of the proceeds of the Bonds, Design Notes or Notes or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bonds, Design Notes or Notes from the treatment afforded by Section 103(a) of the Code by reason of the classification of the Bonds, Design Notes or Notes as 'private activity bonds' within the meaning of the Code. The City will take all actions necessary to comply with the Code in order to assure the tax-exempt status of the Bonds, Design Notes or Notes.

Section 9.18. Filing Covenant. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds, Design Notes or Notes, including, without limitation, the information return required under Section 149(e) of the Code.

Section 9.19. Federal Guarantee Covenant. The Bonds, Design Notes or Notes, in whole or in part, are not, and will not be, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

Section 9.20. Rebate Covenant. The City is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the System as covenanted pursuant to Sections 9.17 and 9.18, the Original Bonds, Design Notes or Notes are not private activity bonds within the meaning of the Code, and 95% or more than the net proceeds (as filed with respect to Code) of the Original Bonds, Design Notes or Notes will be used for local governmental activities of the City. The City and all subordinate entities reasonably expect to issue less than $5,000,000 in aggregate principal amount of tax-exempt bonds (other than private activity bonds) during the calendar year, being 1989, in which the Original Bonds and the Notes, if any, are to be issued. The City and all subordinate entities reasonably expect to issue less than $5,000,000 in aggregate principal amount of tax-exempt bonds (other than private activity bonds) during the calendar year, being 1988, in which the Design Notes and the Notes, if any, are to be issued. Therefore, the City believes

that it is excepted for the rebate requirements of Section 148(f) of the Code. Notwithstanding the foregoing, if the City is in fact subject to such rebate requirement, the City hereby covenants to rebate to the United States the amounts required by the Code and to take all steps necessary to make such rebates. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the tax-exempt status of the interest on the Bonds.

Section 9.21. Covenant to Amend Ordinance. The City retains the right to make any amendments, insertions or deletions by Supplemental Resolutions of this Ordinance as the City deems desirable or necessary prior to the issuance of the Bonds, including but not limited to amendments, insertions or deletions to comply with the Code. Notwithstanding the provisions of Section 13.01 hereof, the City shall without consent of the Registered Owners of the Bonds, Design Notes or Notes, as the case may be, amend or supplement this Ordinance by resolutions supplemental hereto or any amendatory ordinance to comply with the Code if such amendment or supplemented is necessary to preserve the tax exempt status of the design notes, bonds or notes. The Council of the City hereby retains the specific authority to amend this Ordinance or supplement it by resolution to comply with the Code. As determination to amend or supplement this Ordinance, the Council of the City may rely on the opinion of a nationally recognized bond counsel.

The City also retains the right to make any amendments, insertions or deletions by Supplemental Resolution of this Ordinance as the City deems necessary prior to the issuance of the Bonds to meet the requirements of the Original Bonds Purchaser.

ARTICLE X

DEFAULTS AND REMEDIES

Section 10.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Bonds or Design Notes, as the case may be.

(A) If default occurs in the due and punctual payment of the principal of or interest on any Bonds or Design Notes, as the case may be;

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part relating to the Bonds or Design Notes set forth in this Ordinance the Supplemental Resolution or in the Bonds or Design Notes and such default shall have continued for a period of 30 days after the City shall have been given written notice of such default by the Depository Bank holding any fund or account hereunder or a Registered Owner of a Bond or Design Note; or

(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.

An 'Event of Default" with respect to the Bonds shall not constitute an Event of Default with respect to the Design Notes, or Notes as set forth in the Indenture, and vice versa.

Section 10.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Design Note or Bond, as the case may be, 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 City to perform its duties under the Act and this Ordinance relating thereto, including but not limited to the making and collection of sufficient rates of changes for services rendered by the System (iii) bring suit upon the Design Notes or Bonds as the case may be, (iv) 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 Registered Owners of the Design Notes or Bonds, as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the ordinance with respect to the Design Notes or Bonds, or the rights of such Registered Owners, provided, however, that no remedy herein stated may be exercised by a Registered Owner of a Note or a Design Note in a manner which adversely affects any remedy available to the

Registered Owners of the Bonds, and further provided that all rights and remedies of the Registered Owners of the Supplemental Bonds shall be subject to those of the Registered Owners of the Primary Bonds.

Section 10.03. Appointment of Receiver. Any Registered Owner of a Bond or a Design Note, as the case may be, may, by proper legal action, compel the performance of the duties of the City under this Ordinance and the Act, including 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 and performing any construction necessary for the System. If there be any default in the payment of interest on any Bonds or Design Notes when the same shall become due, or in the payment of the principal of any Bond or Bonds, Design Note or Design Notes, as the case may be, either at the specified date of maturity thereof or at a date set for redemption thereof, or otherwise in the performance of any covenant contained in this Ordinance other than as to such payment and such default shall continue for a period of thirty (30) days after written notice of the City of such default, any Registered Owner 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 Bonds, or Design Notes and any interest thereon, the deposits into the funds and accounts 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 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 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 or Design Notes issued and authorized pursuant to this Ordinance and interest thereof and under any covenants of this Ordinance 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 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 Registered Owner of Bonds or Design Notes issued pursuant to this Ordinance 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 City and for the joint protection and benefit of the City and Registered Owners of Bonds or Design Notes issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose or 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 Registered Owners, 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 Systems.

The receiver shall recognize that the lien of the Primary Bonds is prior and superior to that of the Supplemental Bonds and shall act accordingly.

ARTICLE XI

INVESTMENTS; NON-ARBITRAGE

Section 11.01. Investments. Any moneys held as a part of the funds and accounts created by this Ordinance, other than the Revenue Fund, shall be invested and reinvested by the Commission or the Depository Bank, as the case may be, at the direction of the City in any Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section.

Except as otherwise provided, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, including but not limited to those in the Bond Construction Trust Fund, and used for the purpose of such fund or account. The interest accruing thereof and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the owner, including the value of accrued interest and giving effect to the amortization of discount and investments in the "consolidated fund" of the West Virginia Board of Investments shall be valued at par. The Commission or the Depository Bank, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any account is insufficient to make the payments required from such fund or account, regardless of the loss of such liquidation. Such Depository Bank may make any and all investments permitted by this Section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Section 11.02. Restrictions as to Arbitrage Bonds. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Code, and the Mayor of the City shall deliver his certificate, based upon this covenant, with regard thereto.

Section 11.03. Restriction of Yield and Bond Proceeds. The City shall comply with the yield restriction on Bond proceeds as set forth in Section 148 of the Code.

ARTICLE XII

DEFEASANCE

Section 12.01. Defeasance of Primary Bonds. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the owners of all Primary Bonds the principal thereof, and redemption premium, if applicable, and any interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then with respect to the Primary Bonds only, at the option of the City expressed in an instrument in writing approved by City Council, and delivered to the Paying Agent, the pledge of Net Revenues and any other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the City to the Registered Owners of the Primary Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agent and the Commission shall, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and any fiduciaries shall pay over or deliver to the City all moneys, securities and funds held by them pursuant to this Ordinance which are not required for the payment of redemption.

Primary Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay, as and when due, the principal of and interest on the Primary Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Primary 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 in case any of said Bonds are to be redeemed on any date prior to their maturity, the City shall have given to the Commission in form satisfactory to its irrevocable instructions to publish notice of redemption on said date of such Bonds and if there shall have been deposited with the Commission or its agents, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due (whether by maturity or redemption) the principal installments and interest due and to become due on said Primary Bonds on and prior to the maturity or redemption dates, as applicable thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or

used for any purposes other than, and shall be held in trust for, the payment of the principal of and redemption premium, if applicable, on and interest on said Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission, 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 applicable, on and interest to become due on said Primary Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this Section, securities shall mean and include only Government Obligations and Advance-Refunded Municipal Bonds. Also for the purposes of this section, the Commission may act as agent.

Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Commission or any of its agents in trust for the payment and discharge of any of the Bonds which have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by Commission at such date, or for six years after the date of deposit of such moneys if deposited with the Commission after the said date when such Bonds became due and payable, shall, at the written request of the City, be repaid by the Commission to the City, as its absolute property and free from trust, and the Commission shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the City for the payment of such Bonds; provided, however, that before being required to make any such payment to the City, the Commission shall, at the expense of the City, cause to be published at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the City.

Section 12.02. Defeasance of Supplemental Bonds. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the respective Owners of all Supplemental Bonds, the principal and interest, if any, thereof, at the times and in the manner stipulated therein and in this Ordinance, then with respect to the Supplemental Bonds only, at the option of the City, expressed in an instrument in writing approved by City Council and delivered to the Paying Agent, the pledge of Net Revenues and any other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the City to the Registered Owners of the Supplemental Bonds shall thereupon cease, terminate and become

void and be discharged and satisfied. In such event, the Paying Agent and the Commission shall, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and any fiduciaries shall pay over or deliver to the City all moneys, securities and funds held by them pursuant to this Ordinance which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Supplemental Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of such Supplemental Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Supplemental 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 in case any of said Bonds are to be redeemed on any date prior to their maturity, the City shall have given to the Commission in form satisfactory to it irrevocable instructions to publish notice of redemption on said date of such Bonds and if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due (whether by maturity or redemption) the principal installments of said Supplemental Bonds on and prior to the maturity or redemption dates, as applicable, thereof. Neither securities nor moneys deposited with the Commission 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 installments of said Supplemental Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, 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 installments of said Supplemental Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations and Advance-Refunded Municipal Bonds. For the purposes of this section, the Commission may act as agent.

Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Commission or any of its agents in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Commission at such date, or for six years after the date of deposit of such moneys if deposited with the Commission after the said date when such Bonds became due and payable, shall, at the written request of the City, be repaid by the Commission to the City, as its absolute property and free from trust, and the Commission shall thereupon be released and free from trust, and the Commission shall thereupon be released and discharged with respect thereto, and the Bondholders shall look only to the City for the payment of such Bonds; provided, however, that before being required to make any such payment to the City, the Commission shall, at the expense of the City, cause to be published at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in the said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the City.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Modification or Amendment. No material modification or amendment of this Ordinance, or of any ordinance or resolution amendatory or supplemental hereto that would materially and adversely affect the respective rights of Owners of the Design Notes, Notes or Bonds shall be made without the consent in writing of the Owners of two-thirds percent (2/3%) or more in principal amount of the Design Notes, Notes or Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Design Note or Design Notes or Note or Notes or Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the City to pay such principal and interest out of the revenues of the System without the consent of the respective Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Design Notes, Notes or Bonds respectively, required for consent to the above-permitted amendments or modifications.

Section 13.02. 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 13.03. 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 13.04. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, in conflict with this Ordinance are, to the extent of such conflict, repealed.

Section 13.05. Covenant of Due Procedure. 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 final enactment and passage of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of Council of the City 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 13.06. Effective Date. This Ordinance shall take effect after notice and public hearing hereon in accordance with the Act.

First Reading: March 14, 1988

Second Reading and Passage: March 28, 1988

Public Hearing: May 9, 1988

Effective Date: May 11, 1988

[SEAL]

Mayor

Clerk

EXHIBIT A

CITY OF SISTERSVILLE
WASTEWATER TREATMENT FACILITIES
PROPOSED IMPROVEMENTS

A. Project Overview

The upgrading of the existing facilities to meet secondary effluent limits is proposed under this project. This will be accomplished by the proposed construction of 0.29 MGD oxidation ditch, grit removal equipment, final clarification, sludge drying facilities and a new laboratory/office building. It will also be necessary to upgrade the Tanyard Run Pumping Station because of malfunctioning equipment. The proposed layout of the new treatment facilities is shown in attached Figure.

B. Treatment Facilities/Pump Station Renovations

The proposed treatment facility is a 0.29 MGD oxidation ditch with grit removal facilities, in channel clarification, sludge drying beds and appurtenances. Each of these items are discussed separately below.

The following is a detailed breakdown of the proposed new facilities:

1. Bar Screen

   A self-cleaning bar screen capable of handling peak flow conditions is proposed.

2. Grit Channel

   A parabolic gravity grit channel capable of handling peak flow conditions while maintaining a 1 ft/sec velocity is proposed.

3. Oxidation Ditch

   A concrete walled oxidation ditch capable of treating 0.29 MGD and hydraulically handling 0.71 MGD is proposed. Aeration and mixing equipment has not been selected but will be finalized during the design phase and comply with all criteria outlined in Section III-B of this report.

4. Clarification

   In channel clarification is proposed for this project. The equipment will include a "boat" which fits inside the ditch structure and utilizes no moving parts.

The initial preliminary design proposes in channel clarification. However, two (2) conventional circular, concrete settling rate of 400 gpd/sq. ft., detention time of 4 hours and a weir loading rate of 10,000 gpd/linear ft. will be utilized if conventional clarifiers are used.

5. Disinfection

The existing treatment facility has gaseous chlorination equipment and a chlorine contact chamber. The initial design proposes the construction of a new chlorine contact chamber and utilizing the existing diffusion equipment. However, during final design, ultraviolet disinfection may be considered.

6. Sludge Holding Tank

It is proposed at this time to refurbish the existing steel chlorine contact tank and convert it to a sludge holding tank. If during further inspection in the design phase it is discovered that the tank is too badly deteriorated to restore, it will be replaced. The tank will be capable of storing 29,000 gallons of sludge. Also, diffused air will be supplied to eliminate septicity.

7. Sludge Drying Beds

There are four (4) existing sand drying beds which are proposed to be upgraded. It is proposed to replace the existing walls, provide covers, and convert the sand media to wedgewater filter media. It may also be necessary to replace the existing underdrain equipment.

8. Emergency Generator

An emergency generator is proposed and will be sized to operate the plant lighting and disinfection equipment.

9. Administration/Control/Laboratory Building

The existing building, as discussed previously, is too small to adequately house all of the equipment for the proposed plant. A new building is proposed which will either sit on top of the proposed oxidation ditch walls or on a high foundation to prevent flooding.

10. Existing Clarigester

The existing clarigester structure will not be utilized.

11. Tanyard Run Pumping Station Renovation

It is proposed to replace the existing pumps, ventilation equipment and flap gate which are all malfunctioning or totally inoperable.

12. Wiley, East and West Pumping Stations

The Wiley, East and West pumping stations have been inspected and do not need any renovation work at this time.

CERTIFICATE

I, the undersigned, City Clerk of the City of Sistersville, West Virginia, do hereby certify that the foregoing document is a true and accurate copy of the Design Note, Interim Financing and Bond Ordinance adopted by the Council of the City of Sistersville at a duly called special meeting on March 28, 1988.

Dated this 28th day of March, 1988

Patricia O. Soliday
City Clerk

A Resolution finding that an ordinance was adopted by the Council of The City of Sistersville, West Virginia, on March 28, 1988 authorizing the preparation of plans and specifications for extensions, improvements and betterments to the existing sewer system of The City of Sistersville and the temporary financing of the costs thereof through the issuance by The City of Sistersville of not more than $200,000 in aggregate principal amount of Sewer System Design Notes, Series 1988; authorizing the subsequent acquisition and construction of said extensions, improvements and betterments to the existing sewer system of The City of Sistersville and the financing of the costs thereof, not otherwise provided, through the issuance by The City of Sistersville of not more than $1,300,000 in aggregate principal amount of Sewer Revenue Bonds and not more than $500,000 in aggregate principal amount of Supplemental Sewer Revenue Bonds; authorizing not more than $2,500,000 in interim construction financing, consisting of grant anticipation notes or a line of credit evidenced by notes, or any combination of the foregoing; authorizing the execution and delivery of a Trust Indenture securing the Notes; defining and prescribing the terms and provisions of the Design Notes, the Bonds and the Notes; providing for the rights and remedies of and security for the Registered Owners of the Design Notes, the Bonds and the Notes, all as more fully set out therein; finding that an abstract of said ordinance, together with a notice that said ordinance has been adopted, that The City of Sistersville contemplates the issuance of the Design Notes, the Bonds and the Notes all as described in said ordinance, and that any person interested may appear before the Council of The City of Sistersville upon a certain date and present protests, must be published; reviewing the abstract prepared on behalf of the City Clerk and determining that such abstract contains sufficient information as to give notice of the contents of said ordinance; and directing the publication of such abstract, together with said notice.

WHEREAS, the Council of The City of Sistersville, West Virginia (the "Council"), on March 28, 1988, adopted an ordinance authorizing the preparation of plans and specifications for extensions, improvements and betterments to the existing sewer system of The City of Sistersville (the "City") and the temporary financing of the costs thereof through the issuance by the City of not more than $200,000 in aggregate principal amount of Sewer System Design Notes, Series 1988 (the "Design Notes"); authorizing the subsequent acquisition and construction of said extensions, improvements and betterments to the existing sewer system of the City and the financing of the costs thereof, not otherwise provided, through the issuance by the City of not more than $1,300,000 in aggregate principal amount of Sewer Revenue Bonds and not more than $500,000 in aggregate principal amount of Supplemental Sewer Revenue Bonds (collectively, the "Bonds"); authorizing

not more than $2,500,000 in interim construction financing, consisting of grant anticipation notes or a line of credit evidenced by notes, or any combination of the foregoing (the "Notes"); authorizing the execution and delivery of a Trust Indenture securing the Notes; defining and prescribing the terms and provisions of the Design Notes, the Bonds and the Notes; providing for the rights and remedies of and security for the Registered Owners of the Design Notes, the Bonds and the Notes, all as more fully set out therein (said Ordinance is hereinafter referred to as the "Ordinance");

WHEREAS, Chapter 16, Article 13, Section 6 of the Code of West Virginia, 1931, as amended (the "Act") requires that an abstract of the Ordinance, together with a notice that the Ordinance has been adopted, that the City contemplates the issuance of the Design Notes, the Bonds and the Notes, all as described in the Ordinance and that any person interested may appear before the Council upon a certain date and present protests, be published; and

WHEREAS, the Act further requires that such abstract of the Ordinance be determined by the Council to contain sufficient information to give notice of the contents of the Ordinance; and

WHEREAS, the City Clerk presented to this meeting an abstract of the Ordinance (the "Abstract"), together with a notice as described above (the "Notice"), as hereinafter set forth; and

WHEREAS, the Council of the City has reviewed the Abstract and has found and determined that such Abstract contains sufficient information as to give notice of the contents of the Ordinance;

NOW, THEREFORE, Be It Resolved by the Council of The City of Sistersville, West Virginia, as Follows:

1) It is hereby found and determined that the Ordinance was duly adopted by the Council at its ~~regular~~ special meeting held on March 28, 1988, and that the Act requires that the Abstract, together with the Notice, be published.

2) The Abstract, together with the Notice as prepared on behalf of the City Clerk in the following form and substance, contains sufficient information as to give notice of the contents of the Ordinance:

Notice is hereby given to any person interested that on March 28, 1988, the Council of The City of Sistersville, West Virginia (the "City"), adopted an ordinance that

1. Determined that it is necessary and desirable for the health, welfare and safety of the inhabitants of the City to temporarily finance the design of certain extensions, improvements and betterments to the existing sewer system of the City and following such design, that there be acquired and constructed said extensions, improvements and betterments to the existing sewer system of the City, (the "Project") (the existing sewer system, together with the Project and any further extensions, improvements and betterments thereto, are hereinafter referred to as the "System"), in accordance with the plans and specifications to be prepared therefor by S & S Engineers, Incorporated, Charleston, West Virginia (the "Consulting Engineer"). The estimated maximum cost of the design of the Project is $168,000. The estimated maximum cost of the construction of the Project is $2,345,250, of which approximately $1,137,110 will be permanently obtained from the proceeds of the Bonds, and approximately $1,208,140 will be obtained from an United States Environmental Protection Agency Grant.

2. Upon petition of the Sanitary Board of the City, the City authorized the temporary financing of the design of the Project, through the issuance by the City of not more than $200,000 in aggregate principal amount of Sewer System Design Notes, Series 1988 (the "Design Notes"), and following such design, the acquisition and construction of the Project and the financing of the costs, not otherwise provided, for the Project through the issuance of not more than $1,300,000 in aggregate principal amount of Sewer Revenue Bonds (the "Bonds"), not more than $500,000 in aggregate principal amount of Supplemental Sewer Revenue Bonds (the "Supplemental Bonds" together with the Bonds, the "Bonds").

3. Directed that the Design Notes be issued in fully registered form with a payment record attached in such denomination or denominations; be dated as of the date of the delivery thereof; be in such principal amount; bear interest from the date thereof at such rate or rates not to exceed the

legally permissible maximum rate payable on such date or dates; shall mature on such date or dates; shall be subject to prepayment or redemption; provided that the Design Notes shall be refunded prior to or immediately upon the issuance of the Bonds, all is to be set forth in the Supplemental Resolution adopted by the Council at the time of approval and sale of the Design Notes.

4. Provided for the sale of the Bonds to the West Virginia Water Development Authority (the "Authority"), pursuant to the terms and provisions of the respective loan agreements to be entered into between the City and the Authority.

5. Authorized the issuance of interim construction financing, consisting of grant anticipation notes or a line of credit evidenced by notes, or any combination of the foregoing, in an amount not to exceed $2,500,000 (the "Notes") to provide funds for such acquisition and construction of the Project and the payment thereof from certain grant receipts, monies, including unexpended note proceeds and investment earnings in the funds and accounts established by a Trust Indenture to be entered into with respect to the Notes, the net proceeds of a draw under a letter of credit authorized by the Ordinance and of any refunding notes and surplus revenues to the System.

6. Provided for the disposition of Design Notes proceeds; created the Design Notes Proceeds Fund to hold Design Notes proceeds for the purpose of paying costs of design of the Project or costs incidental to the issuance of the Design Notes; created the Design Notes Payment Fund for the purpose of paying principal of and interest on the Design Notes; and provided for the use of excess Design Notes proceeds.

7. Authorized the establishment of a Revenue Fund and provided for the disposition of System revenues; provided for the payment of operation and maintenance expenses; provided for the monthly deposit of funds into the respective Sinking Funds

for the payment of principal of and interest on the Bonds and the payment of principal of the Supplemental Bonds; provided for the creation of Reserve Accounts for the Bonds, respectively; provided for the establishment of a Renewal and Replacement Fund and the deposit of revenues therein and use thereof; and provided for the use of excess funds of the System.

8. Provided for the disposition of Bond proceeds; created the Bond Construction Trust Fund to hold the Bond proceeds pending their use for Project costs and provided for liens by owners of the Bonds on the funds held in the Bond Construction Trust Fund until expended for Project costs; and provided for the disposition of excess Bond proceeds.

9. Provided that the Bonds, Design Notes and the Notes 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, from the grant receipts, and from the net proceeds of the Bonds, respectively.

10. Provided that the Sewer Revenue Bonds shall have a lien on the net revenues of the System which lien is senior and superior to the lien of the Supplemental Sewer Revenue Bonds.

11. Required that the rates and charges for the System always be adequate to produce gross revenues from the System sufficient to pay the operating expenses of the System, provide an adequate reserve account and to make the prescribed payments into the funds and accounts created under the Ordinance, and specifically, that the rates and charges produce revenues sufficient to pay all reasonable expenses of operation, repair and maintenance of the System and leave a balance each year equal to at least 115% of the maximum principal and interest due on the Bonds, and any other bonds prior to or on a parity with each series of Bonds in any year.

12. Provided for the sale, mortgage or lease of the System under certain terms and conditions.

13. Authorized the issuance of additional bonds on a parity with the Bonds only upon compliance with certain terms and conditions.

14. Provided that the City will render no free service; provided for the enforcement of collection of fees, rates, rentals or other charges for service.

15. Provided for the investment of the Bond proceeds and the Design Notes proceeds and limitations thereon; provided for covenants against making the Bonds or any other funds of the City "arbitrage bonds," or "private activity bonds."

16. Established the terms for defaults and the remedies of the owners of the Bonds and Design Notes.

17. Provided for the method of respectively defeasing the Bonds.

18. Provided a restrictive method of modification or amendment of the Ordinance.

The City contemplates the issuance of the Bonds, the Design Notes and the Notes described in, and under the conditions set forth in, the Ordinance abstracted above. Any person interested may appear before the Council of The City of Sistersville at a meeting thereof at ~~7:00~~ 6:30 p.m., prevailing time, on Monday, May 9, 1988, in the Council Chambers in the City Hall, 200 Diamond Street, Sistersville, West Virginia, and present protests and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of the City on March 28, 1988, is on file in the office of the City Clerk of the City for review by interested persons during the regular office hours of such office, to-wit: 9:00 a.m. to 4:00 p.m., Mondays through Fridays.

_____

Clerk of The City of
Sistersville, West Virginia

3) The City Clerk, as provided in the Notice, shall maintain in her office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office.

4) The Council of the City, as provided in the Notice, shall meet on Monday, May 9, 1988, at ~~7:00~~ 6:30 p.m., in Council Chambers in the City Hall, for the purpose of hearing all objections and suggestions regarding whether the Ordinance shall be put into effect.

5) The City Clerk is hereby authorized and directed to cause the Abstract, together with the Notice, to be published as a Class II legal advertisement in The Tyler Star News, a newspaper of general circulation in the City, and the first publication of such Abstract and Notice shall be not less than ten days before the date set aforesaid at which interested persons may appear before the Council of the City and present protests, and the last publication of such Abstract and Notice shall be prior to said date set aforesaid.

6) At such hearing, all objections and suggestions shall be heard, and the Council of the City shall take such action as it shall deem proper in the premises; provided, however, that, if at such hearing written protest is filed by thirty percent (30%) or more of the owners of real estate situate in the City, then the Council of the City shall not take further action unless four-fifths (4/5) of the qualified members of said Council assent thereto.

7) This Resolution shall take effect immediately upon adoption.

Resolution adopted this 28th day of March, 1988.

THE CITY OF SISTERSVILLE, WEST VIRGINIA

Justin E. Leach
Mayor

[SEAL]

Patricia O Saliday
Clerk

1300M

Resolution Putting Design Note, Interim
Financing and Bond Ordinance Into Effect

A Resolution finding that the Council of The City of Sistersville, West Virginia, on March 28, 1988 passed an Ordinance and adopted a Resolution directing that an abstract of said Ordinance, together with a notice that said Ordinance has been adopted, that The City of Sistersville contemplates the preparation of plans and specifications for extensions, improvements and betterments to the existing sewer system of The City of Sistersville, and the temporary financing of the costs thereof through the issuance by The City of Sistersville of not more than $200,000 in aggregate principal amount of Sewer System Design Notes, Series 1988, authorizing the subsequent acquisition and construction of said extensions, improvements and betterments to the existing sewer system of The City of Sistersville and the financing of the costs thereof, not otherwise provided, through the issuance by The City of Sistersville of not more than $1,300,000 in aggregate principal amount of Sewer Revenue Bonds and not more than $500,000 in aggregate principal amount of Supplemental Sewer Revenue Bonds and authorizing not more than $2,500,000 in interim construction financing consisting of grant anticipation notes or a line of credit evidence by notes, or any combination of the foregoing, authorizing the execution and delivery of a Trust Indenture securing the Notes, defining and prescribing the terms and provisions of the Design Notes, the Bonds and the Notes, providing for the rights and remedies of and security for the Registered Owners of the Design Notes, the Bonds and the Notes, as described in said Ordinance and that any person interested may appear before the Council of The City of Sistersville upon a certain date and present protest, be published; finding that said abstract and notice have been duly published; finding that the Council of the City met and heard all objections and suggestions regarding whether said Ordinance should be put into effect; and ordering that said Ordinance be put into effect and that the Sewer System Design Notes, Series 1988, the Sewer Revenue Bonds, the Supplemental Sewer Revenue Bonds, and the interim construction financing be issued as provided therein.

WHEREAS, the Council of The City of Sistersville, West Virginia (the "Council"), on March 28, 1988, adopted an Ordinance (the "Ordinance"), which authorized the preparation of plans and specifications for extensions, improvements and betterments to the existing sewer system of The City of Sistersville, West Virginia (the "City"), and the temporary financing of the costs thereof through the issuance by The City

of not more than $200,000 in aggregate principal amount of Sewer System Design Notes, Series 1988 (the "Design Notes"); authorized the subsequent acquisition and construction of said extensions, improvements and betterments to the existing sewer system (the "Project") of the City and the financing of the costs thereof, not otherwise provided, through the issuance of not more than $1,300,000 in aggregate principal amount of Sewer Revenue Bonds and not more than $500,000 in aggregate principal amount of Supplemental Sewer Revenue Bonds (collectively, the "Bonds"); authorized not more than $2,500,000 in interim construction financing, consisting of grant anticipation notes or a line of credit evidenced by notes, or any combination of the foregoing (the "Notes"); authorized the execution and delivery of a Trust Indenture securing the Notes; defined and prescribed the terms and provisions of the Design Notes, the Bonds and the Notes, provided for the rights and remedies of and security for the Registered Owners of the Design Notes, the Bonds and the Notes, all as more fully set out therein;

WHEREAS, the Council of the City on March 28, 1988 adopted a Resolution (the "Resolution") which, pursuant to Chapter 16, Article 13, Section 6, of the Code of West Virginia, 1931, as amended (the "Act"), directed the Clerk of the City to publish an abstract of the Ordinance (the "Abstract"), together with a notice that the Ordinance has been adopted, that the City contemplates the issuance of the Design Notes and Bonds and authorization of the Notes as described in the Ordinance and that any person interested may appear before the Council upon a certain day and present protest (the "Notice"); and

WHEREAS, the Resolution required that the Abstract and Notice be published as a Class II legal advertisement in The Tyler Star News and the first publication of such Abstract and Notice was to be not less than ten (10) days before the date set by the Resolution and the Notice at which interested persons might appear before the Council and present protests, and the last publication of such Abstract and Notice was to be prior to said date set by the Resolution and the Notice; and

WHEREAS, the Resolution and Notice provided for a public hearing to be held in the City at 6:30 p.m., prevailing time, on May 9, 1988;

NOW, THEREFORE, Be It Resolved By the Council of The City of Sistersville, West Virginia as follows:

(1) It is hereby found and determined.

(A) That the Abstract and Notice were duly published in The Tyler Star News, a newspaper of general circulation in The City of Sistersville, with the first publication thereof being on April 27, 1988, which first publication date was not less than ten (10) days before the date set by the Resolution and Notice for the public hearing at which interested persons might appear before the Council of the City and present protest, and with the last publication thereof being on May 4, 1988, which last publication date was prior to said date set by the Resolution and Notice for the public hearing, and a copy of the Affidavit of publication reflecting such publication shall be attached hereto and incorporated herein;

(B) That in accordance with the Resolution and Notice, the City Clerk has maintained in its office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office;

(C) That, in Council Chambers, City Hall, 200 Diamond Street, Sistersville, West Virginia on May 9, 1988 at 6:30 p.m., prevailing time, in accordance with the Resolution and Notice, the Council met for the purpose of hearing objections and suggestions regarding whether the Ordinance should be put into effect, and heard all objections and suggestions with regard thereto; and

(D) That, at said public hearing, no significant reasons were presented that could require modification or amendment of the Ordinance and no written protest with regard thereto was filed by thirty percent (30%) or more of the owners of real estate situate in the City.

(2) The Ordinance shall be put into effect as of the date hereof, and the Design Notes described therein shall be issued to the Original Design Notes Purchase as provided therein, and the Bonds described therein shall be issued to the Original Bonds Purchaser as provided therein, and the Notes as described therein may be issued at the time and otherwise shall be determined by the Council to be in the best interest of the City, all as provided in the Ordinance.

(3) This Resolution shall be effective immediately upon its adoption.

Resolution dated May 11, 1988.

THE CITY OF SISTERSVILLE, WEST VIRGINIA

By _____
Mayor

(SEAL)

_____
Clerk

1294M

ATTACHMENT

See Index No. 11 -- Affidavit of Publication
of the Abstract and Notice of the Ordinance

A Resolution supplementing the Ordinance passed by the Council of The City of Sistersville on March 28, 1988, and effective May 11, 1988; providing as to date, series, interest rate, maturities, sale price, redemption provisions and other terms of the Sewer Revenue Bonds, Series 1990, and Supplemental Sewer Revenue Bonds, Series 1990, of The City of Sistersville; designating the Depository Bank, Bond Registrar and Paying Agent in connection with said Bonds; authorizing payment of the principal on and interest of the Design Note of The City of Sistersville; and making other provisions as to the Bonds.

WHEREAS, the Council (the "Council") of The City of Sistersville, West Virginia (the "City"), has duly and effectively passed as of March 28, 1988, and effective May 11, 1988, an Ordinance (the "Ordinance"), entitled:

> An Ordinance authorizing the preparation of plans and specifications for extensions, improvements and betterments to the existing sewer system of The City of Sistersville and the temporary financing of the costs thereof through the issuance by The City of Sistersville of not more than $200,000 in aggregate principal amount of Sewer System Design Notes, Series 1988; authorizing the subsequent acquisition and construction of said extensions, improvements and betterments to the existing sewer system of The City of Sistersville and the financing of the costs thereof, not otherwise provided, through the issuance by The City of Sistersville of not more than $1,300,000 in aggregate principal amount of Sewer Revenue Bonds and not more than $500,000 in aggregate principal amount of Supplemental Sewer Revenue Bonds and authorizing not more than $2,500,000 in interim construction financing, consisting of grant anticipation notes or a line of credit evidenced by notes, or any combination of the foregoing; authorizing the execution and delivery of a Trust Indenture securing the Notes; defining and prescribing the terms and provisions of the Design Notes, the Bonds and the Notes; providing for the rights and remedies of and security for the Registered Owners of the Design Notes, the Bonds and the Notes; and adopting other provisions related thereto;

WHEREAS, the capitalized terms used and not otherwise defined in this Supplemental Resolution have the respective meanings given them in the Ordinance; and

WHEREAS, on July 11, 1988, the Council of the City adopted a resolution authorizing the sale of the City's $180,000 Sewer System Design Note, Series 1988, to the Union Bank of Tyler County. The Council of the City, on October 23, 1989, adopted a resolution authorizing the extension of the maturity of said Sewer System Design Note and the execution of a renewal note (said Sewer System Design Note, together with the renewal note, hereinafter collectively referred to as the "Design Note"); and

WHEREAS, the Ordinance provides for the issuance of Sewer Revenue Bonds (the "Primary Bonds") in the aggregate principal amount not to exceed $1,300,000 and the Supplemental Sewer Revenue Bonds (the "Supplemental Bonds") in the aggregate principal amount not to exceed $500,000 (collectively, herein the "Bonds") of the City all in accordance with the Act, and the terms of the Loan Agreement and Supplemental Loan Agreement (collectively, the "Loan Agreement") to be entered into between the City and the West Virginia Water Development Authority (the "Authority"), and in the Ordinance it is provided that the dates, series, interest rates, maturities, principal amounts, redemption provisions and other terms of the Bonds should be established by a supplemental resolution and that other matters relating to the Bonds be herein provided for; and

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

WHEREAS, the Council of the City deems it essential and desirable that the Bonds be issued for the purposes of paying the Design Notes, paying the costs, not otherwise provided, of acquisition and construction of the Project, capitalizing interest during construction and of paying certain costs of issuance and related costs; and

WHEREAS, the Council of the City further deems it essential and desirable that this resolution (the "Supplemental Resolution"), be adopted and that the date, series, interest rate, maturities, sale price and other terms of the Bonds be fixed hereby in the manner stated herein, that the Loan Agreement be approved, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, be it resolved by the Council of The City of Sistersville, West Virginia, as follows:

(1) Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 1990, in the aggregate principal amount of $1,057,749 (the "Primary Bonds"), and the Supplemental Sewer Revenue Bonds, Series 1990 in the aggregate principal amount of $49,361 (the "Supplemental Bonds") (collectively, the "Bonds"), all in the form set forth below and in the Ordinance:

(A) The Primary Bonds of the City shall be originally issued in the form of a single bond, numbered R-1 and designated Series 1990, in the principal amount of $1,057,749. The Primary Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 7.85% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable April 1, 1990, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and subject to the other requirements provided in the Loan Agreement, as long as the Authority shall be the registered owner of the Primary Bonds, and shall be payable in installments of principal on October 1 of each of the years from 1991 through 2018, inclusive, and in the amounts as set forth in "Schedule X," attached to the Loan Agreement and incorporated therein and herein by reference.

(B) The Supplemental Bonds of the City shall be originally issued in the form of a single bond, numbered SR-1 and designated Series 1990, in the principal amount of $49,361. The Supplemental Bonds shall be dated the date of delivery thereof, shall be interest free, shall be subject to redemption upon the written consent of the Authority as long as the Authority shall be the registered owner of the Supplemental Bonds, and shall be payable in installments of principal on October 1 of each of the years from 1991 through 2018, inclusive, and in the amounts as set forth in "Schedule X," attached to the Loan Agreement and incorporated therein and herein by reference.

(2) All other provisions relating to the Bonds shall be as provided in the Ordinance, and the Bonds shall be in substantially the form provided in the Ordinance with such changes, insertions and omissions as may be approved by the Mayor of the City. The execution of the Primary Bonds and Supplemental Bonds by the Mayor shall be conclusive evidence of such approval.

(3) The City does hereby ratify, approve and accept the Loan Agreement and the Supplemental Loan Agreement, including the "Schedule X" attached to each, copies of which are incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement and the Supplemental Loan Agreement, and the performance of the obligations contained therein, on behalf of the City have been and are hereby authorized, approved and directed. The price of the Bonds shall be 100% of par value.

(4) The City hereby appoints and designates the Union Bank of Tyler County, Sistersville, West Virginia, as the Depository Bank for the Bonds.

(5) The City hereby appoints and designates One Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Bonds.

(6) The City hereby appoints and designates the West Virginia Municipal Bond Commission (the "Commission"), Charleston, West Virginia, as Paying Agent for the Bonds.

(7) The City hereby directs that $83,033.30 of the proceeds of the Primary Bonds, representing capitalized interest, be placed in the Sinking Fund at the Commission.

(8) From the proceeds of the Bonds, the City hereby authorizes the payment to the Union Bank of Tyler County of the principal of and interest on the Design Note in the amount of $145,249.35, and $8,837.50 to the Authority, representing payment in full of an outstanding Step I loan from the Authority to the City.

(9) The Mayor and City Clerk and other appropriate officers and employees of the City and the Sanitary Board are hereby authorized and directed to execute and deliver such other documents and certificates, including the Registrar's Agreement, required or desirable in connection with the Bonds hereby and by the Ordinance approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement and the Supplemental Loan Agreement.

(10) The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code.

(11) The City and all subordinate entities reasonably expect to issue less than $5,000,000 in aggregate principal amount of tax-exempt bonds (other than private activity bonds) during the calendar year 1990, and the City believes that it is excepted from the rebate requirement of Section 148(f) of the Code.

(12) The refunding of the Design Notes and the financing of the Project with proceeds of the Bonds is in the public interest, serves a public purpose of the City and will promote the health, welfare and safety of the residents of the City.

(13) This Supplemental Resolution shall be effective immediately upon adoption.

Resolution adopted February 27, 1990.

THE CITY OF SISTERSVILLE, WEST VIRGINIA

By _____
Mayor

ATTEST:

_____
City Clerk

[SEAL]

0454Z

City of Sistersville
Debt Service Schedule
Analysis of Borrowing from Series 1989 B Pool
28 Principal Payments
Closing Date: 01-Mar-90

Average Life: 19.48 Year
Average Coupon: 7.50
Local NIC: 7.50

Date	Coupon	Principal	Interest	Debt Service 7.85% Bonds	Interest Free Loan	Total Debt Servic
01-Oct-90			48,436.09	48,436.09		48,436.0
01-Oct-91	7.85%	11,377.00	83,033.30	94,410.30	1,762.97	96,173.2
01-Oct-92	7.85%	12,271.00	82,140.20	94,411.20	1,762.89	96,174.0
01-Oct-93	7.85%	13,234.00	81,176.93	94,410.93	1,762.89	96,173.8
01-Oct-94	7.85%	14,273.00	80,138.06	94,411.06	1,762.89	96,173.9
01-Oct-95	7.85%	15,394.00	79,017.63	94,411.63	1,762.89	96,174.5
01-Oct-96	7.85%	16,602.00	77,809.20	94,411.20	1,762.89	96,174.0
01-Oct-97	7.85%	17,905.00	76,505.94	94,410.94	1,762.89	96,173.8
01-Oct-98	7.85%	19,311.00	75,100.40	94,411.40	1,762.89	96,174.2
01-Oct-99	7.85%	20,827.00	73,584.49	94,411.49	1,762.89	96,174.3
01-Oct-2000	7.85%	22,462.00	71,949.57	94,411.57	1,762.89	96,174.4
01-Oct-2001	7.85%	24,225.00	70,186.30	94,411.30	1,762.89	96,174.1
01-Oct-2002	7.85%	26,126.00	68,284.64	94,410.64	1,762.89	96,173.5
01-Oct-2003	7.85%	28,177.00	66,233.75	94,410.75	1,762.89	96,173.6
01-Oct-2004	7.85%	30,389.00	64,021.85	94,410.85	1,762.89	96,173.7
01-Oct-2005	7.85%	32,775.00	61,636.32	94,411.32	1,762.89	96,174.2
01-Oct-2006	7.85%	35,348.00	59,063.48	94,411.48	1,762.89	96,174.3
01-Oct-2007	7.85%	38,122.00	56,288.66	94,410.66	1,762.89	96,173.5
01-Oct-2008	7.85%	41,115.00	53,296.08	94,411.08	1,762.89	96,173.9
01-Oct-2009	7.85%	44,343.00	50,068.56	94,411.56	1,762.89	96,174.4
01-Oct-2010	7.85%	47,823.00	46,587.63	94,410.63	1,762.89	96,173.5
01-Oct-2011	7.85%	51,578.00	42,833.53	94,411.53	1,762.89	96,174.4
01-Oct-2012	7.85%	55,627.00	38,784.65	94,411.65	1,762.89	96,174.5
01-Oct-2013	7.85%	59,993.00	34,417.93	94,410.93	1,762.89	96,173.8
01-Oct-2014	7.85%	64,703.00	29,708.48	94,411.48	1,762.89	96,174.3
01-Oct-2015	7.85%	69,782.00	24,629.30	94,411.30	1,762.89	96,174.1
01-Oct-2016	7.85%	75,260.00	19,151.41	94,411.41	1,762.89	96,174.3
01-Oct-2017	7.85%	81,168.00	13,243.50	94,411.50	1,762.89	96,174.3
01-Oct-2018	7.85%	87,539.00	6,871.81	94,410.81	1,762.89	96,173.7
		1,057,749.00	1,634,199.69	2,691,948.69	49,361.00	2,741,309.6
		Total Borrowing Amount:		1,107,110.00		

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SISTERSVILLE
SEWER REVENUE BONDS
SERIES 1990

No. R-1 $1,057,749

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns, the sum of One Million Fifty-Seven Thousand Seven Hundred Forty-Nine Dollars ($1,057,749), in installments on the first day of October of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum as set forth on said Exhibit A.

Interest on each installment shall run from the date of this Bond and until payment of such installment, and such interest shall be payable on the 1st day of April, and the 1st day of October in each year beginning April 1, 1990. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

SPECIMEN

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and as otherwise provided by the Loan Agreement, dated as of March 1, 1990, between the City and the Authority.

This Bond is issued (1) to refund certain Sewer System Design Notes, Series 1988 (the "Design Notes"), (2) to pay costs of acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage system of the City (the "Project") (said existing system, together with the Project and any further extensions, improvements or betterments thereto, is hereinafter referred to as the "System"); (3) to capitalize interest on this Bond during construction of the Project; and (4) to pay certain

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issuance and related costs in connection therewith. This Bond is authorized and issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13 of Chapter 16 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly passed by the Council of the City on the 28th day of March, 1988, effective May 11, 1988, as supplemented on the 27th day of February, 1990 (collectively, the "Ordinance"), and is subject to all the terms and conditions of said 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.

This Bond is issued contemporaneously with the Supplemental Sewer Revenue Bonds, Series 1990, of the City (the "Supplemental Bonds"), issued in the aggregate amount of $49,361, which Supplemental Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds of this issue.

This Bond is payable only from and secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, moneys in the Reserve Account created under the Ordinance (the "Reserve Account") and unexpended proceeds of the Bonds and the Supplemental Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds and other obligations which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall said City be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Reserve Account and unexpended proceeds of the Bonds and the Supplemental Bonds. Pursuant to the Ordinance the City has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the proper and reasonable expenses of operation, repair and maintenance of said System and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on the Bonds, on the Supplemental Bonds, and on all obligations secured by or payable from such revenues prior to or on a parity with the Bonds and Supplemental Bonds; provided, however, that so long as there exist in the Reserve Account sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, there exists in the reserve account for the Supplemental Bonds sufficient moneys to pay the maximum amount of principal and interest, if any, which will become due on said Supplemental Bonds in the then current or any succeeding year, and the reserve accounts for any obligations prior to or on a parity with the Bonds or Supplemental Bonds, are funded at the respective requirements therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to said Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Registrar which shall be kept for that purpose at the office of the Registrar, by the Registered Owner or by its attorney or legal representative

SPECIMEN

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duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney or legal representative duly authorized in writing.

Subject to registration requirements, 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.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts connected with the issuance hereof, as provided by law and the Ordinance, shall be applied solely to refunding the Design Notes and to the costs of acquisition and construction of the Project, and there shall be and hereby is created and granted a lien upon such moneys, 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 have existed, 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 revenues of the System of said City 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 this Bond.

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

IN WITNESS WHEREOF, THE CITY OF SISTERSVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto impressed and attested by its Clerk, all as of the 1st day of March, 1990.

_____
Mayor

[SEAL]

ATTEST:

"SPECIMEN"

_____
Clerk

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R-1

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Sewer Revenue Bonds, Series 1990, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL, ASSOCIATION, as Registrar

By _____
Its Authorized Officer

"SPECIMEN"

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EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

City of Sistersville
Debt Service Schedule
Analysis of Borrowing from Series 1989 B Pool
28 Principal Payments
Closing Date: 01-Mar-90

Date	Coupon	Principal	Interest	Debt Service 7.85% Bonds
01-Oct-90			48,436.09	48,436.09
01-Oct-91	7.85%	11,377.00	83,033.30	94,410.30
01-Oct-92	7.85%	12,271.00	82,140.20	94,411.20
01-Oct-93	7.85%	13,234.00	81,176.93	94,410.93
01-Oct-94	7.85%	14,273.00	80,138.06	94,411.06
01-Oct-95	7.85%	15,394.00	79,017.63	94,411.63
01-Oct-96	7.85%	16,602.00	77,809.20	94,411.20
01-Oct-97	7.85%	17,905.00	76,505.94	94,410.94
01-Oct-98	7.85%	19,311.00	75,100.40	94,411.40
01-Oct-99	7.85%	20,829.00	73,584.49	94,411.49
01-Oct-2000	7.85%	22,464.00	71,949.57	94,411.57
01-Oct-2001	7.85%	24,225.00	70,186.30	94,411.30
01-Oct-2002	7.85%	26,126.00	68,284.64	94,410.64
01-Oct-2003	7.85%	28,177.00	66,233.75	94,410.75
01-Oct-2004	7.85%	30,389.00	64,021.85	94,410.85
01-Oct-2005	7.85%	32,775.00	61,636.32	94,411.32
01-Oct-2006	7.85%	35,348.00	59,063.48	94,411.48
01-Oct-2007	7.85%	38,122.00	56,288.66	94,410.66
01-Oct-2008	7.85%	41,115.00	53,296.08	94,411.08
01-Oct-2009	7.85%	44,343.00	50,068.56	94,411.56
01-Oct-2010	7.85%	47,823.00	46,587.63	94,410.63
01-Oct-2011	7.85%	51,578.00	42,833.53	94,411.53
01-Oct-2012	7.85%	55,627.00	38,784.65	94,411.65
01-Oct-2013	7.85%	59,993.00	34,417.93	94,410.93
01-Oct-2014	7.85%	64,703.00	29,708.48	94,411.48
01-Oct-2015	7.85%	69,782.00	24,629.30	94,411.30
01-Oct-2016	7.85%	75,260.00	19,151.41	94,411.41
01-Oct-2017	7.85%	81,168.00	13,243.50	94,411.50
01-Oct-2018	7.85%	87,539.00	6,871.81	94,410.81
		1,057,749.00	1,634,199.69	2,691,948.69

SPECIMEN

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[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____

_____

_____

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer said Bond on the books kept for registration of the within Bond of said City with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

"SPECIMEN"

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UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SISTERSVILLE
SUPPLEMENTAL SEWER REVENUE BOND,
SERIES 1990

No. SR-1 $49,361

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation 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 West Virginia Water Development Authority (the "Authority"), or registered assigns, the sum of Forty-Nine Thousand Three Hundred Sixty-One Dollars ($49,361), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"). This Bond bears no interest.

SPECIMEN

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of the Authority and as otherwise provided by the Supplemental Loan Agreement, dated as of March 1, 1990, between the City and the Authority.

This Bond is issued (1) to refund certain Sewer System Design Notes, Series 1988 (the "Design Notes"), (2) to pay costs of acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage system of the City (the "Project") (said existing system, together with the Project and any further extensions, improvements or betterments thereto, is hereinafter referred to as the "System"); and (3) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), an Ordinance duly passed by the City on the 28th day of March, 1988, effective May 11, 1988, as supplemented on the 27th day of February, 1990 (collectively, the "Ordinance"), and is subject to all the terms and conditions thereof. 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.

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This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1990 of the City (the "Primary Bonds") issued in the aggregate principal amount of $1,057,749, which Primary Bonds rank prior with respect to liens and sources of and security for payment to the Bonds of this issue.

This Bond is payable only from and secured by a lien, subordinate only to the Primary Bonds, on the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, moneys in the Supplemental Reserve Account created under the Ordinance (the "Supplemental Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the 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 moneys in the Supplemental Reserve Account and unexpended Bond proceeds. 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 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 amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, the Primary Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Bonds and the Primary Bonds, provided however, that so long as there exists in the Supplemental Reserve Account and in the reserve account for the Primary Bonds amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and on the Primary Bonds, respectively, in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds or the Primary Bonds, are funded at the respective requirement therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

SPECIMEN

This Bond is transferable, as provided in the Ordinance, only upon the books of the One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), kept for that purpose at the office of the Registrar by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its attorney or legal representative duly authorized in writing.

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

All money received from the sale of this Bond, after payment of the Design Notes and after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of Project described in the Ordinance, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the Registered Owner of this Bond; provided that such lien on moneys deposited in the Bond

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Construction Trust Fund created by the Ordinance shall be subordinate to that of the Primary Bonds.

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 have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the 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 revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal this Bond.

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

IN WITNESS WHEREOF, THE CITY OF SISTERSVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated March 1, 1990.

[SEAL]

_____
Mayor

ATTEST:

"SPECIMEN"

_____
Clerk

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CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Supplemental Sewer Revenue Bonds, Series 1990 described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner set forth above as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

"SPECIMEN"

By _____
Its Authorized Officer

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EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

City of Sistersville
Debt Service Schedule
Analysis of Borrowing from Series 1989 B Pool
28 Principal Payments
Closing Date: 01-Mar-90

Date	Interest Free Loan
01-Oct-90	
01-Oct-91	1,762.89
01-Oct-92	1,762.89
01-Oct-93	1,762.89
01-Oct-94	1,762.89
01-Oct-95	1,762.89
01-Oct-96	1,762.89
01-Oct-97	1,762.89
01-Oct-98	1,762.89
01-Oct-99	1,762.89
01-Oct-2000	1,762.89
01-Oct-2001	1,762.89
01-Oct-2002	1,762.89
01-Oct-2003	1,762.89
01-Oct-2004	1,762.89
01-Oct-2005	1,762.89
01-Oct-2006	1,762.89
01-Oct-2007	1,762.89
01-Oct-2008	1,762.89
01-Oct-2009	1,762.89
01-Oct-2010	1,762.89
01-Oct-2011	1,762.89
01-Oct-2012	1,762.89
01-Oct-2013	1,762.89
01-Oct-2014	1,762.89
01-Oct-2015	1,762.89
01-Oct-2016	1,762.89
01-Oct-2017	1,762.89
01-Oct-2018	1,762.89
	49,361.00

SPECIMEN

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[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____

_____

_____

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer said Bond on the books kept for registration of the within Bond of said City with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

"SPECIMEN"

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