

CITY OF SISTERSVILLE
(WEST VIRGINIA)

WATER REFUNDING REVENUE BONDS, SERIES 2003

"CONFORMED" BOND ORDINANCE

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THE CITY OF SISTERSVILLE

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT MORE THAN \$1,200,000 IN AGGREGATE PRINCIPAL AMOUNT OF THE CITY OF SISTERSVILLE WATER REFUNDING REVENUE BONDS, SERIES 2003, FOR THE PURPOSE OF DEFEASING CERTAIN OUTSTANDING OBLIGATIONS OF THE CITY OF SISTERSVILLE SECURED BY THE WATERWORKS SYSTEM; AUTHORIZING FUNDING A RESERVE ACCOUNT FOR THE REFUNDING BONDS AND PAYING COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation"), is enacted pursuant to the provisions of Chapter 18, Article 19 of the West Virginia Code of 1931, as amended (the "Act" or "Refunding Act"), and other applicable provisions of law.

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

A. The City of Sistersville (the "City") is a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State and the City presently owns and operates a public waterworks treatment and distribution system (the "System").

B. The acquisition and construction of the System were financed in part by the proceeds of prior bond issues of the City, including (i) the Water Revenue Bonds, Series 1989 A Bonds, dated January 25, 1989, issued in the original aggregate principal amount of \$250,000, of which approximately \$230,210.87 is presently outstanding (the "Series 1989 A Bonds"); (ii) the Water Revenue Bonds, Series 1989 B, dated January 25, 1989, issued in the original aggregate principal amount of \$240,000 (the "Series 1989 B Bonds" and, collectively with the Series 1989 A Bonds the "Series 1989 Bonds"); and (iii) the Water Revenue Bonds, Series 2000, dated June 29, 2000, issued in the original aggregate principal amount of

\$430,000 (the "Series 2000 Bonds"). The Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds are hereinafter collectively referred to as the "Prior Bonds." The Prior Bonds each have a first lien on the gross revenues of the System on a parity with one another.

C. Pursuant to the Act, the City is authorized and empowered to issue refunding revenue bonds for the purpose of refunding, paying or discharging all or any part of its outstanding revenue bonds, including interest thereon.

D. It is deemed necessary that the City issue its Water Refunding Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), in the maximum total aggregate principal amount of not more than \$1,200,000.

E. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2003 Bonds presented to the City by the Original Purchaser, the Series 2003 Bonds show a net present value debt service savings to the City after deducting all expenses of the refunding and the costs of issuing the Series 2003 Bonds and such refunding is in the best interest of the City.

F. The City shall not sell the Series 2003 Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph F above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2003 Bonds, and the City shall not issue the Series 2003 Bonds without having obtained from an Independent Certified Public Accountant or firm of independent certified public accountants, a certification that the amount of savings stated to be achieved by the refunding shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2003 Bonds and the net interest cost in dollars of the Series 2003 Bonds.

G. Subject to the determination and certification required by paragraph F above, it is in the best interests of the City, and the residents thereof, that the City refund all or a portion of the Prior Bonds, as shall be set forth in a Supplemental Resolution with proceeds of the Series 2003 Bonds and other funds of the City, to issue the Series 2003 Bonds and to pledge the Gross Revenues of the System for payment thereof, on a parity with any of the Prior Bonds which remain outstanding.

H. The estimated revenues to be derived in each year from the operation of the System after the refunding and defeasance of the Prior Bonds will be sufficient to pay all Operating Expenses of the System and the principal of and interest on the Series 2003 Bonds and all Prior Bonds which remain outstanding and to make all other payments provided for in this Ordinance.

I. All things necessary to make the Series 2003 Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the City according to the import thereof, and to validly pledge and assign those

funds pledged hereby to the payment of the principal of and interest on the Series 2003 Bonds, will be timely done and timely performed.

J. The Series 2003 Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the City.

K. The City is a governmental unit with general taxing powers.

L. The Series 2003 Bonds are not private activity bonds as defined in the Code.

M. Ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the Series 2003 Bonds will be issued for local governmental activities of the City.

N. The City shall not permit at any time any of the proceeds of the Series 2003 Bonds or other funds of the City to be used directly or indirectly in any manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code.

O. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds.

P. The Bonds will not be federally guaranteed within the meaning of Section 149(b) of the Code.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of Series 2003 Bonds by those who shall be the Bondholders of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the City and such Bondholders, and the covenants and agreements herein set forth to be performed by the City shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2003 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. All capitalized terms used in this Ordinance and not otherwise defined in the recitals or in the text hereof shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" or "Refunding Act" means Chapter 18, Article 19 of the West Virginia Code of 1931, as amended and in effect on the date of delivery of the Series 2003 Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer and Redemption Digest.

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

"Board" or "Sanitary Board" means the Sanitary Board of the City.

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

"Bond Counsel" shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the City, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

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

"Bond Register" means the books of the City maintained by the Registrar for the registration and transfer of Bonds.

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

"Bonds" means, collectively, the Series 2003 Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2003 Bonds, in substantially the form set forth in EXHIBIT A - BOND FORM hereto.

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

"Closing Date" means the date upon which there is an exchange of the Series 2003 Bonds for the proceeds representing the original purchase price thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Prior Bonds (which amount shall reflect the Authority's determination of the Redemption Price of the Prior Bonds), interest accruing or to accrue thereon, redemption, premiums, premiums for municipal bond insurance, if any, expenses for fiscal or other agents, legal expenses and any other costs or expenses necessary, incidental, desirable or appurtenant to the issuance of the Series 2003 Bonds and the refunding of the Prior Bonds.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Costs of Issuance" shall mean those costs of issuing the Series 2003 Bonds, including, but not limited to, legal, accounting, fiscal agent fees and expenses and fees in connection therewith.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the City as Depository Bank.

"DTC" means the Depository Trust Company, New York, New York, or its successor thereof.

"DTC-eligible" means, with respect to the Series 2003 Bonds, meeting the qualifications prescribed by the Depository Trust Company, New York, New York.

"Event of Default" means any occurrence or event specified in Section 7.01.

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

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

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

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

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

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

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by a Bond Insurer simultaneously with the delivery of the Series 2003 Bonds, insuring the payment of the principal of and interest on all or any of the Series 2003 Bonds in accordance with the terms thereof.

"Net Proceeds" means the face amount of the Series 2003 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2003 Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2003 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any investment property which is acquired with the gross proceeds of the Series 2003 Bonds and is not acquired in order to carry out the governmental purpose of the Series 2003 Bonds.

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

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

"1989 Ordinance" means the ordinance, as supplemented, of the City, duly enacted _____, 1989, authorizing the Series 1989 A Bonds and the Series 1989 B Bonds.

"2000 Ordinance" means the ordinance, as supplemented, of the City, duly enacted April 10, 2000, authorizing the Series 2000 Bonds.

"Original Purchaser" means _____, _____, as the purchaser of the Series 2003 Bonds directly from the City, or, if the City and such Original Purchaser do not agree to the purchase of the Series 2003 Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2003 Bonds directly from the City, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the City shall agree to the purchase of the Series 2003 Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the City at the time of approval of such sale of said Series 2003 Bonds.

"Outstanding," when used with reference to the Series 2003 Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by

Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the City.

Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as a Bond Insurer has been reimbursed in full.

"Paying Agent" means the Bond Commission or other entity designated as such for the Series 2003 Bonds in the Supplemental Resolution, and any successor thereto appointed in accordance with Section 8.12 hereof.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Prior Bonds" means, collectively, the Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds.

"Prior Ordinances" means, collectively, the 1989 Ordinance and the 2000 Ordinance.

"Purchase Price," for the purpose of computation of the Yield of the Series 2003 Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2003 Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the Series 2003 Bonds of each maturity is sold or, if the Series 2003 Bonds are privately placed, the price paid by the first buyer of the Series 2003 Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2003 Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2003 Bonds.

"Qualified Investments" means and includes any of the following, unless otherwise set forth in the Supplemental Resolution:

- (a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Record Date" means the day of the month which shall be so stated in the Series 2003 Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Recorder" means the Recorder of the City.

"Redemption Date" means the date fixed for redemption of any Bonds of the City called for redemption.

"Redemption Price" means the price at which any Bonds of the City may be called for redemption and includes the principal of and interest on such Bonds to be redeemed, plus the interest and premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2003 Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

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

"Representation Letter" means the Letter Agreement among the City, DTC and the Paying Agent.

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

"Series 1989 A Bonds" means the City's Water Revenue Bonds, Series 1989 A, as described in Section 1.02B.

"Series 1989 B Bonds" means the City's Water Revenue Bonds, Series 1989 B, as described in Section 1.02B.

"Series 2000 Bonds" means the City's Water Revenue Bonds, Series 2000, as described in Section 1.02B.

"Series 2003 Bonds" means the Water Refunding Revenue Bonds, Series 2003, of the City, originally authorized to be issued pursuant to this Ordinance.

"Series 2003 A Bonds Redemption Account" means the Series 2003 Bonds Redemption Account created by Section 4.02 hereof.

"Series 2003 Bonds Reserve Account" means the Series 2003 Bonds Reserve Account created by Section 4.02 hereof.

"Series 2003 Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2003 Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2003 Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2003 Bonds.

"Series 2003 Bonds Sinking Fund" means the Series 2003 Bonds Sinking Fund created by Section 4.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the City following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2003 Bonds and authorizing the sale of the Series 2003 Bonds to the Original Purchaser and setting forth provisions specific to the Bond Insurer, if any; provided, that any

provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the City, including, without limitation, the Renewal and Replacement Fund and any reserve accounts.

"System" means the complete existing public waterworks system now owned by the City, consisting of a water treatment and distribution system and shall include any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the City.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

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

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

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

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

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. To the extent set forth in the Supplemental Resolution, all Prior Bonds Outstanding as of the date of issuance of the Series 2003 Bonds are hereby ordered to be refunded and the pledge of Net Revenues in favor of the Holders of the Prior Bonds imposed by the Prior Ordinances, the monies in the funds and accounts created by the Prior Ordinances pledged to payment of the Prior Bonds, and any other funds pledged by the Prior Ordinances to payment of the Prior Bonds are hereby ordered terminated, discharged and released upon the payment to the Holders of the Prior Bonds, the following: (a) amounts equal to the fiscal and paying agent charges to become due and payable in connection with the Prior Bonds; and (b) amounts to provide for the payment of the principal of and interest on the Prior Bonds, plus the premium, if any, as of the date of Closing. Contemporaneously with the payment to the Holders of the Prior Bonds of the amounts set forth above, the amounts on deposit in the sinking funds, including the reserve accounts therein, created and maintained on behalf of the Prior Bonds shall be released from the lien created by the Prior Ordinances.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Bonds issued pursuant to this Ordinance after the issuance of the Series 2003 Bonds, as hereinafter provided, may be issued only as fully registered Bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof for any year of maturity. All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered.

The principal of and the premium, if any, on the Series 2003 Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Bondholder of \$500,000 or more of the Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Bondholder.

In the event any Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the City shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said Bond then Outstanding.

Section 3.02. Execution of Bonds. The Series 2003 Bonds shall be executed in the name of the City by the Mayor, by his or her manual or facsimile signature, and the seal of the City shall be affixed thereto or imprinted thereon and attested by the Recorder by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall

hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference with respect to the Series 2003 Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2003 Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2003 Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2003 Bond is exercised, Bonds shall be delivered in accordance with the provisions of this

Ordinance. All Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2003 Bond shall become mutilated or be destroyed, stolen or lost, the City may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the City and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City or the Registrar may prescribe and paying such expenses as the City or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the City. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the City from the Revenue Fund and into the Series 2003 Bonds Redemption Account in accordance with Subsection 4.03A(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first Mandatory Redemption Date of said Term Bonds, a sum equal to 1/12th of the amount required to

redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing Mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such Mandatory Redemption Date, the City may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such Mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The City shall on or before the 60th day next preceding each Mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2003 Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the City and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on such Mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the City, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2003 Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2003 Bonds Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the Mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of \$5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2003 Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bond Insurer, if any, the Original Purchaser and the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2003 Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices relating to optional redemption of the Series 2003 Bonds shall also be sent to registered securities depositories.

All official notices of redemption shall be dated and shall state:

- (1) The Redemption Date;
- (2) The Redemption Price;
- (3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (4) That on the Redemption Date, the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;
- (5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar; and
- (6) Such other information, if any, as shall be required for DTC-eligible Bonds.

If funds sufficient to redeem all Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Bonds called for redemption of such fact.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable

at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unredeemed principal of such Bond. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Bonds, and failure to mail or otherwise send such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The City, the Registrar and any agent of the City or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the City may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the City shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Authorization of Bonds. For the purposes of paying a portion of the costs of refunding all of the Prior Bonds of the City, funding all or a portion of the Series 2003 Bonds Reserve Account and paying costs in connection therewith, and paying certain costs of acquisition and construction of certain improvements and additions to the System, there shall be issued the Series 2003 Bonds of the City, in an aggregate principal amount of not more than \$1,200,000. The Series 2003 Bonds shall be designated "Water Refunding Revenue Bonds, Series 2003" and shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 2003 Bonds maturing in the year of

maturity for which the denomination is to be specified. The Series 2003 Bonds shall be numbered from AR-1 consecutively upward. The Series 2003 Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the City shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Bonds. A. The Series 2003 Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2003 Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 2003 Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Series 2003 Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2003 Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the City or the Registrar either a Series 2003 A Bond or any other evidence of ownership of the Series 2003 Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2003 Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Series 2003 Bonds, the City and the Registrar shall execute or signify their approval of a Representation Letter addressed to DTC in a form satisfactory to DTC. Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2003 Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2003 Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2003 Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2003 Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2003 Bonds so redeemed, but DTC may return such Series 2003 Bonds and make an appropriate notation on the Series 2003 Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2003 Bonds of such maturity which have been redeemed.

D. The City, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2003 Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2003 Bonds, selecting the Series 2003 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2003 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the City nor the Registrar shall be affected by any notice to the contrary. Neither the City nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2003 Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2003 Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2003 Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2003 Bonds or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2003 Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2003 Bonds; or (ii) the City determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2003 Bonds. In either of such events (unless in the case described in clause (ii) above, the City appoints a successor securities depository), the Series 2003 Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the City or the Registrar for the accuracy of such designation. Whenever DTC requests the City and the Registrar to do so, the City and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2003 Bonds.

Section 3.12. Delivery of Bonds. The City shall execute and deliver the Series 2003 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2003 Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) A list of the names in which the Series 2003 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(B) A request and authorization to the Registrar on behalf of the City, signed by an Authorized Officer, to authenticate and deliver the Series 2003 Bonds to the Original Purchaser;

(C) Copies of this Ordinance and the Supplemental Resolution certified by the Recorder;

(D) The unqualified approving opinion upon the Series 2003 Bonds by Bond Counsel; and

(E) A copy of such other documents, certifications and verifications as the Original Purchaser may reasonably require.

Section 3.13. Form of Bonds. The definitive Series 2003 Bonds shall be in substantially the form set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2003 Bonds on behalf of the City and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2003 Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Bonds. Upon the issuance and delivery of the Series 2003 Bonds, the City shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on the Series 2003 Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2003 Bonds Sinking Fund and applied to payment of interest on the Series 2003 Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2003 Bonds which, together with other monies or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the Prior Bonds (which amount shall be set forth in the Supplemental Resolution) shall be deposited in the Prior Bonds Sinking Funds or paid directly to the holders of the Prior Bonds.

C. An amount of the proceeds of the Series 2003 Bonds equal to the Series 2003 Bonds Reserve Requirement shall be remitted to the Bond Commission for deposit in the Series 2003 Bonds Reserve Account; provided that, to the extent the Series 2003 Bonds Reserve Requirement is satisfied in whole or in part from proceeds of any fund or account established for the Prior Bonds pursuant to the 1989 Ordinance, proceeds of the Series 2003 Bonds shall be deposited in the Series 2003 Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2003 Bonds Reserve Requirement.

D. An amount of the proceeds of the Series 2003 Bonds which shall be sufficient to pay all costs of issuance shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2003 Bonds and miscellaneous costs of refunding the Series 2003 Bonds at the written direction of the City. All such costs of issuance shall be paid within 60 days of the Closing Date. Monies not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred to the Series 2003 Bonds Redemption Account. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2003 Bonds.

E. The balance of any proceeds of the Series 2003 Bonds and any monies in any fund or account established for the Prior Bonds pursuant to the Prior Ordinances, not used for any of the purposes set forth above, shall be deposited in the Construction Fund and shall be drawn out, used and applied by the City solely to pay the costs of acquisition and construction of certain improvements and extensions to the System (the "Project"). All such costs of the Project shall be paid within 6 months of the Closing Date. Monies not to be applied immediately to pay such costs of the Project may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2003 Bonds.

Section 3.15. Designation of Bonds as "Qualified Tax-Exempt Obligations". The City hereby designates the Series 2003 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2003 Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the City to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2003 Bonds, have been or shall be issued by the City, including all subordinate entities of the City, during the calendar year 2001.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds or accounts are hereby created with (or continued if previously established), and shall be held by, the Depository Bank, segregated and apart from all other funds or accounts of the Depository Bank and the City and from each other:

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Renewal and Replacement Fund (established by the Prior Ordinances);
- (3) Construction Fund;
- (4) Costs of Issuance Fund; and
- (5) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. Pursuant to this Article IV, the following special funds or accounts are hereby created with (or continued if previously established), and shall be held by, the Bond Commission, separate and apart from all other funds or accounts of the Bond Commission and the City and from each other:

- (1) Series 2003 Bonds Sinking Fund;
- (2) Within the Series 2003 Bonds Sinking Fund, the Series 2003 Bonds Reserve Account; and
- (3) Within the Series 2003 Bonds Sinking Fund, the Series 2003 Bonds Redemption Account.

Section 4.03. System Revenues and Application Thereof. So long as any of the Bonds shall be Outstanding and unpaid, the City covenants as follows:

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt by the City in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the City and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The City shall, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to: (i) the Bond Commission commencing 6 months prior to the first interest payment date on the Series 2003 Bonds, for deposit in the Series 2003 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2003 Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2003 Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2003 Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2003 Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2003 Bonds Sinking Fund; and (ii) commencing 12 months prior to the first principal payment date or Mandatory Redemption Date of the Series 2003 Bonds, for deposit in the Series 2003 Bonds Sinking Fund, and in the Series 2003 Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2003 Bonds on the next ensuing principal payment date or Mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 Bonds Sinking Fund and the next ensuing annual principal payment date or Mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or Mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2003 Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(2) The City shall first each month pay from the Revenue Fund the Operating Expenses of the System.

(3) The City shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission for deposit in the Series 2003 Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2003 Bonds Reserve Account below the Series 2003 Bonds Reserve Requirement or any withdrawal from the Series 2003 Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2003 Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2003 Bonds Reserve Account is less than the Series 2003 Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2003 Bonds Reserve Account for deposit into the Series 2003 Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2003 Bonds Reserve Account to an amount equal to the Series 2003 Bonds Reserve Requirement to the full extent that such Net Revenues are available; provided, that no payments shall be required to be made into the Series 2003 Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2003 Bonds Reserve Requirement.

(4) The City shall next, from the monies remaining in the Revenue Fund on the first day of each month, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the City or of the Depository Bank and shall be invested and reinvested in Qualified Investments. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2003 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2003 Bonds as the same shall become due, whether by maturity or redemption prior to maturity. Amounts in the Series

2003 Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2003 Bonds when due, when amounts in the Series 2003 Bonds Sinking Fund are insufficient therefor and for no other purpose.

The City shall not be required to make any further payments into the Series 2003 Bonds Sinking Fund or the Series 2003 Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of Series 2003 Bonds issued pursuant to this Ordinance then Outstanding, plus the amount of interest due or thereafter to become due on the Series 2003 Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2003 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at or before maturity and to accumulate a balance in the respective reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of such additional parity Bonds.

The payments into the Series 2003 Bonds Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

The City shall restore any withdrawals from the Series 2003 Bonds Reserve Account which have the effect of reducing the assets therein below the Series 2003 Bonds Reserve Requirement from the first Net Revenues available after all required payments have been made in full in the order set forth above.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2003 Bonds Sinking Fund and the Series 2003 Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Bond Commission from the Revenue Fund by the City at the times provided herein.

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

C. The City shall remit from the Revenue Fund to the Bond Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Bond

Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay any charges and fees then due.

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

E. If on any monthly payment date the Net Revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

F. All remittances made by the City to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The City shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The City shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The City may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Series 2003 Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The City shall, or shall cause the Bond Commission to, semiannually transfer from the Series 2003 Bonds Reserve Account to the Series 2003 Bonds Sinking Fund, any earnings on the monies deposited therein and any other funds in excess of the requirement therefor; provided, however, that there shall at all times remain on deposit in the Series 2003 Bonds Reserve Account an amount at least equal to the Series 2003 Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all

funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2003 Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2003 Bonds Reserve Account shall, at any time, be less than the applicable requirement therefor, the Bond Insurer, if any, shall be notified immediately of such deficiency, such deficiency shall be made up from the first available Net Revenues in the order set forth in Section 4.03 hereof.

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2003 Bonds and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all monies deposited in the Series 2003 Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended.

Section 5.02. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 2003 Bonds in such manner and to such extent as may be necessary, so that the Series 2003 Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2003 Bonds) so that the interest on the Series 2003 Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate and Rebate. A. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2003 Bonds. In addition, the City covenants to comply with all Regulations from time to time in effect and applicable to the Series 2003 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

B. The City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the City shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose of the System. The City shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect, with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. The City at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City may deem appropriate in order to assure compliance with this Section 5.03. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and the required amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2003 Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Agreement. If so required, the City shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE CITY

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the City and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2003 Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the City hereby covenants and agrees with the Holders of the Series 2003 Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2003 Bonds, or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the City. The Series 2003 Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, the monies in the Series 2003 Bonds Sinking Fund and the Series 2003 Bonds Reserve Account therein, and the unexpended proceeds of the Series 2003 Bonds, all as herein provided. No Holder or Holders of the Series 2003 Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City, if any, to pay the Series 2003 Bonds or the interest thereon.

Section 6.03. Bonds Secured by Parity Pledge of Net Revenues and Monies in Sinking Fund. The payment of the debt service of all of the Series 2003 Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System. The Net Revenues derived from the System, in an amount sufficient to pay the interest on and principal of the Series 2003 Bonds herein authorized, and to make the payments into the Series 2003 Bonds Sinking Fund, including the Series 2003 Bonds Reserve Account therein, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the interest on and principal of the Series 2003 Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance.

Section 6.04. Rates. The City covenants that equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. Following the enactment of the aforementioned Rate Ordinance, the schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes.

In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City hereby covenants and agrees that the schedule of rates or charges from time to time in effect, following the enactment of the aforementioned Rate Ordinance, shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2003 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 2003 Bonds.

Section 6.05. Operation and Maintenance. The City will operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

Section 6.06. Sale of the System. So long as the Series 2003 Bonds are outstanding and except as otherwise required by law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Ordinance in accordance with Article IX hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2003 Bonds, immediately be remitted to the Bond Commission for deposit in the Series 2003 Bonds Sinking Fund, and the City shall direct the Bond Commission to apply such proceeds to the payment of principal of and interest on the Series 2003 Bonds. Any balance remaining after the payment of the Series 2003 Bonds and interest thereon shall be remitted to the City by the Bond Commission unless necessary for the payment of other obligations of the City payable out of the revenues of the System.

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

any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of \$50,000, shall with the written consent of the Authority, be remitted by the City to the Bond Commission for deposit in the Sinking Funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value. Such payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance. No sale, lease or other disposition of the properties of the System shall be made by the City if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. The City shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 6.07 and Section 6.08 hereof, the City shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2003 Bonds. All obligations issued by the City after the issuance of the Series 2003 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2003 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2003 Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2003 Bonds and the interest thereon, if any, in this Ordinance, or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2003 Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2003 Bonds.

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

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the City, the period for appeal of which has expired (without successful appeal) prior to the date of issuance of such Parity Bonds.

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

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

funds and accounts created in this Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountant, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2003 Bonds on such revenues. The City shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2003 Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Ordinance with respect to the Bonds then Outstanding (excluding the Renewal and Replacement Fund), and any other payments provided for in this Ordinance, and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of such Parity Bonds, and the City shall then be in full compliance with all the covenants, agreements and terms of this Ordinance.

Any certifications requiring computations establishing that debt service coverage is sufficient to support the issuance of parity bonds or that requisite debt service savings are available to support the issuance of refunding bonds shall, in all cases, be evidenced by a certificate of an Independent Certified Public Accountant.

No additional bonds, notes, certificates, contracts or any other obligations shall be issued by the City unless no Event of Default shall have occurred and be continuing with respect to the Bonds.

Section 6.09. Insurance and Bonds. The City hereby covenants and agrees, that so long as the Bonds remain Outstanding, the City will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the City will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged and destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund.

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

C. WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the City and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the City.

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

Section 6.10. No Free Services. The City will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and, in the event the City or any department, agency, instrumentality, officer or employee thereof shall avail himself or themselves of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.11. Enforcement of Collections. The City will diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or

authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, when due, shall become a lien on the premises served by the System. The City further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System and any services and facilities of the waterworks system, if so owned by the City, to all delinquent users of services and facilities of the System and will not restore such services of the System (or waterworks system) until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid. If the waterworks system is not owned by the City, the City shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 6.12. No Competing Franchise. To the extent legally allowable, the City will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the City relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the City. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the City. The City shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the City shall be reported to such agent of the City as it shall direct.

The City shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 30 days following the date of receipt of the final audit containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The City shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, an annual report containing the following:

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

(B) A statement of account balances in all funds and accounts provided for herein and status of said funds.

The City shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by an Independent Certified Public Accountant in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountant, or a summary thereof, to any Holder or Holders of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.14. Operating Budget. The City shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the City shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser, the Bond Insurer and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort,

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

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

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2003 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2003 Bonds.

Section 6.17. Tax Covenants. The City hereby further covenants and agrees as follows:

A. **PRIVATE BUSINESS USE LIMITATION.** The City shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2003 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2003 Bonds during the term thereof is, under the terms of the Series 2003 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2003 Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2003 Bonds during the term thereof is, under the terms of the Series 2003 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the City, in respect of property or borrowed

money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2003 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2003 Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. **PRIVATE LOAN LIMITATION.** The City shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2003 Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. **FEDERAL GUARANTEE PROHIBITION.** The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2003 Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. **INFORMATION RETURN.** The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2003 Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. **FURTHER ACTIONS.** The City will take all actions that may be required of it so that the interest on the Series 2003 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.18. Municipal Bond Insurance Policy. The City may apply for a Municipal Bond Insurance Policy for the Series 2003 Bonds. In the event a Municipal Bond Insurance Policy is obtained, additional covenants and provisions of the City may be required by the Bond Insurer as a condition to insuring the Series 2003 Bonds. These additional covenants and provisions shall be set forth in a Supplemental Resolution, shall apply to the Series 2003 Bonds, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2003 Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on the Series 2003 Bonds;

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Series 2003 Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by any Bondholder or any Bond Insurer;

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

(D) If default occurs with respect to the Series 1986 B Bonds or the Series 1983 Bonds or the Ordinances authorizing the Series 1986 B Bonds and the Series 1983 Bonds.

The City must cure any covenant default within 30 days after notice of the default. Notwithstanding any other provision of this Ordinance, failure to pay principal of or interest on the Bonds shall be an immediate event of default and no notice shall be required.

No waivers shall be granted by any party to the Bond documents without the prior written consent of the Bond Insurer, if any.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to

require the City to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Bonds;

(D) By action at law or bill in equity require the City to account as if it were the trustee of an express trust for the Bondholders; and/or

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute. All rights and remedies of the Holders of the Series 2003 Bonds shall be on a parity with those of the Holders of the Series 1986 B Bonds and junior and subordinate to those of the Holders of the Series 1983 Bonds.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the City, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the City and for the joint protection and benefit of the City and the Holders of the Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the City and the Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of City and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the City and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2003 Bonds shall be appointed pursuant to the Supplemental Resolution. The City is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2003 Bonds shall be taken as statements of the City, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2003 Bonds by the City. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2003 Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, ordinance, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the City, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The City shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2003 Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2003 Bonds or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2003 Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the City and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Series 2003 Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the City or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the City or by the Holders of a majority in principal amount of the Series 2003 Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the City or by such Bondholders or their attorneys duly authorized in writing and delivered to the City, as the case may be. Copies of each such instrument shall be delivered by the City to the Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2003 Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the City and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the City shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The City shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Series 2003 Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the City shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the City written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Adoption of Authentication. In case any of the Series 2003 Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Series 2003 Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.11. Paying Agent. The Bond Commission shall serve as the Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the City a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the City shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same City as such Paying Agent to fill such vacancy; provided, however, that, if the City shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agent shall enjoy the same protective provisions in the performance of its duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agent shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2003 Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Net Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the City on behalf of the Holders of the Series 2003 Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied, except as may be necessary to assure the exclusion of interest on the Series 2003 Bonds from gross income for federal income tax purposes.

The Series 2003 Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on the Series 2003 Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2003 Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on the Series 2003 Bonds on and prior to the maturity date thereof, or if the City irrevocably determines to redeem any of the Series 2003 Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Series 2003 Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on the Series 2003 Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations, as such term is limited by the provisions in Section 1.04 hereof or such additional securities as shall be set forth in the Supplemental Resolution.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2003 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of the Ordinance, shall be controlling. Following issuance of the Series 2003 Bonds, this Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, so long as such amendment or modification is not materially adverse to any Bondholder, as determined by an opinion of Bond Counsel. In the event any of the Series 2003 Bonds are insured, no such amendment or modification which adversely affects the security for such Series 2003 Bonds or the rights of any Bond Insurer for such Series 2003 Bonds may be effected without the written consent of such Bond Insurer. No materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Series 2003 Bonds then Outstanding and affected thereby and such Bond Insurer, which must be filed with the City before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2003 Bond without the express written consent of the Holder of each Series 2003 Bond so affected, nor reduce the percentage of Series 2003 Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the City or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the

City or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the City or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the City or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the City, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the City shall be destroyed, and a certificate evidencing such destruction shall be delivered to the City.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the City be paid by the Bond Commission or said Paying Agent to the City as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the City for the payment of such Bonds; provided, however, that, before making any such payment to the City, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies

remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the City. If any of said Bonds is a coupon Bond, the Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such monies will be returned to the City, in an Authorized Newspaper.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the City, the Registrar, the Paying Agent, the Depository Bank or the Original Purchaser shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

CITY

The City of Sistersville
200 Diamond Square
Sistersville, West Virginia 26175
Attention: Mayor

REGISTRAR

[Name and address to be set forth in Supplemental Resolution]

PAYING AGENT

West Virginia Municipal Bond Commission
8 Capitol Street, Suite 500-Terminal Building
Charleston, West Virginia 25301
Attention: Executive Director

DEPOSITORY BANK

[Name and address to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER

Attention: _____

BOND INSURER

[Name and address, if any, to be set forth in Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the City or officer or employee of the City shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the City, the Registrar, the Paying Agent, the Holders of the Series 2003 Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Registrar, the Paying Agent, the Holders of the Series 2003 Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All orders, Ordinances or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.13. Covenant of Due Procedure, Etc. The City covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, Recorder and members of the Governing Body were

at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

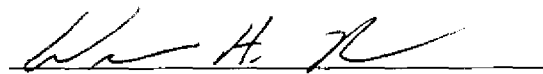
Section 10.14. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Tyler Star News*, a newspaper published and of general circulation in the City of Sistersville, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Section 10.15. Effective Date. This Ordinance shall take effect immediately upon enactment.

Passed on First Reading: - October 28, 2002

Passed on Second Reading: - November 12, 2002

Passed on Final Reading
Following Public
Hearing: - January 22, 2003



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of The City of Sistersville on the 22nd day of January, 2003.

Dated this 21st day of November, 2003.

[SEAL]

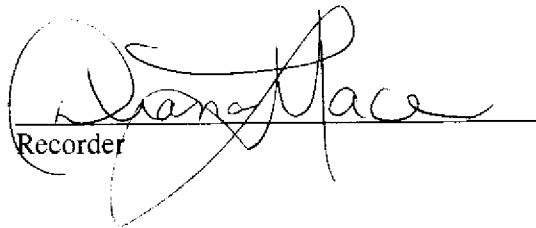

Recorder

EXHIBIT A - BOND FORM

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-_____

\$ _____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SISTERSVILLE
(WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

INTEREST RATE

MATURITY DATE

BOND DATE

CUSIP NO.

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment

of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Bondholder hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Bondholders not less than 10 days prior to said special record date at the address of such Bondholder as it appears on the registration books of the City maintained by _____, _____, _____, as registrar (in such capacity, the "Registrar"), or, at the option of any Bondholder of at least \$500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Bondholder to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$ _____ designated "The City of Sistersville (West Virginia) Water Refunding Revenue Bonds, Series 2003" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2003, the proceeds of which are to be used, together with other funds of the City, (i) to currently refund all of the Water Revenue Bonds, Series 1989 A, dated January 25, 1989, of the City outstanding in the total aggregate principal amount of \$250,000, all of the Water Revenue Bonds, Series 1989 B, dated January 25, 1989, of the City in the total aggregate principal amount of \$240,000, and all of the Water Revenue Bonds, Series 2000, dated June 29, 2000, of the City in the total aggregate principal amount of \$430,000 (collectively, the "Prior Bonds"), which were issued to finance a portion of the cost of acquisition and construction of the public waterworks system of the City (the "System"); (ii) to fund a reserve account for the Bonds; (iii) to pay certain costs of issuance of the Bonds and related costs; and (iv) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the System. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 18, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the City on _____, 2003, and supplemented by a supplemental Resolution duly adopted by the City on _____, 2003 (hereinafter collectively referred to as the

"Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the City, the Registrar, the Paying Agent, the Bondholders of the Bonds and the Bondholders of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds are not subject to optional redemption prior to _____. At the option of the City, the Bonds will be subject to redemption prior to maturity on and after _____, _____, as a whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus interest accrued to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price
---	---------------------

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, are subject to mandatory sinking fund redemption prior to maturing on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

_____ Bonds Maturing _____	
Year (_____)	Principal Amount _____
_____ Bonds Maturing _____	
Year (_____)	Principal Amount _____

shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2003 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely to refund the Series 2003 Bonds, fund all or a portion of a reserve account for the Bonds, pay costs of acquisition and construction of certain additions, betterments and improvements to the System and pay costs of issuance hereof, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

IN WITNESS WHEREOF, THE CITY OF SISTERSVILLE
(WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal
to be imprinted hereon and attested by its Recorder, and has caused this Bond to be dated as
of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Bondholder on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

as Registrar

By _____
Its Authorized Officer

11/12/02
827720.00002

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto _____

_____ the within Bond and does hereby irrevocably constitute
and appoint _____
_____ to transfer the said Bond on the books
kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with
the name as it appears upon the face of the within Bond in every particular, without alteration
or any change whatever.

CITY OF SISTERSVILLE (WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003

PARAMETERS RESOLUTION

RESOLUTION OF THE COUNCIL OF THE CITY OF SISTERSVILLE AUTHORIZING AND APPROVING CERTAIN PARAMETERS RELATING TO THE ISSUANCE OF THE WATER REFUNDING REVENUE BONDS, SERIES 2003 AND TERMS OF SUCH BONDS, AUTHORIZING CERTAIN DOCUMENTS RELATING TO THE BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, the acquisition and construction of the System were financed in part by the proceeds of prior bond issues of the City of Sistersville (the "City"), including (i) the Water Revenue Bonds, Series 1989 A Bonds, dated January 25, 1989, issued in the original aggregate principal amount of \$250,000, of which approximately \$224,842 is presently outstanding (the "Series 1989 A Bonds"); (ii) the Water Revenue Bonds, Series 1989 B, dated January 25, 1989, issued in the original aggregate principal amount of \$240,000, of which approximately \$211,028 is presently outstanding (the "Series 1989 B Bonds" and, collectively with the Series 1989 A Bonds the "Series 1989 Bonds"); and (iii) the Water Revenue Bonds, Series 2000, dated June 29, 2000, issued in the original aggregate principal amount of \$430,000, of which approximately \$324,942 is presently outstanding (the "Series 2000 Bonds"). The Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds are hereinafter collectively referred to as the "Prior Bonds";

WHEREAS, Chapter 8, Article 19, of the West Virginia Code of 1931, as amended (the "Act" or "Refunding Act"), authorizes, in the manner and subject to the limitations and conditions contained in the Refunding Act, the issuance and sale of refunding bonds by the City to provide for the payment of all principal of and interest on the Prior Bonds, including the redemption premium thereof, if any;

WHEREAS, the City enacted an Ordinance on December 9, 2002, authorizing and approving the current refunding of the Prior Bonds (the "Ordinance") pursuant to the Refunding Act, through the issuance of its not to exceed \$1,200,000 in aggregate principal amount of the City of Sistersville Water Refunding Revenue Bonds, Series 2003 (the "Refunding Bonds");

WHEREAS, the City has been informed by Ross, Sinclair & Associates (the "Underwriter"), that favorable market conditions currently exist that would permit a refunding of the Prior Bonds to achieve interest cost savings, which would decrease the aggregate amount of debt service payable by the City during the remaining years prior to maturity of the Prior Bonds, and has presented to the Council a summary of current market conditions;

WHEREAS, in order to be able to approve the sale of the Refunding Bonds on a timely basis and take advantage of favorable market conditions which currently exist, the Council wishes to delegate to the Mayor the authority to approve certain terms of the Refunding Bonds, including the exact principal amount, interest rates, redemption provisions, maturities and other terms of the Refunding Bonds and the terms of the documents described herein; and

WHEREAS, the Refunding, the issuance of the Refunding Bonds under the specific terms and conditions provided herein and the use thereof as hereinafter provided are all in the best interests of the residents of the City.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE COUNCIL OF THE CITY OF SISTERSVILLE, AS FOLLOWS:

1. There is hereby authorized and directed the refunding of the Prior Bonds, as hereinafter provided.

2. For the purpose of providing for the Refunding, the Council of the City, hereby authorizes and orders the issuance of the Refunding Bonds in an aggregate principal amount not to exceed \$1,200,000. The Refunding Bonds shall be designated "City of Sistersville (West Virginia) Water Refunding Revenue Bonds, Series 2003," and may be issued at such time as the Mayor shall determine.

3. The Refunding Bonds shall be sold to the Underwriter, in the original aggregate principal amount of not to exceed \$1,200,000; shall be issued in fully registered form without coupons, in the denominations of \$5,000 or integral multiples thereof for any period of maturity; shall be numbered from R-1 consecutively upward in order of maturity; shall be dated such date, upon original issuance; shall bear interest at rates not to exceed 6.0% per annum, payable semiannually on June 1 and December 1 of each year, commencing June 1, 2004; shall mature in such principal amounts on such dates (with final maturity no later than June 1, 2022); shall be subject to such redemption provisions as shall subsequently be approved by the Mayor; and shall be substantially in the form set forth in the Ordinance. The Refunding Bonds shall be signed by and on behalf of the City by its Mayor and be countersigned by its Recorder, which signatures may be either manual or facsimile signatures, and the seal of the City or a facsimile thereof shall be affixed to or imprinted thereon, provided that the authentication of the Refunding Bonds shall be manually signed by the Registrar.

4. The Refunding Bonds shall be registered to the Depository Trust Company ("DTC") upon issuance thereof.

5. The Mayor shall have the authority to approve the pricing and other final terms of the Refunding Bonds, including the determination of when and whether to issue the Refunding Bonds and to execute a bond purchase agreement by and between the City and the Underwriters, without further Council action or approval.

6. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. The Mayor shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2003 Bonds, including the payment of all necessary fees and expenses in connection therewith.

7. The Issuer does hereby approve the remittance of \$35,000 from the Series 1989 Bonds Reserve Account to the City.

8. The Registrar Agreement by and between the Issuer and the Registrar designated herein, to be dated as of the date of delivery of the Series 2003 Bonds, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Mayor shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

9. The distribution by the Underwriter of a Preliminary Official Statement (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form submitted to this meeting is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby approved. The Official Statement to be substantially in the form of the Preliminary Official Statement, (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor) and the distribution of counterparts or copies thereof by the Underwriter are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section.

10. The firm of Ross, Sinclair & Associates, Inc., Frankfort, Kentucky is hereby engaged for the purpose of serving as Underwriter with respect to the Refunding Bonds.

11. The Issuer does hereby appoint and designate Fifth Third Bank, Cincinnati, Ohio, for the purpose of serving in the capacity of Registrar and Union Bank of Tyler County, Sistersville, West Virginia, as Depository Bank.

12. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Paying Agent.

13. The firm of Steptoe & Johnson PLLC, Clarksburg, West Virginia, is hereby engaged for the purpose of serving as Bond Counsel with respect to the Refunding Bonds.

14. The proceeds of the Bonds in an amount sufficient to pay the outstanding principal of, interest on and redemption premium for the Series 1989 A Bonds and the Series 1989 B Bonds, shall be wired directly to the United States Department of Agriculture, Rural Utilities Services on the Closing Date to accomplish the prepayment and refunding of the Series 1989 A Bonds and the Series 1989 B Bonds. The proceeds of the Bonds in an amount sufficient to pay the outstanding principal of, interest on and redemption premium for the Series 2000 Bonds, shall be wired directly to Union Bank of Tyler County, to accomplish the prepayment and refunding of the Series 2000 Bonds.

15. The Issuer hereby approves proceeds of the Series 2003 Bonds in an amount sufficient to fully fund the Series 2003 Bonds Reserve Account to be deposited therein on the Closing Date.

16. Based upon the projected principal amount, maturity schedule and interest rates for the Series 2003 Bonds, as set forth in EXHIBIT A - PROPOSED SERIES 2003 BOND TERMS, attached hereto, it is hereby determined that the Series 2003 Bonds show a net savings to the Issuer after deducting all expenses of the refunding. Prior to delivery of the Series 2003 Bonds, the Issuer shall have obtained from Michael D. Griffith, CPA or such other independent certified public accountant acceptable to the Mayor, a certification that the amount of savings stated to be achieved by the refunding shall in fact be correct, based upon their review, comparison and analysis of the total net debt service in dollars of the Series 2003 Bonds and the total net debt service in dollars of the Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds. The Mayor is hereby authorized and directed to employ Michael D. Griffith, Alum Creek, West Virginia, or such other independent certified public accountant satisfactory to Bond Counsel, to supply the certification required herein and to take other actions required in connection with the refunding.

17. The Council hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Refunding Bonds or any other funds of the Council to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Refunding Bonds or Prior Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Mayor of the City is authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the City's compliance with this covenant.

18. Proceeds of the Refunding Bonds shall be applied as set forth herein. The proceeds of the Refunding Bonds representing accrued interest shall be deposited in the Debt Service Account held by the Commission.

19. The Mayor, the Recorder and all other officers of the Council are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Refunding, hereby and by the Resolution and Order approved and provided for, including, if needed, a DTC Letter of Representations and any forms or documents necessary to qualify the Refunding Bonds for sale under the "Blue Sky Laws" of any state, to the end that the Refunding Bonds may be delivered at the earliest practicable date to the Underwriter.

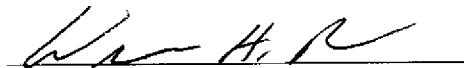
20. The Mayor and Recorder of the City, and all other officers and employees of the Council are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Refunding Bonds to be duly and properly issued by the City and delivered to the Underwriter as herein authorized and to otherwise facilitate the transaction contemplated by this Resolution, including (if applicable), but not limited to, engaging an accountant for purposes of providing a verification report in connection with the issuance of the Refunding Bonds, consulting with or applying to rating agencies to obtain a rating on the Refunding Bonds and consulting with or applying to insurance agencies for bond insurance for the Refunding Bonds, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required, provided that the Council must subsequently approve the final terms of sale of the Refunding Bonds to the Underwriter.

21. This Resolution shall take effect immediately upon its adoption.

Adopted and entered of record this November 13, 2003.

CITY OF SISTERSVILLE

[SEAL]

By: 
Mayor

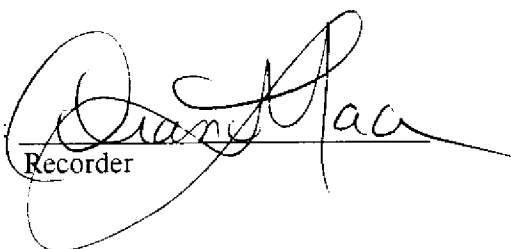
Its: 
Recorder

EXHIBIT A
PROPOSED SERIES 2003 BOND TERMS

MATURITY SCHEDULE

\$20,000 Serial Bonds

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
2004	\$20,000	3.35%	3.35%

\$125,000	3.35%	Series 2003 Serial Bonds due June 1, 2007 at 3.35%
\$140,000	4.25%	Series 2003 Term Bonds due June 1, 2010 at 4.25%
\$155,000	4.70%	Series 2003 Term Bonds due June 1, 2013 at 4.70%
\$245,000	5.00%	Series 2003 Term Bonds due June 1, 2017 at 5.00%
\$225,000	5.60%	Series 2003 Term Bonds due June 1, 2020 at 5.60%

Estimated Sources and Uses of Funds

Sources of Funds

Par Amount of Series 2003 Bonds	\$ 910,000.00
Series 1989 A and Series 1989 B Bonds Reserve Account (1)	<u>35,000.00</u>
TOTAL	\$ 945,000.00

Uses of Funds

Discharge Series 1989 A Bonds	\$226,181.35
Discharge Series 1989 B Bonds	212,285.62
Discharge Series 2000 Bonds	326,555.20
Series 2003 Bonds Reserve Account (2)	84,592.50
Underwriter's Discount	20,000.00
Costs of Issuance	40,385.33
Remit Series 1989 Bonds Reserve Account	<u>35,000.00</u>
TOTAL	\$ 945,000.00

Optional Redemption

The Series 2003 Bonds maturing on and after June 1, 2013, are subject to redemption prior to maturity, at the option of the City, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of par, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2003 Bonds maturing June 1, 2007, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2005, and on each June 1 thereafter to and including June 1, 2007, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$40,000	2007*	\$45,000
2006	40,000		

The principal amount of Series 2003 Bonds maturing June 1, 2007, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2010, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2008, and on each June 1 thereafter to and including June 1, 2010, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2008	\$45,000	2010*	50,000
2009	\$45,000		

The principal amount of Series 2003 Bonds maturing June 1, 2010, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2017, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest

to the mandatory redemption date, on June 1, 2014, and on each June 1 thereafter to and including June 1, 2017, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$55,000	2016	\$65,000
2015	60,000	2017*	65,000

The principal amount of Series 2003 Bonds maturing June 1, 2017, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2018, and on each June 1 thereafter to and including June 1, 2020, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2018	\$70,000	2020*	\$80,000
2019	75,000		

The principal amount of Series 2003 Bonds maturing June 1, 2020, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

*Stated maturity.

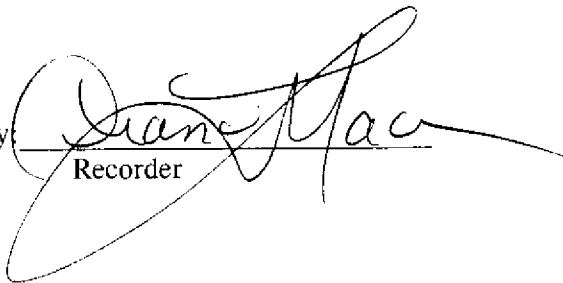
CERTIFICATION

Certified a true, correct and complete copy of a Resolution duly adopted and entered of record by the Council of the City of Sistersville at a special meeting of the Council held at 7:00 p.m., on November 13, 2003, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated: November 21, 2003.

[SEAL]

By:


Recorder

11/13/03
827720.00002

CITY OF SISTERSVILLE
(WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003

CERTIFICATE OF DETERMINATIONS OF THE
MAYOR OF THE CITY OF SISTERSVILLE

I, WILLIAM H. RICE, Mayor of the City of Sistersville, hereby certify as follows:

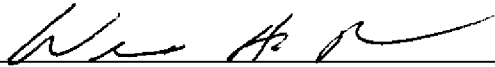
1. Based upon the provisions and authorization set forth in the Parameters Resolution of the City of Sistersville (the "City") adopted November 13, 2003 (the "Resolution"), I have determined and authorized that the above-captioned Bonds shall be issued in the aggregate principal amount of \$910,000, shall be dated November 21, 2003, shall be in fully registered form, in the denominations of \$5,000 or any whole multiple thereof, shall mature on June 1 of the years, shall bear interest payable semi-annually on June 1 and December 1 in each year, commencing June 1, 2004, at such rates, shall finally mature on June 1, 2020, shall be subject to such redemption provisions and shall have such other terms, all as are set forth in EXHIBIT A - BOND TERMS attached hereto and incorporated by reference herein.

2. Pursuant to the Resolution, the Bonds shall be sold to Ross, Sinclair & Associates, Inc. (the "Underwriter") pursuant to the terms and provisions of the Bond Purchase Agreement, dated as of November 19, 2003, by and between the City and the Underwriter, at the purchase price of \$890,000 (which represents the par amount of the Bonds, less underwriters' discount of \$20,000), there being no accrued interest thereon.

3. I have further determined that the distribution of the Official Statement (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12) is hereby ratified and approved.

4. I have further determined that the Secretary and other officers of the City are hereby authorized and directed to take all further actions necessary to cause the Bonds to be issued and delivered on a timely basis to the purchasers thereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 19th day of November, 2003.



Mayor, City of Sistersville

EXHIBIT A - BOND TERMS

MATURITY SCHEDULE

\$20,000 Serial Bonds

<u>Maturity (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
2004	\$20,000	3.35%	3.35%

\$125,000	3.35%	Series 2003 Serial Bonds due June 1, 2007 at 3.35%	
\$140,000	4.25%	Series 2003 Term Bonds due June 1, 2010 at 4.25%	
\$155,000	4.65%	Series 2003 Term Bonds due June 1, 2013 at 4.65%	
\$245,000	5.00%	Series 2003 Term Bonds due June 1, 2017 at 5.00%	
\$225,000	5.50%	Series 2003 Term Bonds due June 1, 2020 at 5.50%	

Optional Redemption

The Series 2003 Bonds maturing on and after June 1, 2013, are callable beginning on June 1, 2013, at the option of the City, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of par, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2003 Bonds maturing June 1, 2007, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2005, and on each June 1 thereafter to and including June 1, 2007, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$40,000	2007*	\$45,000
2006	40,000		

The principal amount of Series 2003 Bonds maturing June 1, 2007, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2010, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2008, and on each June 1 thereafter to and including June 1, 2010, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2008	\$45,000	2010*	50,000
2009	\$45,000		

The principal amount of Series 2003 Bonds maturing June 1, 2010, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2013, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2011, and on each June 1 thereafter to and including June 1, 2013, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$50,000	2013*	55,000
2012	\$50,000		

The principal amount of Series 2003 Bonds maturing June 1, 2013, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2017, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2014, and on each June 1 thereafter to and including June 1, 2017, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$55,000	2016	\$65,000
2015	60,000	2017*	65,000

The principal amount of Series 2003 Bonds maturing June 1, 2017, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2018, and on each June 1 thereafter to and including June 1, 2020, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2018	\$70,000	2020*	\$80,000
2019	75,000		

The principal amount of Series 2003 Bonds maturing June 1, 2020, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

*Stated maturity.

CITY OF SISTERSVILLE
(WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, Brian G. Nurick, Senior Vice President of Ross, Sinclair & Associates, Inc., (the "Underwriter"), for and on behalf of the Underwriter, and the Mayor of the City of Sistersville (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 21st day of November, 2003, in New York, New York, the Underwriter received the entire original issue of \$910,000 in aggregate principal amount of the City of Sistersville (West Virginia) Water Refunding Revenue Bonds, Series 2003 (the "Bonds"). The Bonds, as so received on original issuance, are in various denominations, are dated November 21, 2003, and are numbered from AR-1 upward in order of maturity, and are registered in the name of "CEDE & CO."

2. At the time of such receipt of the Bonds, they had been executed by William H. Rice as Mayor of the Issuer by his or her manual signature, and the official seal of the Issuer had been impressed upon each Bond and attested by Diane Mace as Recorder of the Issuer by his or her manual signature, and had been authenticated by an authorized officer of Fifth Third Bank, Cincinnati, Ohio, as Registrar.

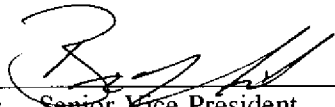
3. The Issuer has received and hereby acknowledges receipt from the Underwriter, as the original purchaser of the Bonds, the proceeds of the Bonds, as follows:

Par Amount	\$910,000
Less: Underwriter's Discount	20,000
Total	<u>\$890,000</u>

Payment for the Bonds was made in immediately available funds (federal funds wire) in the amount of \$890,000.

WITNESS our respective signatures this 21st day of November, 2003.

ROSS, SINCLAIRE & ASSOCIATES, INC.

By: 
Its: Senior Vice President

CITY OF SISTERSVILLE

By: _____
Its: Mayor

11/14/03

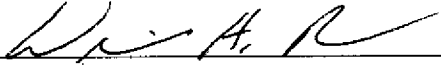
CH581471.1

WITNESS our respective signatures this 21st day of November, 2003.

ROSS, SINCLAIRE & ASSOCIATES, INC.

By: _____
Its: Senior Vice President

CITY OF SISTERSVILLE

By: 
Its: Mayor

11/14/03
827720.00002

CITY OF SISTERSVILLE
(WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Fifth Third Bank, as Registrar
38 Fountain Square Plaza
Mail Drop 10AT60
Cincinnati, OH 45202

Ladies and Gentlemen:

There are delivered to you herewith as Registrar for the above-captioned Bonds:

1. Bonds Nos. AR-1 through AR-6, inclusive, constituting the entire original issue of the City of Sistersville Water Refunding Revenue Bonds, Series 2003, dated November 21, 2003, in the aggregate principal amount of \$910,000 (the "Bonds"), executed by the Mayor and Recorder of the City of Sistersville (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to an Ordinance enacted by the Issuer on January 22, 2003, as supplemented by Supplemental Resolution adopted by the Issuer on November 13, 2003 (collectively, the "Ordinance").

2. Copies of the Ordinance, certified by the Recorder of the Issuer.

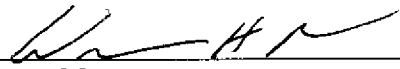
3. A list of the names in which the Bonds are to be registered upon original issuance, together with taxpayer identification and other information as requested by you.

4. A signed, unqualified approving opinion of Steptoe & Johnson PLLC, as bond counsel.

You are hereby requested and authorized, pursuant to Section 3.12 of the Ordinance, to authenticate, register and deliver the Bonds to the Depository Trust Company, New York, New York, for the account of Ross, Sinclaire & Associates, Inc., as the original purchaser thereof.

Dated this 21st day of November, 2003.

CITY OF SISTERSVILLE

By 
Its: Mayor

11/14/03
827720.00002

CH581480.1

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-1

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
3.350%	June 1, 2004	November 21, 2003	829794 AA 4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWENTY THOUSAND DOLLARS
(\$20,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-2

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
3.350%	June 1, 2007	November 21, 2003	829794 AB 2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS
(\$125,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-3

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
4.250%	June 1, 2010	November 21, 2003	829794 AC 0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED FORTY THOUSAND DOLLARS
(\$140,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-4

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
4.650%	June 1, 2013	November 21, 2003	829794 AD 8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED FIFTY-FIVE THOUSAND DOLLARS
(\$155,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-5

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
5.000%	June 1, 2017	November 21, 2003	829794 AE 6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED FORTY-FIVE THOUSAND DOLLARS
(\$245,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to The City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-6

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
5.500%	June 1, 2020	November 21, 2003	829794 AF 3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS
(\$225,000.00)

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Bondholder specified above, or registered assigns (the "Bondholder"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in

which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2004 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Bondholder hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Bondholders not less than 10 days prior to said special record date at the address of such Bondholder as it appears on the registration books of the City maintained by Fifth Third Bank, Cincinnati, Ohio, as registrar (in such capacity, the "Registrar"), or, at the option of any Bondholder of at least \$500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Bondholder to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$910,000 designated "City of Sistersville (West Virginia) Water Refunding Revenue Bonds, Series 2003" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated November 21, 2003, the proceeds of which are to be used, together with other funds of the City, (i) to currently refund the City's Water Revenue Bonds, Series 1989 A, dated January 25, 1989, originally issued in the aggregate principal amount of \$250,000, of which approximately \$225,000 is presently outstanding; (ii) to currently refund the City's Water Revenue Bonds, Series 1989 B, dated January 25, 1989, originally issued in the aggregate principal amount of \$240,000, of which approximately \$213,000 is presently outstanding; (iii) to currently refund the City's Water Revenue Bonds, Series 2000, dated June 29, 2000, originally issued in the aggregate principal amount of \$430,000, of which approximately \$326,000 is presently outstanding (collectively, the "Prior Bonds"), which were issued to finance a portion of the cost of acquisition and construction of the public waterworks system of the City (the "System"); (ii) to fund a reserve account for the Bonds; (iii) to pay certain costs of issuance of the Bonds and related costs; and (iv) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the System. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the City on January 22, 2003, and

supplemented by a supplemental Resolution duly adopted by the City on November 13, 2003 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the City, the Registrar, the Paying Agent, the Bondholders of the Bonds and the Bondholders of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2003 Bonds maturing on and after June 1, 2013, are callable beginning June 1, 2013, at the option of the City, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of par, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2003 Bonds maturing June 1, 2007, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2005, and on each June 1 thereafter to and including June 1, 2007, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$40,000	2007*	\$45,000
2006	40,000		

The principal amount of Series 2003 Bonds maturing June 1, 2007, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2010, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2008, and on each June 1 thereafter to and including June 1, 2010, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2008	\$45,000	2010*	50,000
2009	\$45,000		

The principal amount of Series 2003 Bonds maturing June 1, 2010, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2013, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2011, and on each June 1 thereafter to and including June 1, 2013, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$50,000	2013*	55,000
2012	\$50,000		

The principal amount of Series 2003 Bonds maturing June 1, 2013, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2017, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2014, and on each June 1 thereafter to and including June 1, 2017, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$55,000	2016	\$65,000
2015	60,000	2017*	65,000

The principal amount of Series 2003 Bonds maturing June 1, 2017, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2018, and on each June 1 thereafter to and including June 1, 2020, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2018	\$70,000	2020*	\$80,000
2019	75,000		

The principal amount of Series 2003 Bonds maturing June 1, 2020, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

*Stated maturity.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Registrar. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the City by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Original Purchaser and the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar. So long as DTC is the registered owner of the Series 2003 Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice and all notices shall be sent to the registered securities depositories. A copy of such notice of redemption shall also be mailed to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the System, and from monies in the reserve account created under the Ordinance for the Bonds (the "Series 2003 Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2003 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds.

All monies received from the sale of this Bond, there being no accrued interest thereon, shall be applied solely to refund the Series 2003 Bonds, fund all or a portion of a reserve account for the Bonds, pay costs of acquisition and construction of certain additions, betterments and improvements to the System and pay costs of issuance hereof, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

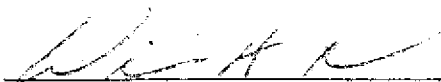
This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

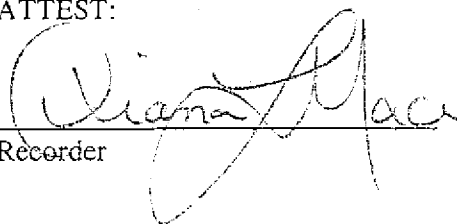
IN WITNESS WHEREOF, THE CITY OF SISTERSVILLE
(WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal
to be imprinted hereon and attested by its Recorder, and has caused this Bond to be dated as
of the Bond Date specified above.

[SEAL]



Mayor

ATTEST:



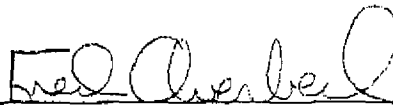
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Bondholder on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: November 21, 2003.

FIFTH THIRD BANK,
as Registrar

By: 
Its: Authorized Officer

11/18/03
827720.00002

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto _____

_____ the within Bond and does hereby irrevocably constitute
and appoint _____
_____ to transfer the said Bond on the books
kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with
the name as it appears upon the face of the within Bond in every particular, without alteration
or any change whatever.

EXHIBIT A - SERIES 2003 BOND TERMS

TERM BONDS

MATURITY SCHEDULE

\$20,000 Serial Bonds

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP</u>
2004	\$20,000	3.35%	3.35%	829794 AA4

\$125,000	3.35%	Series 2003 Serial Bonds due June 1, 2007 at 3.35%	829794 AB2
\$140,000	4.25%	Series 2003 Term Bonds due June 1, 2010 at 4.25%	829794 AC0
\$155,000	4.65%	Series 2003 Term Bonds due June 1, 2013 at 4.65%	829794 AD8
\$245,000	5.00%	Series 2003 Term Bonds due June 1, 2017 at 5.00%	829794 AE6
\$225,000	5.50%	Series 2003 Term Bonds due June 1, 2020 at 5.50%	829794 AF3

CITY OF SISTERSVILLE
(WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003

UNDERWRITER'S CERTIFICATE

The undersigned Murray Sinclair, Jr., President of Ross, Sinclair & Associates, Inc. (the "Underwriter"), for and on behalf of the Underwriter, as purchaser of the above-captioned Bonds (the "Bonds"), hereby certifies that:

(a) At least 10% of each maturity of the Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), made pursuant to the Bond Purchase Agreement dated November 19, 2003, by and between the City of Sistersville (the "Issuer") and the Underwriter, at initial offering prices no higher than, or yields no lower than, those shown on the cover of the Official Statement dated November 17, 2003, relating to the Bonds (the Bonds are dated as of the date hereof and, thus, no accrued interest will be paid by the Issuer). We have made a bona fide public offering of all Bonds at the public offering price. At the time we agreed to purchase the Bonds, based upon our assessment of the then prevailing market conditions, we had no reason to believe any of the Bonds would be initially sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices or yields less than the yields, shown on the cover of the Official Statement.

(b) The level of funding of the Reserve Account established by the Ordinance authorizing issuance of the Bonds is reasonable and necessary because such an amount is required as a condition to marketing the Bonds at the interest rates and with the maturities established for the Bonds. Such amount was determined to be necessary to reduce the probability of a default on the Bonds due to a temporary decrease in Gross Revenues or increase in operating expenses. The amount to be maintained in the Reserve Account (\$84,400) is equal to the maximum annual debt service on the Bonds and is less than 10% of the face amount of the Bonds, and is less than 125% of the average annual debt service on the Bonds.

(c) The weighted average maturity of the Bonds is 9.786020 years.

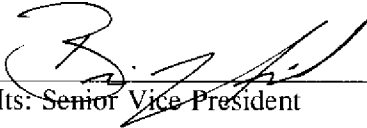
(d) The remaining weighted average maturity of the Series 1989 A Bonds is 16.421416 years. The remaining weighted average maturity of the Series 1989 B Bonds is 16.421416 years. The remaining weighted average maturity of the Series 2000 Bonds is 3.595871 years.

(e) The net interest cost on the Bonds is 5.2421379% and the yield on the Bonds is 4.9736224%.

(f) This certificate may be relied upon by the Issuer with respect to completion of its Tax and Non-Arbitrage Certificate and IRS Form 8038-G relating to the Bonds, and by Steptoe & Johnson PLLC in rendering their tax opinion with respect to the Bonds.

Dated this 21st day of November, 2003.

ROSS, SINCLAIRE & ASSOCIATES, INC.

By: 
Its: Senior Vice President

11/17/03
827720.00002



Griffith & Associates

Certified Public Accountants & Consultants

November 21, 2003

City of Sistersville
Water Refunding Revenue Bonds, Series 2003

City of Sistersville
Sistersville, West Virginia

Ross, Sinclaire & Associates, Inc.
Cincinnati, Ohio

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

In connection with the issuance and delivery of the above-captioned bonds (the "Series 2003 Bonds"), a portion of the proceeds of which will be used to prepay and current refund The City of Sistersville's (the "Issuer") (i) Water Revenue Bonds, Series 1989 A (the "Series 1989 A Bonds"), (ii) Water Revenue Bonds, Series 1989 B (the "Series 1989 B Bonds") and (iii) Water Revenue Bonds, Series 2000 (the "Series 2000 Bonds"), I have reviewed the debt service schedules (copies of which are attached hereto and incorporated herein by reference) for the Series 1989 A Bonds, the Series 1989 B Bonds, the Series 2000 Bonds, and the Series 2003 Bonds and, based upon such review, I hereby certify that the savings to be achieved by such refunding will be approximately \$94,378, determined by deducting \$1,272,427, the total debt service on the Series 2003 Bonds from \$1,332,742, the aggregate amount of the total debt service remaining on the Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds and reflecting approximately \$34,063 in debt reserve account release from the former issues.

I have also reviewed the water rates of the Issuer, as adopted by the Issuer pursuant to an ordinance enacted November 20, 2002, and the current operating expenses and customer usage as provided by the Issuer. It is my opinion that such rates are sufficient (i) to provide for all operating expenses of the waterworks system of the Issuer (the "System"), and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for the payment of principal of and interest on the Series 2003 Bonds proposed to be issued on November 21, 2003.

It is my 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 2003 Bonds are 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 Series 2003 Bonds.

Very truly yours,

Michael D. Griffith, CPA
Griffith & Associates

RESERVED

RESERVED

CITY OF SISTERSVILLE
(WEST VIRGINIA)

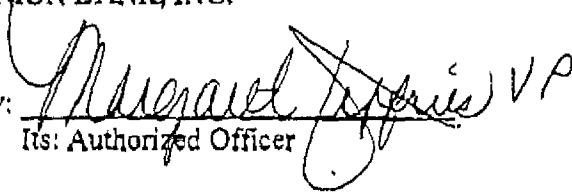
Water Refunding Revenue Bonds, Series 2003

RECEIPT AND RELEASE

The undersigned duly authorized representative of Union Bank, Inc., Sistersville, West Virginia (the "Bank"), the holder of The City of Sistersville Water Revenue Bonds, Series 2000, dated June 29, 2000, issued in the original aggregate principal amount of \$430,000, hereby certifies and declares that on the date hereof, the Bank received from The City of Sistersville (the "City") the sum of Three Hundred Twenty Six Thousand Five Hundred Fifty-Five Dollars and 20/100 (\$326,555.20) and that such sum is sufficient to pay in full the entire outstanding principal of and all interest accrued on the Series 2000 Bonds to the date hereof and to discharge all liens, pledges and encumbrances securing the Series 2000 Bonds.

Dated this 21st day of November, 2003.

UNION BANK, INC.

By:  VP
Its: Authorized Officer

11/17/03
327720/900002

CITY OF SISTERSVILLE
(WEST VIRGINIA)

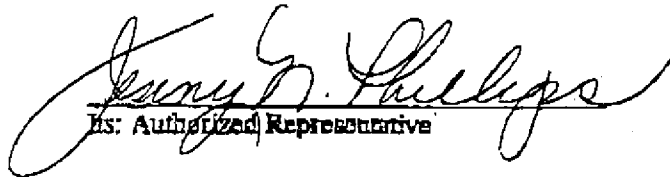
Water Refunding Revenue Bonds, Series 2003

RECEIPT AND RELEASE

The undersigned duly authorized representative of United States Department of Agriculture, Rural Utilities Service, for and on behalf of itself and the United States of America ("RUS"), the holder of The City of Sistersville Water Revenue Bonds, Series 1989 A Bonds, dated January 25, 1989, issued in the original aggregate principal amount of \$250,000 and the Water Revenue Bonds, Series 1989 B, dated January 25, 1989, issued in the original aggregate principal amount of \$240,000, hereby certifies and declares that on the date hereof, RUS received from The City of Sistersville (the "City") the sum of Four Hundred Thirty Eight Thousand Four Hundred Sixty-Six Dollars and 97/100 (\$438,466.97) and that such sum is sufficient to pay in full the entire outstanding principal of and all interest accrued on the Series 1989 A Bonds and the Series 1989 B Bonds to the date hereof and to discharge all liens, pledges and encumbrances securing the Series 1989 A Bonds and the Series 1989 B Bonds.

Dated this 21st day of November, 2003.

UNITED STATES DEPARTMENT OF
AGRICULTURE, RURAL UTILITIES SERVICE


His: Authorized Representative

11/17/03
627720/00002

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions, the interest on the Series 2003 Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Internal Revenue Code of 1986, as amended, (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (iii) under the laws of the State of West Virginia, the Series 2003 Bonds are exempt from taxation by the State of West Virginia, and the other taxing bodies of the State and the interest on the Series 2003 Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia (see "Tax Matters" herein).

\$910,000
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

Dated: November 21, 2003

Due: As shown on inside front cover

The City of Sistersville (West Virginia) Water Refunding Revenue Bonds, Series 2003 (the "Series 2003 Bonds") shall be issued only as fully registered Bonds, and when initially issued, will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only and beneficial owners of the Series 2003 Bonds will not receive physical delivery of bond certificates. So long as DTC or its nominee is the registered owner of the Series 2003 Bonds, payments of the principal of and interest on the Series 2003 Bonds will be made directly to DTC. Disbursements of such payments to DTC participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of DTC participants (see "THE SERIES 2003 BONDS--Book-Entry Bonds" herein). The Series 2003 Bonds are subject to redemption prior to maturity as more fully stated herein.

The Series 2003 Bonds are being issued by the City of Sistersville (the "City") to provide funds, together with other moneys available therefor, (i) to currently refund the City's Water Revenue Bonds, Series 1989 A; (ii) to currently refund the City's Water Revenue Bonds, Series 1989 B; (iii) to currently refund the City's Water Revenue Bonds, Series 2000; (iv) to fund the Series 2003 Bonds Reserve Account; and (v) to pay all costs of issuance and related costs.

The Series 2003 Bonds are payable from and secured by the Gross Revenues derived from the existing waterworks system of the City and any additions, betterments and improvements thereto and from funds on deposit in the Sinking Fund and the Reserve Account established therefor. The Series 2003 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provisions or limitations, and the City shall not be obligated to pay the Series 2003 Bonds, any premium or the interest thereon, except from such Gross Revenues and such funds on deposit for the Series 2003 Bonds. Neither the credit nor the taxing power of the City shall be deemed to be pledged to, nor shall a tax ever be levied for, the payment of the principal of or the premium, if any, or interest on the Series 2003 Bonds.

The City has designated the Series 2003 Bonds "qualified tax-exempt obligations" and has covenanted that it does not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations (other than private activity bonds) during the calendar year 2003. Therefore, the Series 2003 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, and the provision of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or to purchase or carry most tax-exempt obligations does not apply to the Series 2003 Bonds; accordingly, 80% of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 2003 Bonds is deductible for federal income tax purposes.

The opinions described above are subject to the condition that the City complies on a continuing basis with all requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") that must be satisfied subsequent to issuance of the Series 2003 Bonds for interest thereon to be or continue to be excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Series 2003 Bonds to be included in the gross income of the recipients thereof for purposes of federal income taxation retroactively to the date of issuance of the Series 2003 Bonds.

Fifth Third Bank, Cincinnati, Ohio, is the Registrar and the West Virginia Municipal Bond Commission, Charleston, West Virginia, is the Paying Agent. Interest on the Series 2003 Bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2004. Principal of the Series 2003 Bonds is payable annually as set forth on the inside cover page.

The Series 2003 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the City by Ryan J. Morgan, Esquire, Sistersville, West Virginia, counsel to the City. Certain legal matters will be passed upon for the Underwriter by Cox Bowling & Johnson PLLC, Lexington, Kentucky, as counsel to the Underwriter.

It is expected that the Series 2003 Bonds will be available for delivery at DTC, New York, New York, on or about November 21, 2003.



\$910,000
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

MATURITY SCHEDULE

\$20,000 Serial Bonds

<u>Maturity</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u> <u>or Yield</u>	<u>CUSIP</u> <u>Number</u>
2004	\$20,000	3.35%	3.35%	829794 AA4
\$125,000 3.35%	Series 2003 Serial Bonds due June 1, 2007 at 3.35%			829794 AB2
\$140,000 4.25%	Series 2003 Term Bonds due June 1, 2010 at 4.25%			829794 AC0
\$155,000 4.65%	Series 2003 Term Bonds due June 1, 2013 at 4.65%			829794AD8
\$245,000 5.00%	Series 2003 Term Bonds due June 1, 2017 at 5.00%			829794 AE6
\$225,000 5.50%	Series 2003 Term Bonds due June 1, 2020 at 5.50%			829794 AF3

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2003 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the City and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and any expression of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City, since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2003 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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- Appendix A - City of Sistersville
- Appendix B - Audited Financial Statement for Fiscal Year Ended June 30, 2002
- Appendix C - Proposed Form of Bond Counsel Opinion
- Appendix D - Summary of Certain Provisions of the Resolution

CITY OF SISTERSVILLE

MAYOR

William H. Rice

CITY COUNCIL

Henry Bell
Dana Johnson
Charles Heinlein
Joe Jones
Russell Weekly
Douglas Williams
Michael Grimm
Jack Bowen

CITY CLERK

Diana Mace

BOND COUNSEL

Steptoe & Johnson PLLC
Charleston, West Virginia

COUNSEL TO THE CITY

Ryan J. Morgan, Esquire
Sistersville, West Virginia

UNDERWRITER

Ross, Sinclair & Associates
Frankfort, Kentucky

UNDERWRITER'S COUNSEL

Cox Bowling & Johnson PLLC
Lexington, Kentucky

OFFICIAL STATEMENT

relating to

\$910,000
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS,
SERIES 2003

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning the City of Sistersville (the "City"), the City's waterworks system hereinafter described and defined and the City's Water Refunding Revenue Bonds, Series 2003 (the "Series 2003 Bonds"). The Series 2003 Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 8, Article 19 of the Code of West Virginia, 1931, as amended (the "Act"), and a bond authorizing ordinance duly enacted by the City Council on January 22, 2003, and a supplemental resolution adopted by the City Council on November 13, 2003 (collectively, the "Ordinance").

The proceeds of the Series 2003 Bonds, together with other funds available therefor, will be used (i) to currently refund the City's Water Revenue Bonds, Series 1989 A, dated January 25, 1989, originally issued in the aggregate principal amount of \$250,000, of which approximately \$225,000 is presently outstanding (the "Series 1989 A Bonds"); (ii) to currently refund the City's Water Revenue Bonds, Series 1989 B, dated January 25, 1989, originally issued in the aggregate principal amount of \$240,000, of which approximately \$213,000 is presently outstanding (the "Series 1989 B Bonds"); (iii) to currently refund the City's Water Revenue Bonds, Series 2000, dated June 29, 2000, originally issued in the aggregate principal amount of \$430,000, of which approximately \$326,000 is presently outstanding (the "Series 2000 Bonds"); (iv) to fund the Series 2003 Bonds Reserve Account; and (v) to pay all costs of issuance of the Series 2003 Bonds and related costs.

The Series 2003 Bonds are payable from and secured by the Gross Revenues, as defined in the Ordinance, derived from the existing waterworks system of the City and any additions, betterments and improvements thereto (the "System"), and from funds on deposit in the Series 2003 Bonds Sinking Fund and the Series 2003 Bonds Reserve Account. The Series 2003 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provisions or limitations, and the City shall not be obligated to pay the Series 2003 Bonds or any premium or the interest thereon, except from such Gross Revenues and such funds on deposit for the Series 2003 Bonds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and collect just and equitable rates and charges for the use of the System and the services rendered thereby. Such rates and charges shall be adequate at all times to produce Gross Revenues (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 2003 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2003 Bonds. See "SECURITY FOR THE SERIES 2003 BONDS - Rate Covenant." The payment of the principal or redemption price of and interest on the Series 1989 A Bonds, the Series 1989

B Bonds and the Series 2000 Bonds will be made as described hereinafter under the heading "FINANCING PLAN."

The City may issue additional bonds on a parity with the Series 2003 Bonds for the purpose of (i) financing the costs of acquisition or construction of additions, betterments and improvements to the System, or (ii) the refunding of any outstanding Bonds, or (iii) all of such purposes, subject, in each case, to certain tests and conditions provided for by the Ordinance (the Series 2003 Bonds and any such additional parity bonds are sometimes hereinafter referred to as the "Bonds"). See "SECURITY FOR THE SERIES 2003 BONDS - Additional Parity Bonds."

Brief descriptions of the Series 2003 Bonds, the Ordinance, the refunding of the Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds, the System, the City and certain provisions of the Act, are set forth in this Official Statement, as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance, the Supplemental Resolution, provisions of the Act and other applicable laws of the State are qualified in their entirety by reference to each such document or law. References herein to the Series 2003 Bonds are qualified in their entirety by reference to the form thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents. Capitalized terms used and not otherwise defined in this Official Statement have the respective meanings given them in the Ordinance.

FINANCING PLAN

The Series 2003 Bonds are being issued for the purposes of (i) currently refunding the Series 1989 A Bonds; (ii) currently refunding the Series 1989 B Bonds; (iii) currently refunding the Series 2000 Bonds; (iv) funding the Series 2003 Bonds Reserve Account; and (v) paying all costs of issuance and related costs. The Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds will be redeemed on the Closing Date, being November 21, 2003. The refunding is being undertaken to effect a savings in the aggregate debt service for the City.

Concurrently with the delivery of the Series 2003 Bonds, the City will deposit the monies required to prepay and defease the Series 1989 A Bonds and the Series 1989 B Bonds with the United States Department of Agriculture, Rural Utilities Service ("RUS"), the registered owner of the Series 1989 A Bonds and the Series 1989 B Bonds. Concurrently with the delivery of the Series 2003 Bonds, the City will deposit the monies required to prepay and defease the Series 2000 Bonds with Union Bank of Tyler County ("Union Bank"), the registered owner of the Series 2000 Bonds. The monies deposited with RUS will be sufficient to pay the principal of, premium, if any, and interest on the Series 1989 A Bonds and the Series 1989 B Bonds on the Closing Date. The monies deposited with Union Bank will be sufficient to pay the principal of, premium, if any, and interest on the Series 2000 Bonds on the Closing Date.

Upon the deposit with RUS on the Closing Date of an amount sufficient to prepay and defease the Series 1989 A Bonds and the Series 1989 B Bonds, the pledge of Gross and/or Net Revenues, the monies in the funds and accounts created under the 1989 Ordinance pursuant to which the Series 1989 A Bonds and the Series 1989 B Bonds were issued and any other funds pledged by the 1989 Ordinance for the Series 1989 A Bonds and the Series 1989 B Bonds will be discharged and satisfied. Upon the deposit with Union Bank on the Closing Date of an amount sufficient to prepay and defease the Series 2000 Bonds, the pledge of Gross Revenues, the monies in the funds and accounts created under the 2000 Ordinance pursuant to which the Series 2000 Bonds were issued and any other funds pledged by the 2000 Ordinance for the Series 2000 Bonds will be discharged and satisfied.

Estimated Sources and Uses of Funds

Sources of Funds

Par Amount of Series 2003 Bonds	\$ 910,000.00
Series 1989 A and Series 1989 B Bonds Reserve Account (1)	<u>35,000.00</u>
TOTAL	\$ 945,000.00

Uses of Funds

Discharge Series 1989 A Bonds	\$ 226,181.35
Discharge Series 1989 B Bonds	212,285.62
Discharge Series 2000 Bonds	326,555.20
Series 2003 Bonds Reserve Account (2)	84,400.00
Underwriter's Discount	20,000.00
Costs of Issuance	40,577.83
Remit Series 1989 Bonds Reserve Account	<u>35,000.00</u>
TOTAL	\$ 945,000.00

- (1) Certain monies in the existing reserve accounts for the Series 1989 A Bonds and the Series 1989 B Bonds held by the Depository Bank for such Prior Bonds.
- (2) An amount equal to the maximum amount of principal and interest which will come due on the Series 2003 Bonds in any fiscal year.

THE SERIES 2003 BONDS

General

The Series 2003 Bonds are dated and bear interest from November 21, 2003, upon original issuance. After original issuance, any Series 2003 Bond issued prior to the first interest payment will be dated November 21, 2003. Any Series 2003 Bond issued on or subsequent to said first interest payment date will be dated as of the interest payment date next preceding the date of authentication thereof; unless the date of authentication is after the Record Date but prior to the applicable interest payment date or on such interest payment date on which interest on said Series 2003 Bond shall have been paid in full or duly provided for, in which case said Series 2003 Bond shall be dated such interest payment date; or, if interest on such Series 2003 Bond shall be in default, as shown by the records of the Registrar, as defined below, then any Series 2003 Bond issued in exchange for a Series 2003 Bond surrendered for transfer or exchange shall be dated as of the date to which interest has been paid in full. The Series 2003 Bonds will bear interest from their date, payable semiannually on each June 1 and December 1, commencing June 1, 2004, upon original issuance, at the rates per annum and will mature in the years and in the amounts set forth on the cover page of this Official Statement.

The Series 2003 Bonds will be issued as fully registered bonds, in denominations of \$5,000 and integral multiples thereof for any year of maturity. Interest on the Series 2003 Bonds is payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by Fifth Third Bank, Cincinnati, Ohio, as registrar (the "Registrar"), for the registration and transfer of bonds (the "Register") as of the fifteenth (15th) day of the month preceding such interest payment date (the "Record Date") or, in the event of a default in the payment of the Series 2003 Bonds, that special record date to be fixed by the Registrar by notice given to the owners not less than 10 days prior to said special record date, or, if requested, in the case of such an owner of \$500,000 or more in principal amount of Series 2003 Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to the such interest payment date by such owner. Principal of and premium, if any, on the Series 2003 Bonds is payable to the owner thereof upon surrender thereof at the office of the West Virginia Municipal Bond Commission as paying agent (the "Paying Agent").

Book-Entry Bonds

The Series 2003 Bonds will be available to individual purchasers in book-entry form only. Purchasers of the Series 2003 Bonds will not receive certificates representing their interests in the Series 2003 Bonds purchased.

The Depository Trust Company ("DTC"), New York, New York will act as securities depository ("Securities Depository") for the Series 2003 Bonds. The Series 2003 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond will be issued for each maturity of the Series 2003 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC is a limited purpose trust company organized under New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants (the "Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need of physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange LLC, the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission.

Purchases of the Series 2003 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2003 Bonds in DTC's records. The ownership interest of each actual purchaser of each Series 2003 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series

2003 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2003 Bonds, except in the event that use of the book-entry system for the the Series 2003 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2003 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2003 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2003 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

All redemption notices shall be sent to Cede & Co. If less than all of the Series 2003 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2003 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the the Series 2003 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Series 2003 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividends to Cede & Co., (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2003 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

For every transfer and exchange of the Series 2003 Bonds, the Registrar may charge DTC, and DTC may charge the Participants and the Participants may charge the Beneficial Owners, sums sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

In the event the City determines that it is in the best interest of the Beneficial Owners that they may be able to obtain Series 2003 Bond certificates, the City may notify DTC and the Registrar, whereupon DTC will notify the Participants, of the availability through DTC of Series 2003 Bond certificates. In such event, the Registrar shall cause to be issued, transferred and exchanged Series 2003 Bond certificates as requested by DTC as Bondholder in appropriate amounts. DTC may determine to discontinue providing its service with respect to the Series 2003 Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor Securities Depository), the City and the Registrar shall be obligated to deliver Series 2003 Bond certificates as described in the Ordinance. In the event the Series 2003 Bond certificates are issued, the provisions of the Ordinance shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal or redemption price of and interest on such Series 2003 Bond certificates. Whenever DTC requests the City and the Registrar to do so, the Registrar and the City will cooperate with DTC in taking appropriate action after reasonable notice (a) to make available one or more separate certificates evidencing the Series 2003 Bonds to any Participant having the Series 2003 Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2003 Bonds.

Optional Redemption

The Series 2003 Bonds maturing on and after June 1, 2013, are subject to redemption prior to maturity, at the option of the City, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of par, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2003 Bonds maturing June 1, 2007, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2005, and on each June 1 thereafter to and including June 1, 2007, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$40,000	2007*	\$45,000
2006	40,000		

The principal amount of Series 2003 Bonds maturing June 1, 2007, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2010, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2008, and on each June 1 thereafter to and including June 1, 2010, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2008	\$45,000	2010*	\$50,000
2009	45,000		

The principal amount of Series 2003 Bonds maturing June 1, 2010, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2013, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2011, and on each June 1 thereafter to and including June 1, 2013, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$50,000	2013*	\$55,000
2012	50,000		

The principal amount of Series 2003 Bonds maturing June 1, 2013, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2017, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2014, and on each June 1 thereafter to and including June 1, 2017, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$55,000	2016	\$65,000
2015	60,000	2017*	65,000

The principal amount of Series 2003 Bonds maturing June 1, 2017, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2018, and on each

June 1 thereafter to and including June 1, 2020, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2018	\$70,000	2020*	\$80,000
2019	75,000		

The principal amount of Series 2003 Bonds maturing June 1, 2020, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

*Stated maturity.

Notice of Redemption

So long as the Series 2003 Bonds are maintained under a book-entry system, notice of the call for any redemption of the Series 2003 Bonds shall be given as described herein under "BOOK-ENTRY BONDS." At any other time, notice to the registered owner of any redemption shall be given by the Registrar not less than 30 nor more than 60 days prior to the date fixed for redemption by first class mail at the address appearing in the Register. Failure to receive such notice or any defect in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2003 Bonds; and failure to mail such notice shall not affect the validity of any such proceedings for any Series 2003 Bond with respect to which no such failure has occurred. After notice of redemption has been given in the manner hereinabove and in the Ordinance described and monies necessary therefor have been deposited, the Series 2003 Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue.

SECURITY FOR THE SERIES 2003 BONDS

The Series 2003 Bonds are special obligations of the City and are payable as to principal, premium, if any, and interest solely from the sources described below. The City is under no obligation to pay the Series 2003 Bonds except from said sources.

Sources of Payment

The payment of the debt service on the Series 2003 Bonds shall be secured equally and ratably by a first lien on the Gross Revenues derived from the System. Such Gross Revenues derived from the System in an amount sufficient to pay the principal of, premium, if any, and interest on the Series 2003 Bonds and to make all other payments provided for in the Ordinance, are irrevocably pledged to such payments as they become due.

Rate Covenant

The City covenants and agrees in the Ordinance that the schedule of rates and charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal and interest on the Series 2003 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or subordinate to the Series 2003 Bonds. In any event, the City shall not reduce the rates or charges for services set forth in the rate ordinance currently in effect.

The City has covenanted to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for services and facilities of the System within 30 days following a determination by an Independent 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.

Reserve Account

Pursuant to the Ordinance, there will be established with the Commission the Series 2003 Bonds Reserve Account in an amount equal to the Series 2003 Bonds Reserve Requirement. The "Series 2003 Bonds Reserve Requirement" is defined under the Ordinance as the lesser of (i) 10% of the original stated principal amount of the Series 2003 Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2003 Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2003 Bonds. Monies in the Series 2003 Bonds Reserve Account shall be used only to pay principal of and interest on the Series 2003 Bonds as due, when amounts in the Sinking Fund are insufficient therefor; provided, that no payments shall be required to be made into the Series 2003 Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2003 Bonds Reserve Requirement. The City is required to restore any withdrawals from the Series 2003 Bonds Reserve Account which have the effect of reducing the assets therein below the Series 2003 Bonds Reserve Requirement, first from Net Revenues and then from the Renewal and Replacement Fund after all other required payments to the Sinking Fund for the Series 2003 Bonds, including any deficiencies for prior payments, have been made in full.

Renewal and Replacement Fund

The City is required to transfer from the Revenue Fund to the Renewal and Replacement Fund a sum equal to 2½ % of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account.

Withdrawals and disbursements from the Renewal and Replacement Fund may be made for: (a) paying costs of replacements, repairs, improvements or extensions to the System or (b) making up any deficiency in the Series 2003 A Bonds Reserve Account.

Application of Revenues

All Gross Revenues are to be deposited in the Revenue Fund established with a state banking corporation or national banking association selected by the City (the "Depository Bank"), for disposition in the following order of priority: (1) first, for monthly deposit in the Series 2003 Bonds Sinking Fund, a sum equal to 1/6 of the amount of interest which will become due on the Series 2003 Bonds on the next ensuing semiannual interest payment date; (2) next, for monthly deposit in the Series 2003 Bonds Sinking Fund, a sum equal to 1/12 of the amount of principal which will mature or be redeemed and become due on the Series 2003 Bonds on the next ensuing principal payment date or mandatory redemption date (provided, that until the first interest payment date, the City shall make equal monthly payments into the Series 2003 Bonds Sinking Fund in an amount which shall be reduced by any earnings credited to the Series 2003 Bonds Sinking Fund, if any, will be sufficient to pay principal and interest due on the first principal and interest date); (3) next, to pay the current monthly Operating Expenses of the System; (4) next, remit to the Commission the amount required for restoration of any deficiency in the funding of the Series 2003 Bonds Reserve Account; and (5) next, for monthly transfer to the Renewal and Replacement Fund, a sum equal to 2 ½% of Gross Revenues each month, exclusive of any payments for account of any Reserve Account.

As described under "Sources of Payment" above, the Series 2003 Bonds are secured by a first lien on the Gross Revenues of the System.

Enforcement of Collections

The City covenants in the Ordinance to diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals and other charges that shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the PSC and other laws of the State. Under the Act, as hereinafter defined, all such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

The City further covenants and agrees that it will, to the full extent permitted by law and regulations promulgated by the PSC, discontinue and shut off the services and facilities of the System to all delinquent users of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, plus reasonable interest and penalty charges for the restoration of service, has been fully paid. (See "THE SYSTEM - Customer Statistics.")

Additional Parity Bonds

The Ordinance provides for the issuance of additional bonds on a parity with the Series 2003 Bonds with respect to their lien on the Gross Revenues of the System and their source of and security for payment from said Gross Revenues (the "Parity Bonds") for the following purposes and under the following conditions:

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

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

- A. The Bonds then Outstanding;
- B. Any Parity Bonds theretofore issued pursuant to the provisions contained in the 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 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the City, the period for appeal of which has expired prior to the date of issuance of such additional Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountant, on account of increased rates, rentals, fees and charges for the System enacted by the City, the period for appeal of which has expired prior to issuance of such additional Parity Bonds.

All covenants and other provisions of the Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with the Ordinance. 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 City shall comply fully with all the increased payments into the various funds and accounts created in the Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Ordinance.

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

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

THE SYSTEM

The City's existing waterworks system currently has a capacity to pump 1,368,000 gallons of water per day. The average daily usage from all sources as of June 30, 2003 is 260,173 gallons per day, leaving 1,107,827 gallons of unused capacity.

As of June 30, 2003, the City had 842 customers, of which 741 are residential (88%), 80 are commercial (10%), 5 are industrial (.5%) and 16 are public authorities (1.5%). A more detailed description of the City's customer base is detailed herein. See "THE SYSTEM--Customer Statistics."

Council

The City is governed by an elected Council. The Council members, officers, terms and occupations are listed below:

<u>Council</u>	<u>Term Ends</u>	<u>Occupation</u>
Henry Bell	March, 2006	Business Owner
Dana Johnson	March, 2004	Fitter/Welder
Charles Heinlein	March, 2006	High School Principal
Joe Jones	March, 2004	Retired
Russell Weekly	March, 2006	Laborer
Douglas Williams	March, 2004	Mechanic
Michael Grimm	March, 2006	Furnace Operator
Jack Bowen	March, 2004	Laborer

The City has 18 full-time employees and 7 part-time employees.

Ryan J. Morgan, Esquire, provides legal services, and Michael D. Griffith, Certified Public Accountant, provides accounting services to the City. Engineering services are obtained by the City as needed for project development and construction.

Customer Statistics

The average number of customers of the System for the past five fiscal years are as follows:

<u>Fiscal Year (ending June 30)</u>	<u>Number of Customers</u>
1999	901
2000	901
2001	901
2002	856
2003	842

Source: City of Sistersville

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The following table sets forth the ten (10) largest customers of the System, the gallons sold and the percentage of total consumption for the fiscal year ended June 30, 2003:

<u>Customer</u>	<u>Gallons Sold</u>	<u>Percentage of Total Consumption</u>
Sistersville Nursing Home	4,740,000	7.12%
Timber Ridge Apartments	2,340,000	3.58%
The Wells Inn	1,200,000	1.80%
Sistersville General Hospital	864,000	1.29%
Sistersville Elementary	672,000	1.00%
Butchers Laundrymat	468,000	.07%
River View Apartments	420,000	.06%
The Par Mar	240,000	.04%
Elks Lodge	228,000	.03%
Pruntys Pharmacy	<u>180,000</u>	<u>.02%</u>
	11,352,000	15.01%

Source: City of Sistersville

Rates

Pursuant to the Act, the governing body of a municipality must establish and maintain rates and charges for the use of and the service rendered by the System sufficient for the payment of sums required to be paid into the sinking fund and to provide for the repair, replacement, maintenance and operation of the System.

The Act provides that rates and charges shall be established by ordinance, but only after the ordinance has been published and a public hearing has been held.

Rates and charges established by municipally operated utilities must be just, reasonable, applied without unjust discrimination or preference and based primarily on the costs of providing service. Such rates and charges must be filed with the Public Service Commission together with information showing the basis of such rates, but generally are not subject to regulatory approval. However, any customer of a municipally operated utility aggrieved by a rate change may present to the Public Service Commission, within 30 days of the enactment of the ordinance providing for the change, a petition signed by not less than 25 percent of the customers served by the utility. Within 100 days from the filing of any such petition a hearing examiner must conduct a public hearing and issue an order approving, disapproving or modifying the rate increase. Such order has the full force and effect of an order issued by the Public Service Commission. Also, if a municipally operated utility serve customers outside the boundaries of the municipality, the Public Service Commission is empowered to review, approve or modify such rates if, within 30 days of the enactment of the ordinance providing for such rates, a customer alleges that such rates are discriminatory. The Public Service

Commission may determine the method by which such rates are reviewed and may grant and conduct a new hearing on the matter if the customer of the municipality requests such a hearing.

Current Rates

The City Council enacted a water rate ordinance on January 10, 2003, which became effective on June 1, 2003. The current rates are as follows:

Rates (Based upon the metered amount of water supplied)

First	2,000 gallons used per month	\$19.20 per 2,000 gallons
Next	1,000 gallons used per month	\$5.90 per 1,000 gallons
Over	2,000 gallons used per month	\$5.90 per 1,000 gallons

Flat Rate

For Commercial or Industrial Customers — \$33.95 per month.

Minimum Bill

No bill shall be rendered for less than \$19.20 per month.

Tapping Fee

A fee of \$250 will be charged for connecting to the System.

Rates For Fire Protection

Fire Hydrants, residential	\$5.00 per month
Fire Hydrants, commercial	\$7.50 per month

Billing and Collections

The City bills each customer monthly, based on the actual water meter reading for the previous month. Payments are accepted for 20 days after the billing date before a late penalty of 10% is added. If bills are not paid within 42 days, then water shutoff procedures are commenced. Water service is not restored until the account is settled in full.

The City has covenanted to diligently enforce and collect all fees and charges as described in "SECURITY FOR THE SERIES 2003 BONDS -- Enforcement of Collections" herein.

System Budget and Expenditure

An operating budget is prepared annually and is approved by the Council.

Method of Accounting

The City maintains its accounts on an accrual basis and prepares its financial statements in accordance with generally accepted accounting principles. Howard M. Cloke, III, Certified Public Accountant, Barboursville, West Virginia, audited the records of the City for the fiscal year ended June 30, 2002(See "Appendix B - Audited Financial Statement for Fiscal Year Ended June 30, 2002".)

Retirement System

All full-time employees of the City are covered by the West Virginia Public Employees Retirement System, cost-sharing multi-employer PERS.

All full-time employees are eligible and must participate in the State PERS. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. A member may retire after reaching the age of 60 and accumulating 5 years of credited service in force. Benefits generally vest in varying degrees once a member attains 5 or more years of credited service in force. Employees who retire at age 60 with 5 or more years of credited service in force are entitled to pension payments for the rest of their lives equal to 2% of their highest three-year average salary times the number of years for which they were employed as a participant in the State PERS.

Pension provisions include annuity options to provide benefits to a member's nominated beneficiary if so elected. In addition, disability retirement is provided for members who meet certain requirements as specified in the Act. The City's covered payroll amounted to \$347,672.75 for the year ended June 30, 2003.

Employees are given an option as to paying any percentage of their gross earnings to the pension plan. Total contributions made during the fiscal year ended June 30, 2003 amounted to \$15,000. Information regarding the plan is available from the State of West Virginia.

Summary of Historical Revenues and Expenses

The following schedule summarizes historical revenues and expenses of the System for the five fiscal years ended June 30:

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Description	06/30/98	06/30/99	06/30/00	06/30/01	06/30/02	06/30/03
Operating Revenues	\$ 227,138	\$ 253,903	\$ 262,179	\$ 322,593	\$ 317,089	\$ 355,944
Operating Expenses:						
Operation & Maintenance Expense	185,872	213,254	215,140	200,024	214,239	227,663
Depreciation Expense	42,156	42,156	52,437	51,966	51,488	51,488
Amortization	11	11	11	11	11	11
Taxes other than income taxes	4,892	4,733	5,389	5,800	6,063	5,746
TOTAL OPERATING EXPENSES	232,931	260,154	272,977	257,801	271,801	284,908
Operating Income	(5,793)	(6,251)	(10,798)	64,792	45,288	71,036
Gains (losses) from disposition of utility property	0	0	0	0	0	0
TOTAL OPERATING INCOME	(5,793)	(6,251)	(10,798)	64,792	45,288	71,036
OTHER INCOME AND DEDUCTIONS						
Interest and dividend Income	6,918	6,779	260	705	1,194	746
Gains (losses) from disposition of property	0	0	0	0	0	0
TOTAL OTHER INCOME	6,918	6,779	260	705	1,194	746
Misc. Income deductions	0	0	0	0	0	0
INCOME DEDUCTIONS	0	0	0	0	0	0
Net other Income and deductions	6,918	6,779	260	705	1,194	746
INTEREST CHARGES						
Interest on long term debt	33,900	40,314	49,409	59,830	58,234	53,812
Other Interest expense			234			
TOTAL INTEREST CHARGE	33,900	40,314	49,643	59,830	58,234	53,812
Income before extraordinary items	(32,775)	(39,786)	(60,181)	5,667	(11,752)	17,970
EXTRAORDINARY ITEMS	0	0	0	0	0	0
NET INCOME	(\$32,775)	(\$39,786)	(\$60,181)	\$ 5,667	(\$11,752)	\$17,970

Source: Public Service Commission Reports

Annual Debt Service Requirements

The following table sets forth for each fiscal year during which the Series 2003 Bonds will be outstanding and the amounts payable from Net Revenues as principal of and interest on the Series 2003 Bonds.

DEBT SERVICE REQUIREMENTS

FY Ending June 30	Principal Amount	Interest Amount	Less: DSR Principal	Total Requirements
2004	\$20,000	\$22,504		\$42,504
2005	\$40,000	\$41,970		\$81,970
2006	\$40,000	\$40,630		\$80,630
2007	\$45,000	\$39,290		\$84,290
2008	\$45,000	\$37,783		\$82,783
2009	\$45,000	\$35,870		\$80,870
2010	\$50,000	\$33,958		\$83,958
2011	\$50,000	\$31,833		\$81,833
2012	\$50,000	\$29,508		\$79,508
2013	\$55,000	\$27,183		\$82,183
2014	\$55,000	\$24,625		\$79,625
2015	\$60,000	\$21,875		\$81,875
2016	\$65,000	\$18,875		\$83,875
2017	\$65,000	\$15,625		\$80,625
2018	\$70,000	\$12,375		\$82,375
2019	\$75,000	\$ 8,525		\$83,525
2020	\$80,000	\$ 4,400	\$84,400	0
Totals:	\$910,000	\$446,827	\$84,400	\$1,272,427

Coverage Ratios

Under the Ordinance, the City has covenanted to collect fees and charges such that Net Revenues available for debt service are not less than 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2003 Bonds and all other obligations secured by a lien or payable from such revenues prior to or on a parity with the Series 2003 Bonds. See "SECURITY FOR THE SERIES 2003 BONDS -- Rate Covenant" herein.

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The table below lists the coverage amounts for fiscal year ending June 30, 2003 and post refinance pro forma:

**WATER CASH FLOW ANALYSIS FOR REFINANCE COVERAGE
BASED ON THE FISCAL YEAR ENDED JUNE 30, 2003**

<u>Cash Available:</u>	<u>Per Books June 30, 2003(1)</u>	<u>POST REFINANCE Pro Forma</u>
<i>Operating Revenues</i>		
Water Revenues	\$345,872	\$ 407,700
Other Operating Revenues	10,072	10,400
<i>Other Income</i>		
Interest and Investment	\$ 746	\$ 1,900
TOTAL CASH AVAILABLE	\$356,690	\$420,000
 <u>Cash Requirements:</u>		
Operation & Maintenance Expenses	\$227,663	\$275,000
Taxes Other Than Income Taxes	<u>5,746</u>	<u>6,600</u>
CASH REQUIREMENTS	\$233,409	\$281,600
 CASH AVAILABLE FOR DEBT SERVICE (A)	 \$123,281	 \$138,400
 <u>Debt Service Requirements:</u>		
Principal Payments	\$57,293	\$ 40,000
Interest Expense	<u>53,812</u>	<u>42,300</u>
DEBT SERVICE SUBTOTAL	\$111,105	\$ 82,300
Debt Service Reserve (10% P & I)	FULLY FUNDED	FULLY FUNDED
Depreciation Reserve (2.5% Revenues)	\$ 24	\$ 10,200
DEBT SERVICE REQUIREMENT	\$111,129	\$ 92,500
 CASH AVAILABLE FOR CAPITAL/CONTINGENCIES	 \$ 12,152	 \$ 45,900
CAPITAL ADDITIONS	\$ 0	\$ 25,000
MAXIMUM ANNUAL DEBT SERVICE (B)	\$ 98,000	\$ 84,600
DEBT SERVICE COVERAGE (A/B)	125.80%	163.59%

(1) Unaudited. The City anticipates its 2003 audit to be completed in March, 2004. The City does not reasonably anticipate any change in the numbers set forth above.

Source: City of Sistersville

LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse affect on the City's financial position or on the validity of the Series 2003 Bonds, the Ordinance, or any agreement to which the City is a party and which is a part of the issuance of the Series 2003 Bonds.

LEGAL MATTERS

The authorization and issuance of the Series 2003 Bonds are subject to the approval of legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. Bond Counsel will render an opinion in substantially the form set forth in Appendix C to this Official Statement. Certain legal matters will be passed upon for the City by its counsel, Ryan J. Morgan, Esquire, Sistersville, West Virginia, and for the Underwriter by its counsel, Cox Bowling & Johnson PLLC, Lexington, Kentucky.

TAX MATTERS

In the opinion of Steptoe & Johnson PLLC, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions, the interest on the Series 2003 Bonds (a) is excludable from gross income for federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Internal Revenue Code of 1986, as amended (the "Code"), (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (c) under existing West Virginia law, the Series 2003 Bonds are exempt from taxation by the State of West Virginia or the other taxing bodies of the State and the interest on the Series 2003 Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State West Virginia. For the purposes of computing the alternative minimum tax on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted net book income.

Pursuant to Section 265(b)(3)(D)(ii) of the Code, the Series 2003 Bonds shall be treated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code, and the provision of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or to purchase or carry most tax-exempt obligations does not apply to the Series 2003 Bonds. Accordingly, 80% of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 2003 Bonds is deductible for federal income tax purposes.

The opinions described above are subject to the condition that the City complies on a continuing basis with all requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") that must be satisfied subsequent to issuance of the Series 2003 Bonds for interest thereon to be or continue to be excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Series 2003 Bonds to be included in the gross income of the recipients thereof for purposes of federal income taxation retroactively to the date of issuance of the Series 2003 Bonds.

The accrual or receipt of the interest on the Series 2003 Bonds may otherwise affect the federal income tax liability of certain recipients. The extent of these and other consequences will depend upon the recipient's particular tax status or other consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences, and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Series 2003 Bonds.

UNDERWRITING

Ross, Sinclair & Associates, as Underwriter, has agreed, subject to certain conditions, to purchase the Series 2003 Bonds from the City at a price of \$890,000 (par amount of \$910,000 less Underwriter's Discount of \$20,000). The Underwriter will be obligated to purchase all of the Series 2003 Bonds if any are purchased. The Series 2003 Bonds may be offered and sold to certain dealers (including investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the public offering price stated on the cover page of this Official Statement, and such public offering price also may be changed without prior notice, from time to time, by the Underwriter.

ACCOUNTANT'S CALCULATIONS

Michael D. Griffith, Certified Public Accountant, Alum Creek, West Virginia, will certify the debt service savings and coverage requirements.

FINANCIAL STATEMENTS OF THE CITY

Included herein as Appendix B is the audited financial statement (and reports with respect thereto) of the City as of June 30, 2002, prepared by Howard M. Cloke, III, Certified Public Accountant, Barboursville, West Virginia 25504. The financial statement has been included herein in reliance upon the reports of the preparers thereof as experts in auditing and accounting. The City anticipates its 2003 audit to be completed in March, 2004. The City does not reasonably anticipate any change in the numbers set forth herein.

CONTINUING DISCLOSURE

The City is not required to provide an Undertaking for the benefit of the Registered Owners of the Series 2003 Bonds.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2003 Bonds.

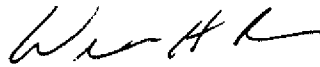
Copies of the Ordinance, the Undertaking and other applicable documents may be obtained from the City at the following address:

City of Sistersville
200 Diamond Street
Sistersville, West Virginia 26175
Attention: City Clerk

or, during the period of offering the Series 2003 Bonds, from the Underwriter.

The execution and distribution of this Official Statement has been duly authorized by the City.

CITY OF SISTERSVILLE



By: /s/ William H. Rice
Mayor

Appendix A

City of Sistersville

The City of Sistersville is located in Tyler County, West Virginia. Tyler County was created by an act of the Virginia General Assembly on December 16, 1814, from parts of Ohio County, West Virginia. The county was named in honor of John Tyler (1747 - 1813), a member of the Virginia General Assembly, Governor of the State of Virginia, and Judge of the U. S. District Court for Virginia. His son, John Tyler, was the 10th President of the United States.

Charles Wells was the first English settler in the area, building a cabin near the present site of Sistersville in 1776. After Charles Wells died, his estate was passed to his daughters, Sarah and Deliah, and Sistersville, built on the Wells' property, was named in their honor. Sistersville was incorporated on February 2, 1839.

Sistersville comprises a land area of .52 square miles. In 2000, Sistersville had a population of 1,588 people, of which 845, or 53.2%, were female and 743, or 46.8%, were male. The median resident age in 2000 was 40.6 years. The median household income for Sistersville residents in 2000 was \$26,799.

Source: U. S. Census Bureau, 2000 Census

The following table represents the current labor force and employment data for Tyler County and the state of West Virginia:

Calendar Year	Area	Civilian Labor Force	Total Employment	Total Unemployment	Unemployment Rate
2002	Tyler County	3,874	3,482	390	5.1%
	West Virginia	804,000	755,000	49,000	6.1%
2001	Tyler County	4,360	4,130	230	5.3%
	West Virginia	822,000	782,000	40,000	4.8%
2000	Tyler County	4,390	4,150	240	5.5%
	West Virginia	810,000	765,000	45,000	5.5%
1999	Tyler County	4,310	3,990	320	7.4%
	West Virginia	816,000	763,000	54,000	6.6%
1998	Tyler County	4,100	3,750	350	8.5%
	West Virginia	797,000	744,000	53,000	6.6%
1997	Tyler County	4,200	3,910	290	6.8%
	West Virginia	803,000	748,000	55,000	6.9%

Source: West Virginia Bureau of Employment Programs - Employment and Unemployment Statistics

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Appendix B

Audited Financial Statement for Fiscal Year Ended June 30, 2002

Appendix C

[Letterhead of Steptoe & Johnson PLLC]
(Form of Approving Bond Counsel Opinion)

November 21, 2003

City of Sistersville (West Virginia)
Water Refunding Revenue Bonds, Series 2003

City of Sistersville
Sistersville, West Virginia

Ross, Sinclair & Associates
Frankfort, Kentucky

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Sistersville (the "Issuer") and examined a record of proceedings relating to the issuance by the Issuer of its \$910,000 in aggregate principal amount Water Refunding Revenue Bonds, Series 2003 (the "Bonds").

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 18, Article 19 of the West Virginia Code of 1931, as amended (the "Act") and a Bond Ordinance duly enacted by the Issuer on January 22, 2003, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 13, 2003 (collectively, the "Ordinance") and are subject to all the terms and conditions of the Ordinance. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinance.

The Bonds are issued in fully registered form, are dated November 21, 2003, upon original issuance, mature on June 1 in years and amounts and bear interest payable each June 1 and December 1, commencing June 1, 2004, as follows:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
2004	\$20,000	3.35%	3.35%

\$125,000 3.35% Series 2003 Serial Bonds due June 1, 2007 at 3.35%

\$140,000	4.25%	Series 2003 Term Bonds due June 1, 2010 at 4.25%
\$155,000	4.65%	Series 2003 Term Bonds due June 1, 2013 at 4.65%
\$245,000	5.00%	Series 2003 Term Bonds due June 1, 2017 at 5.00%
\$225,000	5.50%	Series 2003 Term Bonds due June 1, 2020 at 5.50%

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity on the dates, in the amounts and at the redemption prices set forth in the Ordinance.

The Ordinance provides that the issue is for the purposes of paying a portion of the costs necessary to current refund all of (i) the Issuer's outstanding Water Revenue Bonds, Series 1989 A, dated January 25, 1989, issued in the original aggregate principal amount of \$250,000, of which \$225,000 is presently outstanding (the "Series 1989 A Bonds"); (ii) the Issuer's outstanding Water Revenue Bonds, Series 1989 B, dated January 25, 1989, issued in the original aggregate principal amount of \$240,000, of which \$213,000 is presently outstanding (the "Series 1989 B Bonds"); and (iii) the Issuer's outstanding Water Revenue Bonds, Series 2000, dated June 29, 2000, issued in the original aggregate principal amount of \$430,000, of which \$326,000 is presently outstanding (the "Series 2000 Bonds"); (ii) fund a reserve account for the Bonds; (iii) pay costs of issuance of the Bonds and other costs in connection with such refunding; and (iv) pay the costs of acquisition and construction of certain additions, betterments and improvements to the Issuer's public waterworks system (the "System").

The Bonds have been sold to Ross, Sinclair & Associates, Inc. (the "Purchaser"), pursuant to a Bond Purchase Agreement dated November 19, 2003, and accepted by the Issuer (the "Purchase Agreement").

Except as specifically set forth in our opinion of even date herewith rendered to Ross, Sinclair & Associates, Inc., as Underwriter, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement, dated November 17, 2003 (the "Official Statement"), or other offering material relating to the Bonds and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Purchaser and other entities contained in the Ordinance, the Tax and Non-Arbitrage Certificate and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer, the Purchaser and other entities pertaining to tax matters set forth in the Ordinance and the Tax and Non-Arbitrage Certificate and with certain certificates delivered in connection with the issuance of the Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and validly existing municipal corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to refund the Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds, enact the Ordinance, enter into the Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively enacted the Ordinance, has authorized, executed and delivered the Purchase Agreement and has issued and delivered the Bonds to the Purchaser pursuant to the Purchase Agreement. The Ordinance is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Purchase Agreement constitutes a valid, legal, binding and enforceable instrument of the Issuer in accordance with its terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable limited obligations of the Issuer, payable and enforceable in accordance with their terms and the terms of the Ordinance, and are entitled to the benefits of the Ordinance and the Act.

4. Under the laws, regulations, published rulings and judicial decisions of the United States of America existing on the date hereof, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. Ownership of tax-exempt obligations, including the Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. We offer no opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors as to such consequences. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Ordinance, and the Tax and Non-Arbitrage Certificate. Failure to comply with such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds except as expressly set forth in paragraph 5.

5. Pursuant to Section 265(b)(3)(D)(ii) of the Code, the Series 2003 A Bonds shall be treated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code and shall be deemed so designated as the Series 2003 A Bonds and the issue of which they are a part satisfy the requirements set forth in Section 265(b)(3)(D)(ii) of the Code. Therefore, the Series 2003 A Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

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

7. The Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds have all been paid within the meaning and with the effect expressed in the 1989 Ordinance and the 2000 Ordinance, respectively, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 1989 A Bonds, the Series 1989 B Bonds and the Series 2000 Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the receipts of the holders of the Prior Bonds.

8. The Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Bonds, to register any securities under said Securities Acts.

9. The Bonds have been duly authorized, issued, executed and delivered by the Issuer and are

valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Ordinance and secured by a first lien on and pledge of the Net Revenues of the System, all in accordance with the terms of the Bonds and the Ordinance.

It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds, the Ordinance and the Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

Appendix D

Summary of Certain Provisions of the Ordinance

The following is a summary of certain provisions of the Ordinance. The summary does not purport to be a comprehensive statement of the terms and provisions thereof, for which reference is made to the complete text of the Ordinance, copies of which may be obtained from the City or, during the period of the offering of the Bonds, from the Underwriter.

Certain Definitions

“Act” or “Refunding Act” means Chapter 8, Article 19 of the West Virginia Code of 1931, as amended and in effect on the date of delivery of the Series 2003 Bonds.

“Authorized Newspaper” means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer and Redemption Digest.

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

“Bond Commission” means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Bond Commission.

“Bond Counsel” shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the City, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

“Bondholder,” “Holder of the Bonds,” “Owner of the Bonds” or any similar term means any person who shall be the registered owner of any outstanding Bond.

“Bond Register” means the books of the City maintained by the Registrar for the registration and transfer of Bonds.

“Bond Year” means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, or such other period as shall be determined by the City, except that the first Bond Year shall begin on the Closing Date.

“Bonds” means the Series 2003 Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained in the Ordinance.

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

“Certificate of Authentication and Registration” means the Certificate of Authentication and Registration on the Series 2003 Bonds, in substantially the form set forth in EXHIBIT A - BOND FORM of the Ordinance.

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

“City Clerk” means the Clerk of the City.

“Closing Date” means the date upon which there is an exchange of the Series 2003 Bonds for the proceeds representing the original purchase price thereof.

“Costs” or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Prior Bonds, interest accruing or to accrue thereon, redemption, premiums, premiums for municipal bond insurance, if any, expenses for fiscal or other agents, legal expenses and any other costs or expenses necessary, incidental, desirable or appurtenant to the issuance of the Series 2003 Bonds and the refunding of the Prior Bonds.

“Code” shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

“Costs of Issuance” shall mean those costs of issuing the Series 2003 Bonds, including, but not limited to, legal, accounting, fiscal agent fees and expenses and fees in connection therewith.

“Costs of Issuance Fund” means the Costs of Issuance Fund created by Section 4.01 of the Ordinance.

“Depository Bank” means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the City as Depository Bank.

“DTC” means the Depository Trust Company, New York, New York, or its successor thereof.

“DTC-eligible” means, with respect to the Series 2003 Bonds, meeting the qualifications prescribed by the Depository Trust Company, New York, New York.

“Event of Default” means any occurrence or event specified in Section 7.01 of the Ordinance.

“FDIC” means the Federal Deposit Insurance Corporation or any successor to the functions of the FDIC.

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

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

“Government Obligations” means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are

obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

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

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

“Net Proceeds” means the face amount of the Series 2003 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2003 Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2003 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

“Nonpurpose Investment” means any investment property which is acquired with the gross proceeds of the Series 2003 Bonds and is not acquired in order to carry out the governmental purpose of the Series 2003 Bonds.

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

“Ordinance” means the Ordinance and all resolutions and ordinances supplemental hereto or amendatory thereof.

“1989 Ordinance” means the ordinance, as supplemented, of the City, authorizing the Series 1989 A Bonds and the Series 1989 B Bonds.

“2000 Ordinance” means the ordinance, as supplemented, of the City, authorizing the Series 2000 Bonds.

“Original Purchaser” means Ross, Sinclair & Associates, Frankfort, Kentucky, as the purchaser of the Series 2003 Bonds directly from the City, or, if the City and such Original Purchaser do not agree to the

purchase of the Series 2003 Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2003 Bonds directly from the City, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the City shall agree to the purchase of the Series 2003 Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said Supplemental Resolution to be adopted by the City at the time of approval of such sale of said Series 2003 Bonds.

"Outstanding," when used with reference to the Series 2003 Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the City. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as a Bond Insurer has been reimbursed in full.

"Paying Agent" means the Bond Commission or other entity designated as such for the Series 2003 Bonds in the Supplemental Resolution, and any successor thereto appointed in accordance with Section 8.12 of the Ordinance.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Prior Bonds" means, collectively, the Series 1989 Bonds and the Series 2000 Bonds.

"Prior Ordinances" means, collectively, the 1989 Ordinance and the 2000 Ordinance.

"Purchase Price," for the purpose of computation of the Yield of the Series 2003 Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2003 Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the Series 2003 Bonds of each maturity is sold or, if the Series 2003 Bonds are privately placed, the price paid by the first buyer of the Series 2003 Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2003 Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2003 Bonds.

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

- (a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

"Record Date" means the day of the month which shall be so stated in the Series 2003 Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means the date fixed for redemption of any Bonds of the City called for

redemption.

“Redemption Price” means the price at which any Bonds of the City may be called for redemption and includes the principal of and interest on such Bonds to be redeemed, plus the interest and premium, if any, required to be paid to effect such redemption.

“Registrar” means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2003 Bonds, and any successor thereto appointed in accordance with Section 8.08 of the Ordinance.

“Regulations” means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

“Renewal and Replacement Fund” means the Renewal and Replacement Fund created by the Prior Ordinances and continued by the Ordinance.

“Representation Letter” means the Letter Agreement among the City, DTC and the Paying Agent.

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

“Series 1989 A Bonds” means the City’s Water Revenue Bonds, Series 1989 A, as described in Section 1.02B of the Ordinance.

“Series 1989 B Bonds” means the City’s Water Revenue Bonds, Series 1989 B, as described in Section 1.02B of the Ordinance.

“Series 2000 Bonds” means the City’s Water Revenue Bonds, Series 2000, as described in Section 1.02B of the Ordinance.

“Series 2003 Bonds” means the Water Refunding Revenue Bonds, Series 2003, of the City, originally authorized to be issued pursuant to the Ordinance.

“Series 2003 Bonds Redemption Account” means the Series 2003 Bonds Redemption Account created by Section 4.02 of the Ordinance.

“Series 2003 Bonds Reserve Account” means the Series 2003 Bonds Reserve Account created by Section 4.02 of the Ordinance.

“Series 2003 Bonds Reserve Requirement” means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2003 Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2003 Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2003 Bonds.

“Series 2003 Bonds Sinking Fund” means the Series 2003 Bonds Sinking Fund created by Section 4.02 of the Ordinance.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order amendatory hereof or supplemental to the Ordinance and, when preceded by the article “the,” refers specifically to the Supplemental Resolution

to be adopted by the City following enactment of the Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2003 Bonds and authorizing the sale of the Series 2003 Bonds to the Original Purchaser and setting forth provisions specific to the Bond Insurer, if any; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

“Surplus Revenues” means the Gross Revenues and Net Revenues not required by the Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the City, including, without limitation, the Renewal and Replacement Fund and any reserve accounts.

“System” means the complete existing public waterworks system now owned by the City, consisting of a water treatment and distribution system and shall include any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the City.

“Term Bonds” means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 of the Ordinance.

Disposition of Proceeds of Bonds

A. Upon the issuance and delivery of the Series 2003 Bonds, the City shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2003 Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2003 Bonds Sinking Fund and applied to payment of interest on the Series 2003 Bonds at the first interest payment date.

2. An amount of the proceeds of the Series 2003 Bonds which, together with other monies or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the Prior Bonds (which amount shall be set forth in the Supplemental Resolution) shall be deposited in the respective Prior Bonds Sinking Funds or paid directly to the holders of the Prior Bonds.

3. An amount of the proceeds of the Series 2003 Bonds equal to a portion of the Series 2003 Bonds Reserve Requirement shall be remitted to the Bond Commission for deposit in the Series 2003 Bonds Reserve Account; provided that, to the extent the Series 2003 Bonds Reserve Requirement is satisfied in whole or in part from proceeds of any fund or account established for the Prior Bonds pursuant to the Prior Ordinances, proceeds of the Series 2003 Bonds shall be deposited in the Series 2003 Bonds Reserve Account only to the extent needed to satisfy a portion of the Series 2003 Bonds.

4. An amount of the proceeds of the Series 2003 Bonds which shall be sufficient to pay all the costs of issuance of the Series 2003 Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2003 Bonds and miscellaneous costs of refunding the Prior Bonds. All such costs of issuance shall be paid within 60 days of the Closing Date. Monies not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with the Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred by the City to the Series 2003 Bonds Redemption Account. All such proceeds transferred to the Series 2003 Bonds Redemption Account shall constitute a trust fund for such purposes, and there hereby is created

a lien upon such monies until so applied in favor of the Holders of the Series 2003 Bonds.

5. The balance of any proceeds of the Series 2003 Bonds and any monies in any fund or account established for the Prior Bonds pursuant to the Prior Ordinances, not used for any of the purposes set forth above, shall be deposited in the Construction Fund and shall be drawn out, used and applied by the City solely to pay the costs of acquisition and construction of certain improvements and extensions to the System (the "Project"). All such costs of the Project shall be paid within 6 months of the Closing Date. Monies not to be applied immediately to pay such costs of the Project may be invested in accordance with the Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2003 Bonds.

Investments

The City shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by the Ordinance in Qualified Investments to the fullest extent possible under applicable laws, the Ordinance, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in the Ordinance.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The City shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The City may make any and all investments permitted by the Ordinance through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Series 2003 Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The City shall, or shall cause the Bond Commission to semiannually transfer from the Series 2003 Bonds Reserve Account to the Series 2003 Bonds Sinking Fund, any earnings on the monies deposited therein and any other funds in excess of the requirement therefor; provided, however, that there shall at all times remain on deposit in the Series 2003 Bonds Reserve Account an amount at least equal to the Series 2003 Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2003 Bonds Reserve Account, whereupon such account shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2003 Bonds Reserve Account shall, at any time, be less than the Series 2003 Bonds Reserve Requirement, the Bond Insurer, if any, shall be notified immediately of such deficiency, such deficiency shall be made up from the first available Net Revenues in the order set forth in Section 4.03 of the Ordinance.

(D) All amounts representing accrued and capitalized interest shall be held by the Bond

Commission, pledged solely to the payment of interest on the Series 2003 Bonds, as applicable, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all monies deposited in the Series 2003 Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended.

General Covenants

Enforcement of Collections. The City will diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by State law, as more fully provided in the Ordinance. The City will, to the full extent permitted by State law and the rules and regulations promulgated by the Public Service Commission of West Virginia, shut off and discontinue supplying water from the System to customers who fail to pay all rates or charges for said water service.

Rate Covenant. The City has covenanted to fix, establish and collect rates and charges for the use of the services and facilities of the System that 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 under the Ordinance. 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 the full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City covenants and agrees in the Ordinance that the schedule or schedules of rate or charges from time to time in effect shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2003 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 2003 Bonds.

Operation and Maintenance. The City has covenanted and agreed that it will operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease the Ordinance, and in accordance with the conditions established by the Ordinance.

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

No Free Services. The City will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class. The 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 thereof using the facilities or services of the System. 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.

Books and Records. The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Series 2003 Bond or Bonds shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the City relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act.

The City shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 30 days following the date of receipt of the final audit containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The City shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, an annual report containing the following:

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

(B) A statement of account balances in all funds and accounts provided for herein and status of said funds.

The City shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by an Independent Certified Public Accountant in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountant, or a summary thereof, to any Holder or Holders of Bonds issued pursuant to the Ordinance and shall file said report with the Original Purchaser.

Operating Budget. The City shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the City shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of

the System at all reasonable times to the Original Purchaser, the Bond Insurer, if any, and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances.

The City shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues, with the Series 2003 Bonds; provided that additional bonds on parity with the Bonds may be issued as described herein under the heading "SECURITY FOR THE SERIES 2003 BONDS - - Additional Parity Bonds."

The City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2003 Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2003 Bonds and the interest thereon, if any, in the Ordinance, or upon the System or any part thereof.

Insurance. The City will, so long as the Series 2003 Bonds remain Outstanding, carry, with a reputable insurance carrier or carriers, fire, lightning, vandalism, malicious mischief, extended coverage, public liability and workers' compensation, flood and business interruption insurance, and require or maintain performance, payment, completion and fidelity bonds, as provided in the Ordinance.

Mandatory Connections. To the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, the City shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Statutory Mortgage Lien. For the further protection of the Holders of the Series 2003 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2003 Bonds.

Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Series 2003 Bonds in such manner and to such extent as may be necessary, so that neither the Series 2003 Bonds will constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2003 Bonds) so that the interest on the Series 2003 Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Defeasance; Discharge of Pledge of Ordinance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2003 Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Ordinance, then the Ordinance and the pledges of the Net Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the City on behalf of the Holders of the Series 2003 Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied, except as may be necessary to assure the exclusion of interest on the Series 2003 Bonds from gross income for federal income tax purposes.

The Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on the Bonds shall be deemed to have been paid within the meaning and with

the effect expressed in the first paragraph of this section. All Series 2003 Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on the Bonds on and prior to the maturity date thereof, or if the City irrevocably determines to redeem any of the Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on the Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

Amendment of Ordinance. Prior to issuance of the Series 2003 Bonds, the Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2003 Bonds, the Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, so long as such amendment or modification is not materially adverse to any Bondholder, as determined by an opinion of Bond Counsel. In the event any of the Series 2003 Bonds are insured, no such amendment or modification which adversely affects the security for such Series 2003 Bonds or the rights of any Bond Insurer for such Series 2003 Bonds may be effected without the written consent of such Bond Insurer. No materially adverse amendment or modification to the Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Series 2003 Bonds then Outstanding and affected thereby and such Bond Insurer, which must be filed with the City before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2003 Bond without the express written consent of the Holder of each Series 2003 Bond so affected, nor reduce the percentage of Series 2003 Bonds required for consent to any such modification or amendment.

Default and Remedies

Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2003 Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on the Series 2003 Bonds;

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part of the Ordinance or any Supplemental Resolution or in the Series 2003 Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by any Bondholder or any Bond Insurer;

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

(D) If default occurs with respect to any future Parity Bonds or Ordinances authorizing such Parity Bonds.

The City must cure any covenant default within 30 days after notice of the default, and failure to pay principal of or interest on the Bonds shall be an immediate event of default.

No waivers shall be granted by any party to the Bond documents without the prior written consent of the Bond Insurer, if any.

Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular: (i) bring suit for any unpaid principal or interest then due; (ii) by mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the City to perform its duties under the Act and the Ordinance; (iii) bring suit upon the Series 2003 Bonds; (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 Bondholders; and (v) by action or bill in equity enjoin any acts in violation of the Ordinance or the rights of the Bondholders.

No remedy by the terms of the Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute. All rights and remedies of the Holders of the Series 2003 Bonds shall be on a parity with one another.

Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the City, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of the Ordinance and the Act.

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

Whenever all that is due upon the Series 2003 Bonds issued pursuant to the Ordinance and interest thereon and under any covenants of the Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the System shall have been paid and made good, and all defaults under the provisions of the Ordinance shall have been cured and made good, possession of the System shall be surrendered to the City upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such

court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided in the Ordinance shall hold and operate the System in the name of the City and for the joint protection and benefit of the City and the Holders of the Series 2003 Bonds issued pursuant to the Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the City and the Bondholders, and the curing and making good of any default under the provisions of the Ordinance, and the title to and ownership of said System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Notwithstanding any other provision of the Ordinance, in determining whether the rights of Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of the Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS
SERIES 2003

BOND PURCHASE AGREEMENT

November 19, 2003

City of Sistersville
200 Diamond Street
Sistersville, WV 26175

Ladies and Gentlemen:

Ross, Sinclair & Associates (the "Underwriter") offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the City of Sistersville (the "City"). This offer is made subject to acceptance and execution of this Purchase Agreement by the City prior to 11:59 p.m., local prevailing time on the date hereof, or until withdrawn by the Underwriter upon written notice to the City as permitted herein, whichever shall occur earlier. Upon such acceptance and approval, as evidenced by the signature of the Chairman of the City in the space provided below, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the City and the Underwriter.

All capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the meanings set forth in the hereinafter described Resolution.

1. The City of Sistersville (West Virginia) \$910,000 Water Refunding Revenue Bonds, Series 2003 ("Series 2003 Bonds") are being issued to provide funds, together with other funds available therefor, (i) to currently refund the City's Water Revenue Bonds, Series 1989 A, dated January 25, 1989, originally issued in the aggregate principal amount of \$250,000, of which approximately \$225,000 is presently outstanding (the "Series 1989 A Bonds"); (ii) to currently refund the City's Water Revenue Bonds, Series 1989 B, dated January 25, 1989, issued in the original aggregate principal amount of \$240,000, of which approximately \$213,000 is presently outstanding (the "Series 1989 B Bonds" and, collectively with the Series 1989 A Bonds the "Series 1989 Bonds"); (iii) to currently refund the Water Revenue Bonds, Series 2000, dated June 29, 2000, issued in the original aggregate principal amount of \$430,000, of which approximately \$326,000 is presently outstanding (the "Series 2000 Bonds"); (iv) to fund the Series 2003 Bonds Reserve Account; and (v) to pay all costs of issuance of the Series 2003 Bonds and related costs. The Series 1989 A Bond, the Series 1989 B Bond and the Series 2000 Bond are referred to herein collectively as the "Bonds Being Refunded."

The Series 2003 Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the Bond Ordinance adopted by the City Council on January 22, 2003, as supplemented and amended by the Supplemental Resolution adopted by the City Council on November 13, 2003 (collectively, the "Ordinance"). The Ordinance shall be substantially in the form previously submitted to the Underwriter with such changes and amendments as the City's and Underwriter's counsel shall approve.

Upon the terms and conditions and upon the basis of the representations and warranties set forth in this Purchase Agreement, the Underwriter agrees to purchase from the City, and the City agrees to sell to the Underwriter the Series 2003 Bonds at an aggregate purchase price of \$890,000. This purchase price reflects an underwriter's discount of \$20,000. The Series 2003 Bonds shall mature on the dates and in the amounts set forth in Exhibit A hereto, and shall bear interest, payable semiannually on

June 1 and December 1, commencing June 1, 2004. The Series 2003 Bonds maturing on and after June 1, 2013, are subject to redemption prior to maturity, at the option of the City, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of par, plus interest accrued to the date fixed for redemption.

The Underwriter agrees to make a bona fide public offering of the Series 2003 Bonds at the initial offering prices as set forth in the Official Statement (as hereinafter defined) and in Exhibit A, which prices may be changed from time to time by the Underwriter.

2. Concurrently with the acceptance of this Purchase Agreement by the City, the City shall deliver or cause to be delivered to the Underwriter five copies of the Official Statement relating to the Series 2003 Bonds, substantially in the form of the Official Statement dated November 17, 2003 (the "Official Statement"), signed on behalf of the City by its Mayor as requested below.

3. The Official Statement has been approved for distribution by the Ordinance. The City authorizes the use of copies of the Official Statement and the Ordinance in connection with the public offering and sale of the Series 2003 Bonds.

On November 17, 2003, the City delivered to the Underwriter the Official Statement which is hereby deemed "final" within the meaning of clause (b)(1) of Rule 15c2-12 ("Rule 15c2-12") under the Securities and Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) and Rule G-32 and all other rules of the Municipal Securities Rulemaking Board.

As soon as practicable following receipt thereof, the Underwriter shall deliver the Official Statement, and any supplement or amendment thereto, to a nationally recognized municipal securities information repository.

4. At 10:00 a.m. prevailing time, on November 21, 2003, or such other date as shall be agreed upon by the parties to this Purchase Agreement (the "Closing"), the City will deliver or cause to be delivered to the Underwriter, (a) the Series 2003 Bonds in the form of one certificate for each maturity fully registered in the name of CEDE & CO., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), duly executed by the City and authenticated by the Registrar, and (b) at such other place as we mutually agree upon, will deliver to the Underwriter the other documents required in this Purchase Agreement and by the Ordinance. Upon such delivery of the Series 2003 Bonds, the Underwriter will accept such delivery and pay the purchase price therefor, plus any accrued interest thereon, in immediately available funds to the order of the Depository Bank, for the account of the City. Such delivery shall be made at DTC (or at the offices of the Registrar, if "DTC Fast" delivery is used), with the payment and other requisite actions to be taken at the place designated by the parties to this Purchase Agreement. The Series 2003 Bonds shall be made available to the Underwriter at DTC forty-eight (48) hours before the Closing, provided that if DTC Fast delivery is used then the Series 2003 Bonds shall be made available to the Registrar by 4:00 p.m. on November 19, 2003, for the purpose of inspection and packaging. The City also agrees that it shall deliver to The Depository Trust Company the letter of representations, in the form required by The Depository Trust Company (the "DTC Letter of Representations") and the timely payment letter at the times required by The Depository Trust Company.

5. The City represents and warrants to the Underwriter and agrees that:

(a) The City is a municipal corporation and political subdivision of the State of West Virginia in Tyler County of said State. The Series 2003 Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 8, Article 19 of the Code of West Virginia, 1931, as amended (the "Act");

(b) The City shall has complied and will comply at the Closing in all respects with all applicable statutes and laws, including the Act;

(c) The City has full legal right, power and authority to issue bonds for purposes provided in the Ordinance and to enter into this Purchase Agreement, to adopt the Ordinance and to issue, sell and deliver the Series 2003 Bonds to the Underwriter as provided herein and to carry out and consummate all other transactions contemplated by each of the aforesaid documents;

(d) The proceeds of sale of the Series 2003 Bonds, together with other funds available therefor shall be sufficient to defease the Bonds Being Refunded and the liens of the ordinances authorizing such bonds, all in accordance with the provisions of the Act;

(e) The information contained in the Official Statement is and, as of the Closing Date, will be true and does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(f) At the time of the City's acceptance hereof and (unless an event occurs of the nature described in subparagraph (i)) at all times during the period from the date of this Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Series 2003 Bonds (as determined in accordance with subparagraph (j) hereof), the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(g) If the Official Statement is supplemental or amended pursuant to subparagraph (i) at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times during the period from the date of this Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Series 2003 Bonds (as determined in accordance with subparagraph (j) hereof), the Official Statement as so supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) If during the period from the date of this Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Series 2003 Bonds (as determined in accordance with subparagraph (j) hereof) any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter of any such event of which it has knowledge and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will prepare and furnish to the Underwriter (i) a reasonable number of copies of the supplement or amendment to the Official Statement in form and substance approved by the City and acceptable to the Underwriter, and (ii) if such notification shall be subsequent to the Closing, such legal opinion, certification, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement;

(i) Prior to the City's acceptance hereof, the City delivered to the Underwriter copies of the Official Statement which the City deemed final (for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934) as of the date thereof; provided, however, that in making the representation and

warranty contained in this paragraph (i) the City shall not be deemed to have made any additional representation or warranty as to the Official Statement other than the representation and warranty contained in paragraph (e);

(j) For purposes of this Purchase Agreement, the End of the Underwriting Period for the Series 2003 Bonds shall mean the earlier of (a) the day of the Closing unless the City has been notified in writing by the Underwriter, on or prior to the day of the Closing, that the "end of the underwriting period" for the Series 2003 Bonds for all purposes of Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 (the "Rule") will not occur on the day of the Closing, or (b) the date on which notice is given to the City by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the City pursuant to clause (a) above that the "end of the underwriting period" for the Series 2003 Bonds will not occur on the day of the Closing, the Underwriter agrees to notify the City in writing as soon as practicable following the "end of the underwriting period" for the Series 2003 Bonds for all purposes of the Rule;

(k) The Purchaser is not required to enter into a written continuing disclosure undertaking with the Issuer. Accordingly, no continuing disclosure agreement will be entered into between the Issuer and the Purchaser;

(l) You have duly authorized all necessary action to be taken by you for: (1) the issuance and sale of the Series 2003 Bonds upon the terms set forth herein, in the Ordinance and in the Official Statement; (2) the execution and delivery of the Ordinance; (3) the approval of the Official Statement and the execution of the Official Statement by your Chairman; (4) the refunding of the Bonds Being Refunded pursuant to the Ordinance; (5) the execution, delivery, receipt and due performance of this Purchase Agreement, the Series 2003 Bonds, the Ordinance and any and all such other agreements and documents as may be required to be executed, delivered and received by you in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement; and (6) the carrying out, giving effect to and consummation of the transactions contemplated hereby and by the Ordinance and the Official Statement;

(m) When delivered to and paid for by the Underwriter in accordance with the terms of this Purchase Agreement, the Series 2003 Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute valid and binding obligations of the City payable solely from the Gross Revenues and moneys pledged therefor under the Ordinance and will be entitled to the benefit of the Ordinance. Neither the credit nor the taxing power, if any, of the City shall be deemed to be pledged to, nor shall a tax ever be levied for the payment of the principal of or the interest on the Series 2003 Bonds;

(n) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to your knowledge, threatened against or affecting you (or, to your knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Official Statement or the validity of the Series 2003 Bonds, the Ordinance, this Purchase Agreement or any agreement or instrument to which you are a party and which is used or contemplated hereby or by the Official Statement or the validity of the Series 2003 Bonds, the Ordinance, this Purchase Agreement or any agreement or instrument to which you are a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement;

(o) The execution and delivery of the Official Statement, this Purchase Agreement, the Series 2003 Bonds, the Ordinance and the other agreements contemplated hereby and by the Official Statement, and compliance with the provisions thereof, will not conflict with or constitute on your part a breach of or a default under any existing law, court or administrative regulation, decree or order or any

agreement, indenture, mortgage, lease or other instrument to which you are subject or by which you are or may be bound, and to your knowledge all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the consummation of the transactions contemplated thereby have been obtained;

(p) The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the City is a bond issuer whose arbitrage certifications may not be relied upon;

(q) All financial statements of the City included as a part of the Official Statement (the "Financial Statements"), fairly present the City's financial condition as of the respective dates and the results of its operations for the respective periods therein set forth and have been prepared when so indicated in accordance with generally accepted accounting principles consistently applied and since the respective most recent dates as of which information is given in the Official Statement, there has not been any material change in the long-term debt or capitalization of the City or any material adverse change in the general affairs, management, financial position, or results of operations of the City and no material transactions or obligations other than in the ordinary course of business have been entered into with respect to the System by the City, except as reflected in or contemplated by the Official Statement; and

(r) Any certificate signed by the Mayor and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein. It is understood that the representations, warranties and covenants by the City contained in this Section 5 and elsewhere in this Purchase Agreement shall not create any general obligation or liability of the City, and that any obligation or liability of the City hereunder or under the Ordinance will be payable solely out of the Gross Revenues and other income, charges and moneys derived by the City from, or in connection with the sale of the bonds, nor shall any member, official or employee of the City be personally liable therefor.

6. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and agreements of the City made herein. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) At or prior to the time of Closing, the Ordinance, as approved by the Underwriter or its counsel, shall have been approved by the appropriate parties, shall have been duly executed, acknowledged, sealed and delivered, shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter.

(b) The Underwriter shall have the right to cancel its obligations hereunder to purchase the Series 2003 Bonds (such cancellation shall not constitute a default hereunder) by notifying the City in writing of its election to do so between the date hereof and the Closing Date, if at any time hereafter and prior to the Closing Date:

(i) Any legislation, rule or regulation shall be introduced in, or enacted by, the United States House of Representatives or the United States Senate or any committee thereof, or a decision by a court established under Article III of the Constitution of the United States of America, or the Tax Court of the United States, shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed, which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Series 2003 Bonds;

(ii) Any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, department or agency of the State of West Virginia or political subdivision thereof, or a decision by any court of competent jurisdiction within the State of West Virginia shall have been rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Series 2003 Bonds;

(iii) A stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other government agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering for sale of obligations of the general character of the Series 2003 Bonds, or the issuance, offering or sale of the Series 2003 Bonds, including all the underlying obligations, as contemplated hereby or by the Official Statement, is in violation of any provisions of the Securities Act of 1933, as amended and as then in effect, or the registration provisions of the Securities and Exchange Act of 1934, as amended and as then in effect, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect;

(iv) Any event shall have occurred or information become known which, in the Underwriter's reasonable opinion, makes untrue in any material respect any statement or information contained in the Official Statement or the Underwriter shall have determined that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(v) A general banking moratorium shall have been established by Federal, New York State or West Virginia authorities;

(vi) In the reasonable opinion of the Underwriter, the market price of the Series 2003 Bonds, or the market price generally of obligations of the general character of the Series 2003 Bonds, has been adversely affected because (1) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, (2) the New York Stock Exchange, other national securities exchange or any governmental authority shall have imposed as to the Series 2003 Bonds or similar obligations any material restrictions not now in force, or increased materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter, or (3) war or any outbreak of hostilities or other national or international calamity or crisis shall have occurred or any armed conflict shall have occurred or escalated to such a magnitude as in the reasonable opinion of the Underwriter to have a materially adverse effect on the ability of the Underwriter to market the Series 2003 Bonds;

(vii) An event described in paragraph 5(h) hereof shall have occurred which in the opinion of the Underwriter requires the preparation and publication of a supplement or amendment to the Official Statement, regardless of whether or not such a supplement or amendment to the Official Statement has been prepared and/or circulated, unless the Underwriter shall have otherwise agreed that this Purchase Agreement shall not be terminated as a result of such event; or

(viii) There shall have been any materially adverse change in the affairs of the City.

(c) At or prior to the Closing, the Underwriter and the City shall receive the following documents, in each case in form and substance satisfactory to us and our counsel:

(1) The unqualified approving opinion, dated as of the Closing Date, of Steptoe & Johnson PLLC, Bond Counsel, in the form attached as Appendix C to the Official Statement accompanied by a supplementary opinion of Bond Counsel, dated as of the Closing Date, substantially in

the form attached hereto as Exhibit B and an opinion with respect to the defeasance of the Bonds Being Refunded;

(2) The opinion of Ryan J. Morgan, Esquire, Sistersville, West Virginia, Counsel for the City, dated the date of Closing and addressed to the Underwriter in the form attached hereto as Exhibit C;

(3) The opinion of Cox Bowling & Johnson PLLC, Lexington, Kentucky, counsel for the Underwriter, dated as of the Closing Date, substantially in the form attached hereto as Exhibit D;

(4) A certificate, satisfactory to the Underwriter, of the Mayor of the City dated as of the Closing, to the effect that: (i) you have duly performed all of your obligations to be performed at or prior to the Closing and that each of your representations and warranties contained herein are true as of Closing, (ii) you have authorized, by all necessary action, the execution, delivery, receipt and due performance of the Series 2003 Bonds, the Ordinance and any and all such other agreements and documents as may be required to be executed, delivered and received by you in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement, (iii) to your knowledge no litigation is pending, or to your knowledge threatened, to restrain or enjoin the issuance or sale of the Series 2003 Bonds or in any way affecting any authority for or the validity of the Series 2003 Bonds, the Ordinance or your existence or powers or the City's right to use the proceeds of the Series 2003 Bonds to refund the Bonds Being Refunded, and (iv) the execution, delivery, receipt and due performance of the Series 2003 Bonds, the Ordinance and the other agreements contemplated hereby and by the Official Statement under the circumstances contemplated thereby and your compliance with the provisions thereof will not conflict with or constitute on your part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which you are subject or by which you are or may be bound;

(5) Verification of the debt service savings obtained by refunding the Bonds Being Refunded by Michael D. Griffith, Certified Public Accountant, Alum Creek, West Virginia;

(6) Copies of the Ordinance and this Purchase Agreement executed by the parties thereto;

(7) A Certificate of the Bond Registrar to the effect that all conditions precedent contained in the Ordinance for the issuance of the Series 2003 Bonds have been met, and are entitled to the benefit and security of the Ordinance;

(8) The Ordinance, certified by an authorized official of the City under the seal of the City, as having been duly adopted by the City and as being in full force and effect, with only such amendments, modifications or supplements as may have been agreed to by the Underwriter;

(9) [RESERVED]

(10) [RESERVED]

(11) [RESERVED]

(12) [RESERVED]

(13) Evidence to the effect that the requirements of the Code have been satisfied by the filing of Internal Revenue Service Form 8038-G; and

(14) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request including the opinion of Bond Counsel with respect to the original issue discount, if any.

If the City shall be unable to satisfy or cause to be satisfied the conditions to the Underwriter's obligations in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the City shall have any further obligations, claims or rights hereunder. However, the Underwriter may in its discretion waive in writing one or more conditions imposed by this Purchase Agreement for the protection of the Underwriter and proceed with the Closing.

7. The Underwriter shall be under no obligation to pay, and, if the Series 2003 Bonds are issued, the City shall pay or cause the City to be paid from the proceeds of the Series 2003 Bonds, any fees and expenses incident to the performance of the City's obligations hereunder including (i) all expenses in connection with the printing and distribution of the Official Statement and any amendment or supplement to either; (ii) all expenses in connection with the preparation, printing, issuance and delivery of the Series 2003 Bonds; (iii) the fees and disbursements of Steptoe & Johnson PLLC, Bond Counsel; (iv) the fees and disbursements, if any, of Ryan J. Morgan, Esquire, Counsel for the City; (v) all advertising expenses in connection with the public offering of the Series 2003 Bonds; (vi) the fees and expenses of the verification agent; (vii) fees and expenses of the Bond Registrar; (viii) the fees of Cox Bowling & Johnson PLLC, Counsel to the Underwriter; and (ix) all other expenses and cost (including the fees and expenses of the City) for the authorization, issuance, sale and distribution of the Series 2003 Bonds.

8. The Underwriter shall pay from the underwriting spread all other expenses incurred by them in connection with the public offering and distribution of the Series 2003 Bonds, including all out-of-pocket expenses, travel and other expenses.

9. For so long as the Underwriter, or dealers or banks, if any, participating in the distribution of the Series 2003 Bonds, are offering Series 2003 Bonds which constitute the whole or a part of their unsold participations, the City will: (a) not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing or which shall be disapproved by Counsel for the Underwriter, unless, in the opinion of Counsel to the City, such amendment or supplement is required to make the Official Statement not misleading, and (b) if any event relating to or affecting the City shall occur as a result of which it is necessary, in the opinion of Bond Counsel or Counsel for the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment or a supplement to the Official Statement (in form and substance satisfactory to the Counsel for the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. The expense of preparing such amendment or supplement shall be borne by the City. For the purposes of this paragraph, the City will furnish such information with respect to itself as the Underwriter from time to time may request.

10. Neither the members or officers of the City nor their employees shall be personally liable for breach of any representation, agreement or warranty made by the City within this Purchase Agreement.

11. Any notice or other communication to be given under this Purchase Agreement may be given by delivering the same in writing as follows:

To the City:

City of Sistersville
200 Diamond Street
Sistersville, West Virginia
Attention: Mayor

To the Underwriter:

Ross, Sinclaire & Associates
400 Democrat Drive
Frankfort, Kentucky 40601
Attention: Senior Vice President

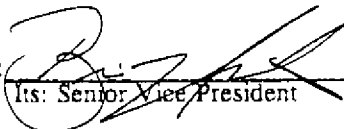
12. This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All agreements of the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Series 2003 Bonds.

13. This Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

14. The approval of the Underwriter when required hereunder or the determination of its satisfaction with any document referred to herein shall be in writing signed by the Representative and delivered to the City. This Purchase Agreement shall become legally effective upon its acceptance by the City, as evidenced by the signature of the Mayor of the City in the space provided hereinafter therefor.

15. This Purchase Agreement may be signed in counterparts.

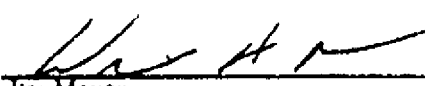
ROSS, SINCLAIRE & ASSOCIATES

By: 

Its: Senior Vice President

ACCEPTED AND APPROVED:

CITY OF SISTERSVILLE

By: 

Its: Mayor

EXHIBIT A

MATURITY SCHEDULE

**\$910,000
CITY OF SISTERSVILLE (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS
SERIES 2003**

MATURITY SCHEDULE

\$20,000 Serial Bonds

<u>Maturity (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
2004	\$20,000	3.35%	3.35%

\$125,000	3.35%	Series 2003 Term Bonds due June 1, 2007 at 3.35%
\$140,000	4.25%	Series 2003 Term Bonds due June 1, 2010 at 4.25%
\$155,000	4.65%	Series 2003 Term Bonds due June 1, 2013 at 4.65%
\$245,000	5.00%	Series 2003 Term Bonds due June 1, 2017 at 5.00%
\$225,000	5.50%	Series 2003 Term Bonds due June 1, 2020 at 5.50%

Optional Redemption

The Series 2003 Bonds maturing on and after June 1, 2013, are callable beginning on June 1, 2013, at the option of the City, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of par, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2003 Bonds maturing June 1, 2007, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2005, and on each June 1 thereafter to and including June 1, 2007, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2005	\$40,000	2007*	\$45,000
2006	40,000		

The principal amount of Series 2003 Bonds maturing June 1, 2007, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2010, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2008, and on each June 1 thereafter to and including June 1, 2010, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2008	\$45,000	2010*	50,000
2009	\$45,000		

The principal amount of Series 2003 Bonds maturing June 1, 2010, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2013, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2011, and on each June 1 thereafter to and including June 1, 2013, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$50,000	2013*	55,000
2012	\$50,000		

The principal amount of Series 2003 Bonds maturing June 1, 2013, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2017, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2014, and on each June 1 thereafter to and including June 1, 2017, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$55,000	2016	\$65,000
2015	60,000	2017*	65,000

The principal amount of Series 2003 Bonds maturing June 1, 2017, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2003 Bonds maturing June 1, 2020, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2003 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on June 1, 2018, and on each June 1 thereafter to and including June 1, 2020, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2018	\$70,000	2020*	\$80,000
2019	75,000		

The principal amount of Series 2003 Bonds maturing June 1, 2020, delivered to or purchased by the Commission shall reduce pro tanto the principal amount of Series 2003 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

*Stated maturity.

EXHIBIT B

[LETTERHEAD OF STEPTOE & JOHNSON PLLC]

[Date of Closing]

City of Sistersville
(West Virginia)
Water Refunding Revenue Bonds, Series 2003

City of Sistersville
Sistersville, West Virginia

Ross, Sinclaire & Associates
Frankfort, Kentucky

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance and sale by the City of Sistersville (the "City") of its \$910,000 aggregate principal amount of Water Refunding Revenue Bonds, Series 2003 (the "Series 2003 Bonds"). In our capacity as bond counsel, we are delivering an opinion of even date herewith concerning the legality of the Series 2003 Bonds and the exclusion of interest on the Series 2003 Bonds from gross income for federal income tax purposes (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement and such other matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings assigned to them in the Bond Purchase Agreement (the "Purchase Agreement") dated November 19, 2003, between the City and Ross, Sinclaire & Associates (the "Underwriter"), and approved by the City.

Based upon the foregoing, we are of opinion that:

(1) The Purchase Agreement has been authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, is a legal, valid, binding and enforceable obligation of the City (except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws or equitable principles affecting creditors' right generally).

(2) The City, under the Act, has full power and authority to enact the Ordinance, enter into the Purchase Agreement and perform its obligations thereunder.

(3) The Official Statement has been duly approved, signed and delivered by the City, and the City has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the public offering of the Series 2003 Bonds.

(4) The statements and information contained in the Official Statement under the captions or subcaptions "The Series 2003 Bonds," "Security for the Series 2003 Bonds," "Legal Matters," "Tax Matters" and, if applicable, the definitions and the summary of the Ordinance in Appendix D to the Official Statement (except for financial or statistical data therein as to which no opinion is hereby expressed) do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

(5) The Series 2003 Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Very truly yours,

STEPTOE & JOHNSON PLLC

EXHIBIT C

[LETTERHEAD OF RYAN J. MORGAN, ESQ.]

[Date of Closing]

City of Sistersville
(West Virginia)
Water Refunding Revenue Bonds, Series 2003

City of Sistersville
Sistersville, West Virginia

Ross, Sinclaire & Associates, Inc.
Cincinnati, Ohio

Stetpoe & Johnson PLLC
Charleston, WV

Ladies and Gentlemen:

I have acted as counsel for the City of Sistersville (the "City") and have acted as such in connection with the sale of the above-referenced Series 2003 Bonds, which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of November 19, 2003 (the "Purchase Agreement") between Ross, Sinclaire & Associates, Inc. (the "Underwriter") and the City. Any capitalized terms used herein and not defined shall have the meaning assigned to it in the Purchase Agreement.

In this connection, I have reviewed and examined certain proceedings and documents with respect to the Series 2003 Bonds, any such records, certificates and other documents as I have considered necessary or appropriate for the purposes of this opinion, the Constitution and the laws of the State of West Virginia, specifically Chapter 8, Article 19 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), the Ordinance of the City relating to the Series 2003 Bonds enacted on January 22, 2003, as supplemented and amended by a resolution adopted November 13, 2003 (collectively, the "Ordinance"), the Official Statement dated November 13, 2003, with respect to the issuance and offering of the Series 2003 Bonds (the "Official Statement"), and a closing certificate of the City. Based on such review and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

1. The City is a municipal corporation and political subdivision of the State of West Virginia. The City is authorized by the laws of the State of West Virginia, as provided by the Act, to enter into and perform its obligations under the Ordinance and the Purchase Agreement.

2. The City has full power and authority to consummate all transactions contemplated by the Series 2003 Bonds, the Purchase Agreement, and any and all other agreements relating thereto, to which the City is a party.

3. The City has duly authorized all action necessary to be taken by it or on its behalf for (i) the execution and delivery of the Purchase Agreement; (ii) the approval of the distribution of the Official Statement; (iii) the ratification of the actions of the City and the issuance and delivery of the Series 2003 Bonds upon the terms set forth in the Ordinance; and (iv) the carrying out, giving effect to and consummation of the transactions contemplated thereby.

4. The Purchase Agreement has been duly and validly authorized, executed and

delivered by the City and the same is in full force and effect as of the date hereof and are valid and legally binding obligations of the City, enforceable against the City in accordance with their respective terms, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally.

5. The Ordinance has been duly enacted at meetings of the governing body (Council) of the City which were called and held pursuant to law and in accordance with all applicable open meeting laws and at which a quorum was present and acting at the time of the enactment of the Ordinance.

6. The execution and delivery by the City of the Purchase Agreement and the performance of its obligations thereunder do not and will not result in a violation of any provision of, or in default under, the West Virginia statutes governing the City or, to the best of my knowledge after diligent inquiry and review of the City's records, any agreement or other instrument to which the City is a party or by which it or its properties are bound.

7. All actions necessary to be taken by the City have been taken, and no additional approval, authorization, consent or other order of the City or any public board or body is legally required to allow the City to enter into and perform its obligations under the Purchase Agreement or as described in the Official Statement.

8. The City is not in violation of any provision of, or in default under, West Virginia statutes governing the City.

10. To the best of my knowledge, there are no legal or governmental actions, proceedings, inquiries or investigations pending or threatened by governmental authorities or to which the City is a party or of which any property of the City is subject, except as described in the Official Statement, which, if determined adversely to the City, would individually or in the aggregate (i) materially and adversely affect the validity or the enforceability of the Series 2003 Bonds or the Purchase Agreement or (ii) otherwise materially or adversely affect the ability of the City to comply with its obligations under the Purchase Agreement, or materially and adversely affect the transactions contemplated by the Official Statement to be engaged in by the City.

11. Based upon my experience as counsel for the City and on my review of the Official Statement, and after diligent inquiry, the statements and information contained in the Official Statement under the captions or subcaptions "The Series 2003 Bonds," "Security for the Series 2003 Bonds," "The System" and "Litigation" do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

I hereby consent to the references made to me in the Official Statement.

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

Very truly yours,

RYAN J. MORGAN, ESQUIRE

EXHIBIT D

[LETTERHEAD OF COX BOWLING & JOHNSON PLLC]

[Closing Date]

City of Sistersville
(West Virginia)
Water Refunding Revenue Bonds, Series 2003

Ross, Sinclair & Associates, Inc.
400 Democrat Drive
Frankfort, Kentucky 40601

Ladies and Gentlemen:

We have acted as counsel to you (the "Underwriter") in connection with the issuance and sale by the City of Sistersville (the "City") of its Water Refunding Revenue Bonds, Series 2003, in the aggregate principal amount of \$910,000 (the "Series 2003 Bonds"). In connection with rendering this opinion, we have examined the Official Statement dated November 19, 2003, the Bond Purchase Agreement dated November 19, 2003 (the "Purchase Agreement"), and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"). Capitalized terms used but not defined herein shall have the meanings set forth in the Purchase Agreement.

Based upon the foregoing review, we are of the opinion that you are not required to comply with the requirements of paragraph (b)(5) of the Rule.

Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of our conferences with representatives of the City, counsel for the City, Bond Counsel and the Underwriter, and our examination of certain documents referred to in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement (excluding therefrom the financial and statistical data included in the Official Statement, including Appendix B thereto as to which we express no opinion) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriter; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Series 2003 Bonds.

Very truly yours,

COX BOWLING & JOHNSON PLLC

CITY OF SISTERSVILLE
(WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003

ACCEPTANCE OF DUTIES AS DEPOSITORY BANK

Union Bank, Inc., a state banking corporation, with an office in Sistersville, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Sistersville (the "Issuer"), adopted January 22, 2003, and a Supplemental Resolution of the Issuer adopted November 13, 2003 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Refunding Revenue Bonds, Series 2003, dated November 21, 2003, in the principal amount of \$910,000 (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 this 21st day of November, 2003.

UNION BANK, INC.

By: 
Its: Authorized Officer

11/17/03
827720.00002

The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

[To be Completed by Issuer]

THE CITY OF SISTERSVILLE

[Name of Issuer]

November 19, 2002

[Date]

[For Municipal Issues:

Underwriting Department—Eligibility; 50th Floor]

[For Corporate Issues:

General Counsel's Office; 49th Floor]

The Depository Trust Company

55 Water Street

New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

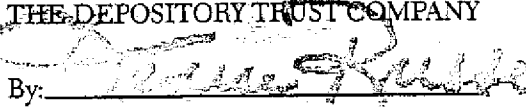
To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: 

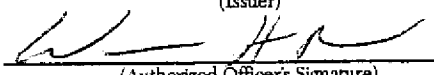


The Depository Trust &
Clearing Corporation

Very truly yours,

The City of Sistersville

(Issuer)

By: 

(Authorized Officer's Signature)

William Rice, Mayor

(Print Name)

200 Diamond Square

(Street Address)

Sistersville, West Virginia 26175

(City) (State) (Country)

(Zip Code)

(304) 652-6361

(Phone Number)

(E-mail Address)

(To Blanket Issuer Letter of Representations)

**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity

of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

CITY OF SISTERSVILLE
(WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003

REGISTRAR AGREEMENT

THIS AGREEMENT, dated as of the 21st day of November, 2003, by and between the CITY OF SISTERSVILLE, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and Fifth Third Bank, Cincinnati, Ohio, a state banking corporation (the "Bank").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$910,000 aggregate principal amount of Water Refunding Revenue Bonds, Series 2003, in fully registered form (the "Bonds"), pursuant to an Ordinance enacted January 22, 2003, as supplemented (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Agreement does appoint the Bank 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 Agreement by the Issuer and the Bank and during the term hereof, the Bank does accept and shall have and agrees to perform all of the powers and duties of Registrar, as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the excludability from gross income of interest on the Bonds for

purposes of 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 Bank 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 Bank'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 Bank 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 Agreement, the Issuer hereby agrees to pay to the Bank, the compensation for services rendered as provided in the annexed fee schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this 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 Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Bank each warrants and represents that it is duly authorized and empowered to execute and enter into this 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 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:	City of Sistersville
	200 Diamond Square
	Sistersville, West Virginia 26175
	Attention: Mayor

REGISTRAR: Fifth Third Bank
38 Fountain Square Plaza
Mail Drop 10 AT60
Cincinnati, OH 45202
Attention: Corporate Trust

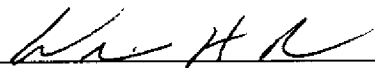
8. The Bank is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

9. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of any of the parties hereto shall be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

10. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

CITY OF SISTERSVILLE

By: 
Its: Mayor

FIFTH THIRD BANK

By: _____
Its: Authorized Officer

11/17/03
827720.00002

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

CITY OF SISTERSVILLE

By: _____
Its: Mayor

FIFTH THIRD BANK

By: 

Its: Authorized Officer

EXHIBIT A
BOND LEGISLATION

[Attached at Tab No. 1]

FEE SCHEDULE

CITY OF SISTERSVILLE
(WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003

CERTIFICATE OF REGISTRATION OF BOND

Fifth Third Bank, Cincinnati, Ohio, as Registrar under the Bond Legislation and Registrar's Agreement providing for the Water Refunding Revenue Bonds, Series 2003, of the City of Sistersville (the "Issuer"), hereby certifies that on the day hereof, the fully registered City of Sistersville Water Refunding Revenue Bonds, Series 2003, of the Issuer, dated November 21, 2003, in the aggregate principal amount of \$910,000, numbered R-1 through R-6, were registered as to principal and interest in the name of "Cede & Co." in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of Fifth Third Bank, as Registrar.

WITNESS my signature on this 21st day of November, 2003.

FIFTH THIRD BANK

By: 
Its: Authorized Officer

WV MUNICIPAL BOND COMMISSION
8 Capitol Street
Suite 500, Terminal Building
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: November 21, 2003

ISSUE: The City of Sistersville Water Refunding Revenue Bonds, Series 2003

ADDRESS: 200 Diamond Street, Sistersville, WV 26175 COUNTY: Tyler

PURPOSE OF ISSUE: New Money: _____
Refunding: _____ REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: November 21, 2003 CLOSING DATE: November 21, 2003

ISSUE AMOUNT: \$910,000 RATE: Variable

1ST DEBT SERVICE DUE: N/A 1ST PRINCIPAL DUE: N/A

1ST DEBT SERVICE AMOUNT: N/A PAYING AGENT: None

BOND COUNSEL: Stephoe & Johnson UNDERWRITERS COUNSEL: _____
Contact Person: Vincent A. Collins, Esquire Contact Person: _____
Phone: (304) 624-8161 Phone: _____

CLOSING BANK: _____ ESCROW TRUSTEE: _____
Contact Person: _____ Contact Person: _____
Phone: _____ Phone: _____

KNOWLEDGEABLE ISSUER CONTACT OTHER: Ross, Sinclair & Associates, Inc.
Contact Person: Diane Mace Contact Person: Brian Nurick
Position: Recorder Function: Vice President
Phone: (304) 652-6361 Phone: (800)255-0795

DEPOSITS TO MBC AT CLOSE: _____
By: _____ Wire _____ Accrued Interest: \$ _____
_____ Check X Capitalized Interest: \$ _____
_____ Reserve Account: \$ 84,400
Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire _____ To Escrow Trustee: \$ _____
_____ Check _____ To Issuer: \$ _____
_____ IGT _____ To Cons. Invest. Fund: \$ _____
_____ To Other: \$ _____

NOTES: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

**City of Sistersville, West Virginia
Water Refunding Revenue Bonds,
Series 2003**

Final Schedules

Series 2003 Refunding Revenue Bonds

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Flow of Funds Schedule	2
Sources & Uses of Funds	3
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Series 1987A USDA Bonds

Gross Debt Service Schedule	12-13
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Series 1987B USDA Bonds

Gross Debt Service Schedule	14-15
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Series 2000 Note

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Combined Debt Service Schedule

Gross Debt Service Schedule	17-18
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System Debt Summary

Master Sinking Fund Schedule	19-26
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**Distribution of Funds
City of Sistersville, West Virginia
Water Refunding Revenue Bonds,
Series 2003**

(Distribution of Funds Schedule)

Priced: November 14, 2003
Dated: November 21, 2003
Delivery: November 21, 2003

From Purchaser

Par Amount of Bonds	\$910,000.00	
Add Accrued Interest	\$0.00	
Underwriter's Premium (Discount)	(\$20,000.00)	
Deduct Good Faith Deposit	\$0.00	
Total Due From Purchaser		\$890,000.00

Sources:

From Purchaser	\$890,000.00	
Add Series 1987A & 1987B DSR Fund	\$35,000.00	
Add Good Faith Deposit	\$0.00	
Total Sources:		<u>\$925,000.00</u>

Uses:

Purchaser		\$765,022.17
Remit to Union Bank, Inc. Series 2000 Payoff Amount	\$326,555.20	
Remit to USDA Series 1987A Payoff Amount	\$226,181.35	
Remit to USDA Series 1987B Payoff Amount	\$212,285.62	
Issuer		\$35,000.00
Remit Series 1987A & 1987B DSR Fund to Operating Account	\$35,000.00	
West Virginia Municipal Bond Commission		\$84,400.00
Remit to Debt Service Reserve Fund	\$84,400.00	
Cost of Issuance		\$40,577.83
Remit to Steptoe & Johnson Bond Counsel Fees	\$25,000.00	
Remit to Steptoe & Johnson Out of Pocket Expenses	\$2,627.83	
Remit to Cox, Bowling & Johnson Underwriter Counsel Fees	\$5,000.00	
Remit Ryan Morgan Local Counsel Fees	\$1,500.00	
Remit to Fifth Third Bank Registrar Fees	\$1,500.00	
Remit to Michael Griffith CPA Fees	\$4,950.00	
Total Uses:		<u>\$925,000.00</u>

**Flow of Funds
City of Sistersville, West Virginia
Water Refunding Revenue Bonds,
Series 2003**

(Flow of Funds Schedule)

Priced: November 14, 2003

Dated: November 21, 2003

Delivery: November 21, 2003

From Purchaser

Nov. 21, 2003	Wire to Union Bank, Inc. Payoff Amount	\$326,555.20
Nov. 21, 2003	Wire to USDA Payoff Amount (Series 1987A & 1987B)	\$438,466.97
Nov. 21, 2003	Wire to West Virginia Municipal Bond Commission	\$84,400.00
Nov. 21, 2003	Wire to Steptoe & Johnson Cost of Issuance	<u>\$40,577.83</u>
Total:		\$890,000.00

From Steptoe & Johnson

Nov. 21, 2003	Disburse Cost of Issuance	\$40,577.83
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Wiring Instructions

USDA (Series 1987A & 1987B)
\$438,466.97
ABA # 021030004
Treas NYC
Identifier: 12200408
Treasury
NYC
57-048-0556000252
City of Sistersville
438466.97
Loan No. 01, 02

West Virginia Bond Commission
West Virginia Municipal Bond Commission
Bank: Branch Banking and Trust Company,
Charleston, West Virginia
Routing #: 051503394
Account #: 5270517317
Contact: West Virginia State Treasurer for West
Virginia Municipal Bond Commission

Union Bank, Inc.
ABA# 043404443
City of Sistersville
Credit: Note# 0000046646
Contact: Mindy Cline
Tele: (304) 353-8181

CITY OF SISTERSVILLE, WEST VIRGINIA
UTILITIES REFUNDING REVENUE BONDS, SERIES 2003
(REFUNDING OF SERIES 1987A / 1987B / 2000)

=====

Sources and Uses of Funds

=====

Delivery Date: 11/21/ 3

Sources of Funds

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PAR AMOUNT OF BONDS.....	\$910,000.00	
+PREMIUM /-DISCOUNT.....	\$0.00	
BOND PROCEEDS.....		910,000.00
SERIES 1987 DSR FUND.....		35,000.00

		\$945,000.00

Uses of Funds

=====

DISCHARGE SERIES 1987A - USDA.....	226,181.35
DISCHARGE SERIES 1987B - USDA.....	212,285.62
DISCHARGE SERIES 2000 NOTES.....	326,555.20
REMIT PRIOR DSR FUND PROCEEDS TO CITY.....	35,000.00
BOND COUNSEL FEES.....	30,000.00
ACCOUNTANT FEES.....	4,950.00
REGISTRAR FEES.....	1,500.00
OUT OF POCKET EXPENSES.....	2,627.83
LOCAL COUNSEL FEES.....	1,500.00
UNDERWRITERS DISCOUNT.....(2.197802%)...	20,000.00
DEBT SERVICE RESERVE.....	84,400.00
CONTINGENCY.....	0.00

	\$945,000.00

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 09:01:43 Filename: SISTERS Key: 03

City of Sistersville, West Virginia
Utilities System Refunding Revenue Bonds, Series 2003
(Debt Service Restructuring)

FY Ending June 30	Series 1987A, 1987B & 2000				Series 2003 Refunding Bonds				Net Annual Savings
	USDA 1987A Payments	USDA 1987B Payments	Series 2000 Payments	Total Payments	Principal Portion	Interest Portion	Less: DSR Reduction	Total Payment	
								<i>Proceeds Remitted to District:</i>	\$35,000
2004	\$13,248	\$12,434	\$39,505	\$65,187	\$20,000	\$22,504		\$42,504	\$22,682
2005	\$19,872	\$18,651	\$59,258	\$97,780	\$40,000	\$41,970		\$81,970	\$15,810
2006	\$19,872	\$18,651	\$59,258	\$97,780	\$40,000	\$40,630		\$80,630	\$17,150
2007	\$19,872	\$18,651	\$59,258	\$97,780	\$45,000	\$39,290		\$84,290	\$13,490
2008	\$19,872	\$18,651	\$59,258	\$97,780	\$45,000	\$37,783		\$82,783	\$14,998
2009	\$19,872	\$18,651	\$59,258	\$97,780	\$45,000	\$35,870		\$80,870	\$16,910
2010	\$19,872	\$18,651	\$59,258	\$97,780	\$50,000	\$33,958		\$83,958	\$13,823
2011	\$19,872	\$18,651		\$38,522	\$50,000	\$31,833		\$81,833	(\$43,310)
2012	\$19,872	\$18,651		\$38,522	\$50,000	\$29,508		\$79,508	(\$40,885)
2013	\$19,872	\$18,651		\$38,522	\$55,000	\$27,183		\$82,183	(\$43,660)
2014	\$19,872	\$18,651		\$38,522	\$55,000	\$24,625		\$79,625	(\$41,103)
2015	\$19,872	\$18,651		\$38,522	\$60,000	\$21,875		\$81,875	(\$43,353)
2016	\$19,872	\$18,651		\$38,522	\$65,000	\$18,875		\$83,875	(\$45,353)
2017	\$19,872	\$18,651		\$38,522	\$65,000	\$15,625		\$80,625	(\$42,103)
2018	\$19,872	\$18,651		\$38,522	\$70,000	\$12,375		\$82,375	(\$43,853)
2019	\$19,872	\$18,651		\$38,522	\$75,000	\$8,525		\$83,525	(\$45,003)
2020	\$19,872	\$18,651		\$38,522	\$80,000	\$4,400	\$84,400	\$0	\$38,522
2021	\$19,872	\$18,651		\$38,522					\$38,522
2022	\$19,872	\$18,651		\$38,522					\$38,522
2023	\$19,872	\$18,651		\$38,522					\$38,522
2024	\$19,872	\$18,651		\$38,522					\$38,522
2025	\$19,872	\$18,651		\$38,522					\$38,522
2026	\$19,872	\$18,651		\$38,522					\$38,522
2027	\$19,872	\$18,651		\$38,522					\$38,522
2028	\$19,872	\$18,651		\$38,522					\$38,522
2029	(\$5,908)	(\$6,620)		(\$12,529)					(\$12,529)
Totals:	\$484,258	\$453,432	\$395,052	\$1,332,742	\$910,000	\$448,827	\$84,400	\$1,272,427	\$95,315

Gross Savings Amount: \$95,315
Present Value Savings Amount: \$27,897
NPV Savings %: 3.6667%

Series 1987A, 1987B & 2000 Blended Rate: 7.29%
Series 2003 Interest Rate: 5.01%
Interest Rate Reduction: 2.28%

CITY OF SISTERSVILLE, WEST VIRGINIA
 UTILITIES REFUNDING REVENUE BONDS, SERIES 2003
 (REFUNDING OF SERIES 1987A / 1987B / 2000)

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Bond Production Report

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Dated 11/21/2003
 Delivery 11/21/2003

Date	Principal	Bond Type	B/Y	Coupon	Yield	\$Price	Priced to Call	Gross Production
6/ 1/ 4	20,000.00	Standard	11	3.3500	3.3500	100.000		20,000.00
6/ 1/ 5	40,000.00	Term Bond	72	3.3500	3.3500	100.000		40,000.00
6/ 1/ 6	40,000.00	Term Bond	173	3.3500	3.3500	100.000		40,000.00
6/ 1/ 7	45,000.00	Term Bond	332	3.3500	3.3500	100.000		45,000.00
6/ 1/ 8	45,000.00	Term Bond	535	4.2500	4.2500	100.000		45,000.00
6/ 1/ 9	45,000.00	Term Bond	784	4.2500	4.2500	100.000		45,000.00
6/ 1/10	50,000.00	Term Bond	1110	4.2500	4.2500	100.000		50,000.00
6/ 1/11	50,000.00	Term Bond	1487	4.6500	4.6500	100.000		50,000.00
6/ 1/12	50,000.00	Term Bond	1913	4.6500	4.6500	100.000		50,000.00
6/ 1/13	55,000.00	Term Bond	2437	4.6500	4.6500	100.000		55,000.00
6/ 1/14	55,000.00	Term Bond	3016	5.0000	5.0000	100.000		55,000.00
6/ 1/15	60,000.00	Term Bond	3708	5.0000	5.0000	100.000		60,000.00
6/ 1/16	65,000.00	Term Bond	4522	5.0000	5.0000	100.000		65,000.00
6/ 1/17	65,000.00	Term Bond	5402	5.0000	5.0000	100.000		65,000.00
6/ 1/18	70,000.00	Term Bond	6418	5.5000	5.5000	100.000		70,000.00
6/ 1/19	75,000.00	Term Bond	7583	5.5000	5.5000	100.000		75,000.00
6/ 1/20	80,000.00	Term Bond	8905	5.5000	5.5000	100.000		80,000.00

	910,000.00							910,000.00

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 08:57:21 Filename: SISTERS Key: 03

CITY OF SISTERSVILLE, WEST VIRGINIA
 UTILITIES REFUNDING REVENUE BONDS, SERIES 2003
 (REFUNDING OF SERIES 1987A / 1987B / 2000)

=====

Bond Production Report

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Par Amount	910,000.00	
Production	0.00	
Gross Production	910,000.00	100.0000000
Bond Insurance	0.00	0.0000000
Underwriters Discount	20,000.00	2.1978022
Bid	890,000.00	97.8021978
Accrued	0.00	
Net to Issuer	890,000.00	
Gross Interest Cost	446,826.94	
+Net Discount	20,000.00	
Net Interest Cost	466,826.94	
N I C %	5.2421379	Using 97.8021978
T I C %	5.2760303	From Dated Date
Arbitrage Yield	4.9736224	
Bond Years	8,905.278	
Average Coupon	5.017552	
Average Life	9.786020	

TERM BOND(S):	PRINCIPAL	COUPON	YIELD	\$Price	GROSS PRODUCTION	BOND YEARS	AVG. LIFE
6/ 1/ 7	125,000.00	3.3500	3.3500	100.000	125,000.00	320.972	2.567778
6/ 1/10	140,000.00	4.2500	4.2500	100.000	140,000.00	778.889	5.563492
6/ 1/13	155,000.00	4.6500	4.6500	100.000	155,000.00	1,326.806	8.560036
6/ 1/17	245,000.00	5.0000	5.0000	100.000	245,000.00	2,964.306	12.099206
6/ 1/20	225,000.00	5.5000	5.5000	100.000	225,000.00	3,503.750	15.572222
SERIAL BONDS:	20,000.00				20,000.00		

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 08:57:21 Filename: SISTERS Key: 03

CITY OF SISTERSVILLE, WEST VIRGINIA
 UTILITIES REFUNDING REVENUE BONDS, SERIES 2003
 (REFUNDING OF SERIES 1987A / 1987B / 2000)

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
6/ 1/ 4	20,000.00	3.350000	22,504.44	42,504.44	42,504.44
12/ 1/ 4			20,985.00	20,985.00	
6/ 1/ 5	40,000.00	3.350000	20,985.00	60,985.00	81,970.00
12/ 1/ 5			20,315.00	20,315.00	
6/ 1/ 6	40,000.00	3.350000	20,315.00	60,315.00	80,630.00
12/ 1/ 6			19,645.00	19,645.00	
6/ 1/ 7	45,000.00	3.350000	19,645.00	64,645.00	84,290.00
12/ 1/ 7			18,891.25	18,891.25	
6/ 1/ 8	45,000.00	4.250000	18,891.25	63,891.25	82,782.50
12/ 1/ 8			17,935.00	17,935.00	
6/ 1/ 9	45,000.00	4.250000	17,935.00	62,935.00	80,870.00
12/ 1/ 9			16,978.75	16,978.75	
6/ 1/10	50,000.00	4.250000	16,978.75	66,978.75	83,957.50
12/ 1/10			15,916.25	15,916.25	
6/ 1/11	50,000.00	4.650000	15,916.25	65,916.25	81,832.50
12/ 1/11			14,753.75	14,753.75	
6/ 1/12	50,000.00	4.650000	14,753.75	64,753.75	79,507.50
12/ 1/12			13,591.25	13,591.25	
6/ 1/13	55,000.00	4.650000	13,591.25	68,591.25	82,182.50
12/ 1/13			12,312.50	12,312.50	
6/ 1/14	55,000.00	5.000000	12,312.50	67,312.50	79,625.00
12/ 1/14			10,937.50	10,937.50	
6/ 1/15	60,000.00	5.000000	10,937.50	70,937.50	81,875.00
12/ 1/15			9,437.50	9,437.50	
6/ 1/16	65,000.00	5.000000	9,437.50	74,437.50	83,875.00
12/ 1/16			7,812.50	7,812.50	
6/ 1/17	65,000.00	5.000000	7,812.50	72,812.50	80,625.00
12/ 1/17			6,187.50	6,187.50	
6/ 1/18	70,000.00	5.500000	6,187.50	76,187.50	82,375.00
12/ 1/18			4,262.50	4,262.50	
6/ 1/19	75,000.00	5.500000	4,262.50	79,262.50	83,525.00
12/ 1/19			2,200.00	2,200.00	
6/ 1/20	80,000.00	5.500000	2,200.00	82,200.00	84,400.00

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 08:57:29 Filename: SISTERS Key: 03

CITY OF SISTERSVILLE, WEST VIRGINIA
 UTILITIES REFUNDING REVENUE BONDS, SERIES 2003
 (REFUNDING OF SERIES 1987A / 1987B / 2000)

=====

Debt Service Schedule

=====

Date	Principal	Coupon	Interest	Period Total	Fiscal Total

	910,000.00		446,826.94	1,356,826.94	
ACCRUED					
	910,000.00		446,826.94	1,356,826.94	
	=====		=====	=====	

Dated 11/21/ 3 with Delivery of 11/21/ 3
 Bond Years 8,905.278
 Average Coupon 5.017552
 Average Life 9.786020
 N I C % 5.242138 % Using 97.8021978
 T I C % 5.276030 % From Dated Date
 Arbitrage Yield 4.973622 %

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 08:57:29 Filename: SISTERS Key: 03

CITY OF SISTERSVILLE, WEST VIRGINIA
UTILITIES REFUNDING REVENUE BONDS, SERIES 2003
(REFUNDING OF SERIES 1987A / 1987B / 2000)

=====

Maximum Allowable Arbitrage Yield

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DELIVERY DATE: 11/21/ 3

Par	910,000.00

Arbitrage Yield Target Value	910,000.00
Arbitrage Yield	4.97362240 %

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 08:57:31 Filename: SISTERS Key: 03

CITY OF SISTERSVILLE, WEST VIRGINIA
UTILITIES REFUNDING REVENUE BONDS, SERIES 2003
(REFUNDING OF SERIES 1987A / 1987B / 2000)

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Net Debt Service Savings Report

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Delivery Date: 11/21/ 3

Date	Debt Service	Proposed Fund Earnings	Net Debt Svc.	Prior Debt Service	Savings	Cumulative Savings
6/ 1/ 4	42,504.44		42,504.44	65,186.78	22,682.34	57,682.34
6/ 1/ 5	81,970.00		81,970.00	97,780.17	15,810.17	73,492.51
6/ 1/ 6	80,630.00		80,630.00	97,780.16	17,150.16	90,642.67
6/ 1/ 7	84,290.00		84,290.00	97,780.17	13,490.17	104,132.84
6/ 1/ 8	82,782.50		82,782.50	97,780.19	14,997.69	119,130.53
6/ 1/ 9	80,870.00		80,870.00	97,780.17	16,910.17	136,040.70
6/ 1/10	83,957.50		83,957.50	97,780.18	13,822.68	149,863.38
6/ 1/11	81,832.50		81,832.50	38,522.39	-43,310.11	106,553.27
6/ 1/12	79,507.50		79,507.50	38,522.38	-40,985.12	65,568.15
6/ 1/13	82,182.50		82,182.50	38,522.37	-43,660.13	21,908.02
6/ 1/14	79,625.00		79,625.00	38,522.37	-41,102.63	-19,194.61
6/ 1/15	81,875.00		81,875.00	38,522.38	-43,352.62	-62,547.23
6/ 1/16	83,875.00		83,875.00	38,522.37	-45,352.63	-107,899.86
6/ 1/17	80,625.00		80,625.00	38,522.36	-42,102.64	-150,002.50
6/ 1/18	82,375.00		82,375.00	38,522.37	-43,852.63	-193,855.13
6/ 1/19	83,525.00		83,525.00	38,522.35	-45,002.65	-238,857.78
6/ 1/20	84,400.00	84,400.00		38,522.36	38,522.36	-200,335.42
6/ 1/21				38,522.36	38,522.36	-161,813.06
6/ 1/22				38,522.38	38,522.38	-123,290.68
6/ 1/23				38,522.39	38,522.39	-84,768.29
6/ 1/24				38,522.38	38,522.38	-46,245.91
6/ 1/25				38,522.39	38,522.39	-7,723.52
6/ 1/26				38,522.37	38,522.37	30,798.85
6/ 1/27				38,522.37	38,522.37	69,321.22
6/ 1/28				38,522.36	38,522.36	107,843.58
6/ 1/29				-12,528.63	-12,528.63	95,314.95
	1,356,826.94	84,400.00	1,272,426.94	1,332,741.89		95,314.95
	=====	=====	=====	=====		=====

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 09:09:14 Filename: SISTERS Key: 03

CITY OF SISTERSVILLE, WEST VIRGINIA
UTILITIES REFUNDING REVENUE BONDS, SERIES 2003
(REFUNDING OF SERIES 1987A / 1987B / 2000)

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Net Debt Service Savings Report
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Delivery Date: 11/21/ 3

Dated 11/21/ 3 with Delivery of 11/21/ 3
Bond Years 8,905.278
Average Coupon 5.017552
Average Life 9.786020
N I C % 5.242138 % Using 97.8021978
T I C % 5.276030 % From Dated Date
Arbitrage Yield 4.973622 %

N O T E : Cumulative Savings are Net of -35,000.00

Net Present Value Savings at: 4.9736% Equals 27,896.52 or 3.0656% of Par of the Current Issue

N O T E : Present Value Savings are Net of -35,000.00

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 09:09:14 Filename: SISTERS Key: 03

CITY OF SISTERSVILLE, WEST VIRGINIA
USDA WATER REVENUE BONDS, SERIES 1987A
(PRIOR BONDS)

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
6/25/ 4	2,050.08	7.500000	11,197.65	13,247.73	13,247.73
6/25/ 5	3,273.23	7.500000	16,598.36	19,871.60	19,871.60
6/25/ 6	3,527.34	7.500000	16,344.25	19,871.59	19,871.59
6/25/ 7	3,801.18	7.500000	16,070.40	19,871.58	19,871.58
6/25/ 8	4,096.28	7.500000	15,775.30	19,871.58	19,871.58
6/25/ 9	4,414.28	7.500000	15,457.28	19,871.56	19,871.56
6/25/10	4,756.97	7.500000	15,114.60	19,871.57	19,871.57
6/25/11	5,126.27	7.500000	14,745.31	19,871.58	19,871.58
6/25/12	5,524.23	7.500000	14,347.35	19,871.59	19,871.59
6/25/13	5,953.09	7.500000	13,918.49	19,871.59	19,871.59
6/25/14	6,415.25	7.500000	13,456.33	19,871.58	19,871.58
6/25/15	6,913.28	7.500000	12,958.30	19,871.58	19,871.58
6/25/16	7,449.98	7.500000	12,421.61	19,871.58	19,871.58
6/25/17	8,028.34	7.500000	11,843.24	19,871.58	19,871.58
6/25/18	8,651.60	7.500000	11,219.98	19,871.58	19,871.58
6/25/19	9,323.25	7.500000	10,548.34	19,871.59	19,871.59
6/25/20	10,047.03	7.500000	9,824.56	19,871.59	19,871.59
6/25/21	10,827.01	7.500000	9,044.60	19,871.61	19,871.61
6/25/22	11,667.54	7.500000	8,204.07	19,871.61	19,871.61
6/25/23	12,573.32	7.500000	7,298.29	19,871.61	19,871.61
6/25/24	13,549.42	7.500000	6,322.20	19,871.62	19,871.62
6/25/25	14,601.30	7.500000	5,270.32	19,871.62	19,871.62
6/25/26	15,734.83	7.500000	4,136.78	19,871.62	19,871.62
6/25/27	16,956.37	7.500000	2,915.24	19,871.61	19,871.61
6/25/28	18,272.74	7.500000	1,598.87	19,871.60	19,871.60
6/25/29	11,307.32		284.45	11,591.77	11,591.77
-----			-----	-----	-----
	224,841.54		276,916.16	501,757.70	
ACCRUED					
	224,841.54		276,916.16	501,757.70	
=====			=====	=====	=====

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 08:58:23 Filename: SISTERS Key: 87A

CITY OF SISTERSVILLE, WEST VIRGINIA
USDA WATER REVENUE BONDS, SERIES 1987A
(PRIOR BONDS)

=====

Debt Service Schedule

=====

Dated 10/25/ 3 with Delivery of 10/25/ 3
Bond Years 3,692.216
Average Coupon 7.499998
Average Life 16.421416
N I C % 7.499998 % Using 100.0000000
T I C % 7.618164 % From Dated Date
Arbitrage Yield 7.618164 %

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 08:58:23 Filename: SISTERS Key: 87A

CITY OF SISTERSVILLE, WEST VIRGINIA
USDA WATER REVENUE BONDS, SERIES 1987B
(PRIOR BONDS)

=====

Debt Service Schedule

=====

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
6/25/ 4	1,924.13	7.500000	10,509.75	12,433.88	12,433.88
6/25/ 5	3,072.14	7.500000	15,578.68	18,650.82	18,650.82
6/25/ 6	3,310.64	7.500000	15,340.18	18,650.82	18,650.82
6/25/ 7	3,567.65	7.500000	15,083.18	18,650.83	18,650.83
6/25/ 8	3,844.62	7.500000	14,806.21	18,650.83	18,650.83
6/25/ 9	4,143.08	7.500000	14,507.74	18,650.82	18,650.82
6/25/10	4,464.72	7.500000	14,186.10	18,650.82	18,650.82
6/25/11	4,811.33	7.500000	13,839.48	18,650.81	18,650.81
6/25/12	5,184.85	7.500000	13,465.95	18,650.79	18,650.79
6/25/13	5,587.36	7.500000	13,063.43	18,650.79	18,650.79
6/25/14	6,021.12	7.500000	12,629.67	18,650.79	18,650.79
6/25/15	6,488.56	7.500000	12,162.24	18,650.80	18,650.80
6/25/16	6,992.28	7.500000	11,658.51	18,650.79	18,650.79
6/25/17	7,535.11	7.500000	11,115.68	18,650.79	18,650.79
6/25/18	8,120.08	7.500000	10,530.71	18,650.78	18,650.78
6/25/19	8,750.46	7.500000	9,900.30	18,650.76	18,650.76
6/25/20	9,429.78	7.500000	9,220.99	18,650.77	18,650.77
6/25/21	10,161.84	7.500000	8,488.92	18,650.76	18,650.76
6/25/22	10,950.73	7.500000	7,700.04	18,650.77	18,650.77
6/25/23	11,800.86	7.500000	6,849.91	18,650.78	18,650.78
6/25/24	12,717.00	7.500000	5,933.77	18,650.77	18,650.77
6/25/25	13,704.25	7.500000	4,946.52	18,650.77	18,650.77
6/25/26	14,768.15	7.500000	3,882.61	18,650.75	18,650.75
6/25/27	15,914.63	7.500000	2,736.12	18,650.76	18,650.76
6/25/28	17,150.13	7.500000	1,500.63	18,650.76	18,650.76
6/25/29	10,612.64		266.97	10,879.61	10,879.61

	211,028.12		259,904.28	470,932.40	
ACCRUED	211,028.12		259,904.28	470,932.40	
=====					

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 08:58:31 Filename: SISTERS Key: 87B

CITY OF SISTERSVILLE, WEST VIRGINIA
USDA WATER REVENUE BONDS, SERIES 1987B
(PRIOR BONDS)

=====
Debt Service Schedule
=====

Dated 10/25/ 3 with Delivery of 10/25/ 3
Bond Years 3,465.380
Average Coupon 7.500022
Average Life 16.421416
N I C % 7.500022 % Using 100.000000
T I C % 7.618195 % From Dated Date
Arbitrage Yield 7.618195 %

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 08:58:31 Filename: SISTERS Key: 87B

CITY OF SISTERSVILLE, WEST VIRGINIA
WATER REVENUE BONDS, SERIES 2000 (BANK LOAN)
(PRIOR BONDS)

=====

Debt Service Schedule

=====

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
6/29/ 4	26,976.08	6.000000	12,529.08	39,505.16	39,505.16
6/29/ 5	42,536.99	6.000000	16,720.76	59,257.75	59,257.75
6/29/ 6	45,160.58	6.000000	14,097.18	59,257.75	59,257.75
6/29/ 7	47,945.98	6.000000	11,311.78	59,257.76	59,257.76
6/29/ 8	50,903.19	6.000000	8,354.59	59,257.78	59,257.78
6/29/ 9	54,042.78	6.000000	5,215.00	59,257.78	59,257.78
6/29/10	57,376.02	6.000000	1,881.76	59,257.79	59,257.79
	-----		-----	-----	
	324,941.62		70,110.15	395,051.77	
ACCRUED					
	324,941.62		70,110.15	395,051.77	
	=====		=====	=====	

Dated 10/29/ 3 with Delivery of 10/29/ 3

Bond Years 1,168.448

Average Coupon 6.000280

Average Life 3.595871

N I C % 6.000280 % Using 100.0000000

T I C % 6.075818 % From Dated Date

Arbitrage Yield 6.075818 %

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 08:58:36 Filename: SISTERS Key: 00

CITY OF SISTERSVILLE, WEST VIRGINIA
COMBINED DEBT SERVICE, SERIES 1987A, 1987B & 2000
(FISCAL YEAR)

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Debt Service Schedule

=====

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
12/29/ 3	7,618.51		8,678.19	16,296.70	16,296.70
12/29/ 4	47,395.46		50,384.71	97,780.17	97,780.17
12/29/ 5	50,416.23		47,363.93	97,780.16	97,780.16
12/29/ 6	53,630.89		44,149.27	97,780.16	97,780.16
12/29/ 7	57,051.98		40,728.20	97,780.18	97,780.18
12/29/ 8	60,692.87		37,087.32	97,780.18	97,780.18
12/29/ 9	64,567.79		33,212.38	97,780.17	97,780.17
12/25/10	38,690.18		29,461.10	68,151.28	68,151.28
12/25/11	10,316.13		28,206.26	38,522.39	38,522.39
12/25/12	11,117.00		27,405.37	38,522.37	38,522.37
12/25/13	11,980.04		26,542.33	38,522.37	38,522.37
12/25/14	12,910.08		25,612.29	38,522.37	38,522.37
12/25/15	13,912.32		24,610.06	38,522.38	38,522.38
12/25/16	14,992.37		23,529.99	38,522.37	38,522.37
12/25/17	16,156.27		22,366.09	38,522.36	38,522.36
12/25/18	17,410.52		21,111.83	38,522.36	38,522.36
12/25/19	18,762.15		19,760.21	38,522.35	38,522.35
12/25/20	20,218.70		18,303.66	38,522.36	38,522.36
12/25/21	21,788.33		16,734.04	38,522.37	38,522.37
12/25/22	23,479.82		15,042.56	38,522.38	38,522.38
12/25/23	25,302.62		13,219.77	38,522.39	38,522.39
12/25/24	27,266.93		11,255.46	38,522.39	38,522.39
12/25/25	29,383.73		9,138.65	38,522.38	38,522.38
12/25/26	31,664.86		6,857.51	38,522.37	38,522.37
12/25/27	34,123.09		4,399.28	38,522.37	38,522.37
12/25/28	36,772.15		1,750.21	38,522.36	38,522.36
1/25/29	3,190.26		19.94	3,210.20	3,210.20
	760,811.28		606,930.59	1,367,741.87	
ACCRUED					
	760,811.28		606,930.59	1,367,741.87	

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 09:25:45 Filename: SISTERS Key: CMB

CITY OF SISTERSVILLE, WEST VIRGINIA
COMBINED DEBT SERVICE, SERIES 1987A, 1987B & 2000
(FISCAL YEAR)

=====

Debt Service Schedule

=====

Dated 10/25/ 3 with Delivery of 10/25/ 3
Bond Years 8,329.655
Average Coupon 7.286383
Average Life 10.948386
N I C % 7.286383 % Using 100.0000000
T I C % 7.301857 % From Dated Date

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 11-17-2003 @ 09:25:45 Filename: SISTERS Key: CMB

City of Sistersville, West Virginia
Utilities System Refunding Revenue Bonds, Series 2003
(Sinking Fund Schedule)

Payment Date	Monthly Payment	Sinking Fund Balance	Net Payment	Payment Date	Check Number
12/01/03	\$6,818.23	\$6,818.23		___/___/___	_____
01/01/04	\$6,818.23	\$13,636.45		___/___/___	_____
02/01/04	\$6,818.23	\$20,454.68		___/___/___	_____
03/01/04	\$6,818.23	\$27,272.90		___/___/___	_____
04/01/04	\$6,818.23	\$34,091.13		___/___/___	_____
05/01/04	\$6,818.23	\$40,909.35		___/___/___	_____
06/01/04	\$6,818.23	\$5,223.14	\$42,504	___/___/___	_____
07/01/04	\$6,818.23	\$12,041.37		___/___/___	_____
08/01/04	\$6,818.23	\$18,859.59		___/___/___	_____
09/01/04	\$6,818.23	\$25,677.82		___/___/___	_____
10/01/04	\$6,818.23	\$32,496.04		___/___/___	_____
11/01/04	\$6,818.23	\$39,314.27		___/___/___	_____
12/01/04	\$6,818.23	\$25,147.50	\$20,985	___/___/___	_____
01/01/05	\$6,818.23	\$31,965.72		___/___/___	_____
02/01/05	\$6,818.23	\$38,783.95		___/___/___	_____
03/01/05	\$6,818.23	\$45,602.17		___/___/___	_____
04/01/05	\$6,818.23	\$52,420.40		___/___/___	_____
05/01/05	\$6,818.23	\$59,238.62		___/___/___	_____
06/01/05	\$6,818.23	\$5,071.85	\$60,985	___/___/___	_____
07/01/05	\$6,818.23	\$11,890.08		___/___/___	_____
08/01/05	\$6,818.23	\$18,708.30		___/___/___	_____
09/01/05	\$6,818.23	\$25,526.53		___/___/___	_____
10/01/05	\$6,818.23	\$32,344.75		___/___/___	_____
11/01/05	\$6,818.23	\$39,162.98		___/___/___	_____
12/01/05	\$6,818.23	\$25,666.21	\$20,315	___/___/___	_____
01/01/06	\$6,818.23	\$32,484.43		___/___/___	_____
02/01/06	\$6,818.23	\$39,302.66		___/___/___	_____
03/01/06	\$6,818.23	\$46,120.88		___/___/___	_____

City of Sistersville, West Virginia
Utilities System Refunding Revenue Bonds, Series 2003
(Sinking Fund Schedule)

Payment Date	Monthly Payment	Sinking Fund Balance	Net Payment	Payment Date	Check Number
04/01/06	\$6,818.23	\$52,939.11		___/___/___	_____
05/01/06	\$6,818.23	\$59,757.33		___/___/___	_____
06/01/06	\$6,818.23	\$6,260.58	\$60,315	___/___/___	_____
07/01/06	\$6,818.23	\$13,078.79		___/___/___	_____
08/01/06	\$6,818.23	\$19,897.01		___/___/___	_____
09/01/06	\$6,818.23	\$26,715.24		___/___/___	_____
10/01/06	\$6,818.23	\$33,533.46		___/___/___	_____
11/01/06	\$6,818.23	\$40,351.69		___/___/___	_____
12/01/06	\$6,818.23	\$27,524.92	\$19,645	___/___/___	_____
01/01/07	\$6,818.23	\$34,343.14		___/___/___	_____
02/01/07	\$6,818.23	\$41,161.37		___/___/___	_____
03/01/07	\$6,818.23	\$47,979.59		___/___/___	_____
04/01/07	\$6,818.23	\$54,797.82		___/___/___	_____
05/01/07	\$6,818.23	\$61,616.04		___/___/___	_____
06/01/07	\$6,818.23	\$3,789.27	\$64,645	___/___/___	_____
07/01/07	\$6,818.23	\$10,607.50		___/___/___	_____
08/01/07	\$6,818.23	\$17,425.72		___/___/___	_____
09/01/07	\$6,818.23	\$24,243.95		___/___/___	_____
10/01/07	\$6,818.23	\$31,062.17		___/___/___	_____
11/01/07	\$6,818.23	\$37,880.40		___/___/___	_____
12/01/07	\$6,818.23	\$25,807.38	\$18,891	___/___/___	_____
01/01/08	\$6,818.23	\$32,625.60		___/___/___	_____
02/01/08	\$6,818.23	\$39,443.83		___/___/___	_____
03/01/08	\$6,818.23	\$46,262.05		___/___/___	_____
04/01/08	\$6,818.23	\$53,080.28		___/___/___	_____
05/01/08	\$6,818.23	\$59,898.50		___/___/___	_____
06/01/08	\$6,818.23	\$2,825.48	\$63,891	___/___/___	_____
07/01/08	\$6,818.23	\$9,643.71		___/___/___	_____

City of Sistersville, West Virginia
Utilities System Refunding Revenue Bonds, Series 2003
(Sinking Fund Schedule)

Payment Date	Monthly Payment	Sinking Fund Balance	Net Payment	Payment Date	Check Number
08/01/08	\$6,818.23	\$16,461.93		___/___/___	_____
09/01/08	\$6,818.23	\$23,280.16		___/___/___	_____
10/01/08	\$6,818.23	\$30,098.38		___/___/___	_____
11/01/08	\$6,818.23	\$36,916.61		___/___/___	_____
12/01/08	\$6,818.23	\$25,799.84	\$17,935	___/___/___	_____
01/01/09	\$6,818.23	\$32,618.06		___/___/___	_____
02/01/09	\$6,818.23	\$39,436.29		___/___/___	_____
03/01/09	\$6,818.23	\$46,254.51		___/___/___	_____
04/01/09	\$6,818.23	\$53,072.74		___/___/___	_____
05/01/09	\$6,818.23	\$59,890.96		___/___/___	_____
06/01/09	\$6,818.23	\$3,774.19	\$62,935	___/___/___	_____
07/01/09	\$6,818.23	\$10,592.42		___/___/___	_____
08/01/09	\$6,818.23	\$17,410.64		___/___/___	_____
09/01/09	\$6,818.23	\$24,228.87		___/___/___	_____
10/01/09	\$6,818.23	\$31,047.09		___/___/___	_____
11/01/09	\$6,818.23	\$37,865.32		___/___/___	_____
12/01/09	\$6,818.23	\$27,704.80	\$16,979	___/___/___	_____
01/01/10	\$6,818.23	\$34,523.02		___/___/___	_____
02/01/10	\$6,818.23	\$41,341.25		___/___/___	_____
03/01/10	\$6,818.23	\$48,159.47		___/___/___	_____
04/01/10	\$6,818.23	\$54,977.70		___/___/___	_____
05/01/10	\$6,818.23	\$61,795.92		___/___/___	_____
06/01/10	\$6,818.23	\$1,635.40	\$66,979	___/___/___	_____
07/01/10	\$6,818.23	\$8,453.63		___/___/___	_____
08/01/10	\$6,818.23	\$15,271.85		___/___/___	_____
09/01/10	\$6,818.23	\$22,090.08		___/___/___	_____
10/01/10	\$6,818.23	\$28,908.30		___/___/___	_____
11/01/10	\$6,818.23	\$35,726.53		___/___/___	_____

City of Sistersville, West Virginia
Utilities System Refunding Revenue Bonds, Series 2003
(Sinking Fund Schedule)

Payment Date	Monthly Payment	Sinking Fund Balance	Net Payment	Payment Date	Check Number
12/01/10	\$6,818.23	\$26,628.51	\$15,916	___/___/___	_____
01/01/11	\$6,818.23	\$33,446.73		___/___/___	_____
02/01/11	\$6,818.23	\$40,264.96		___/___/___	_____
03/01/11	\$6,818.23	\$47,083.18		___/___/___	_____
04/01/11	\$6,818.23	\$53,901.41		___/___/___	_____
05/01/11	\$6,818.23	\$60,719.63		___/___/___	_____
06/01/11	\$6,818.23	\$1,621.61	\$65,916	___/___/___	_____
07/01/11	\$6,818.23	\$8,439.84		___/___/___	_____
08/01/11	\$6,818.23	\$15,258.06		___/___/___	_____
09/01/11	\$6,818.23	\$22,076.29		___/___/___	_____
10/01/11	\$6,818.23	\$28,894.51		___/___/___	_____
11/01/11	\$6,818.23	\$35,712.74		___/___/___	_____
12/01/11	\$6,818.23	\$27,777.22	\$14,754	___/___/___	_____
01/01/12	\$6,818.23	\$34,595.44		___/___/___	_____
02/01/12	\$6,818.23	\$41,413.67		___/___/___	_____
03/01/12	\$6,818.23	\$48,231.89		___/___/___	_____
04/01/12	\$6,818.23	\$55,050.12		___/___/___	_____
05/01/12	\$6,818.23	\$61,868.34		___/___/___	_____
06/01/12	\$6,818.23	\$3,932.82	\$64,754	___/___/___	_____
07/01/12	\$6,818.23	\$10,751.05		___/___/___	_____
08/01/12	\$6,818.23	\$17,569.27		___/___/___	_____
09/01/12	\$6,818.23	\$24,387.50		___/___/___	_____
10/01/12	\$6,818.23	\$31,205.72		___/___/___	_____
11/01/12	\$6,818.23	\$38,023.95		___/___/___	_____
12/01/12	\$6,818.23	\$31,250.93	\$13,591	___/___/___	_____
01/01/13	\$6,818.23	\$38,069.15		___/___/___	_____
02/01/13	\$6,818.23	\$44,887.38		___/___/___	_____
03/01/13	\$6,818.23	\$51,705.60		___/___/___	_____

City of Sistersville, West Virginia
Utilities System Refunding Revenue Bonds, Series 2003
(Sinking Fund Schedule)

Payment Date	Monthly Payment	Sinking Fund Balance	Net Payment	Payment Date	Check Number
04/01/13	\$6,818.23	\$58,523.83		___/___/___	_____
05/01/13	\$6,818.23	\$65,342.05		___/___/___	_____
06/01/13	\$6,818.23	\$3,569.03	\$68,591	___/___/___	_____
07/01/13	\$6,818.23	\$10,387.26		___/___/___	_____
08/01/13	\$6,818.23	\$17,205.48		___/___/___	_____
09/01/13	\$6,818.23	\$24,023.71		___/___/___	_____
10/01/13	\$6,818.23	\$30,841.93		___/___/___	_____
11/01/13	\$6,818.23	\$37,660.16		___/___/___	_____
12/01/13	\$6,818.23	\$32,165.89	\$12,313	___/___/___	_____
01/01/14	\$6,818.23	\$38,984.11		___/___/___	_____
02/01/14	\$6,818.23	\$45,802.34		___/___/___	_____
03/01/14	\$6,818.23	\$52,620.56		___/___/___	_____
04/01/14	\$6,818.23	\$59,438.79		___/___/___	_____
05/01/14	\$6,818.23	\$66,257.01		___/___/___	_____
06/01/14	\$6,818.23	\$5,762.74	\$67,313	___/___/___	_____
07/01/14	\$6,818.23	\$12,580.97		___/___/___	_____
08/01/14	\$6,818.23	\$19,399.19		___/___/___	_____
09/01/14	\$6,818.23	\$26,217.42		___/___/___	_____
10/01/14	\$6,818.23	\$33,035.64		___/___/___	_____
11/01/14	\$6,818.23	\$39,853.87		___/___/___	_____
12/01/14	\$6,818.23	\$35,734.60	\$10,938	___/___/___	_____
01/01/15	\$6,818.23	\$42,552.82		___/___/___	_____
02/01/15	\$6,818.23	\$49,371.05		___/___/___	_____
03/01/15	\$6,818.23	\$56,189.27		___/___/___	_____
04/01/15	\$6,818.23	\$63,007.50		___/___/___	_____
05/01/15	\$6,818.23	\$69,825.72		___/___/___	_____
06/01/15	\$6,818.23	\$5,706.45	\$70,938	___/___/___	_____
07/01/15	\$6,818.23	\$12,524.68		___/___/___	_____

City of Sistersville, West Virginia
Utilities System Refunding Revenue Bonds, Series 2003
(Sinking Fund Schedule)

Payment Date	Monthly Payment	Sinking Fund Balance	Net Payment	Payment Date	Check Number
08/01/15	\$6,818.23	\$19,342.90		___/___/___	_____
09/01/15	\$6,818.23	\$26,161.13		___/___/___	_____
10/01/15	\$6,818.23	\$32,979.35		___/___/___	_____
11/01/15	\$6,818.23	\$39,797.58		___/___/___	_____
12/01/15	\$6,818.23	\$37,178.31	\$9,438	___/___/___	_____
01/01/16	\$6,818.23	\$43,996.53		___/___/___	_____
02/01/16	\$6,818.23	\$50,814.75		___/___/___	_____
03/01/16	\$6,818.23	\$57,632.98		___/___/___	_____
04/01/16	\$6,818.23	\$64,451.21		___/___/___	_____
05/01/16	\$6,818.23	\$71,269.43		___/___/___	_____
06/01/16	\$6,818.23	\$3,650.16	\$74,438	___/___/___	_____
07/01/16	\$6,818.23	\$10,468.39		___/___/___	_____
08/01/16	\$6,818.23	\$17,286.61		___/___/___	_____
09/01/16	\$6,818.23	\$24,104.84		___/___/___	_____
10/01/16	\$6,818.23	\$30,923.06		___/___/___	_____
11/01/16	\$6,818.23	\$37,741.29		___/___/___	_____
12/01/16	\$6,818.23	\$36,747.02	\$7,813	___/___/___	_____
01/01/17	\$6,818.23	\$43,565.24		___/___/___	_____
02/01/17	\$6,818.23	\$50,383.47		___/___/___	_____
03/01/17	\$6,818.23	\$57,201.69		___/___/___	_____
04/01/17	\$6,818.23	\$64,019.92		___/___/___	_____
05/01/17	\$6,818.23	\$70,838.14		___/___/___	_____
06/01/17	\$6,818.23	\$4,843.87	\$72,813	___/___/___	_____
07/01/17	\$6,818.23	\$11,662.10		___/___/___	_____
08/01/17	\$6,818.23	\$18,480.32		___/___/___	_____
09/01/17	\$6,818.23	\$25,298.55		___/___/___	_____
10/01/17	\$6,818.23	\$32,116.77		___/___/___	_____
11/01/17	\$6,818.23	\$38,935.00		___/___/___	_____

City of Sistersville, West Virginia
Utilities System Refunding Revenue Bonds, Series 2003
(Sinking Fund Schedule)

Payment Date	Monthly Payment	Sinking Fund Balance	Net Payment	Payment Date	Check Number
12/01/17	\$6,818.23	\$39,565.73	\$6,188	___/___/___	_____
01/01/18	\$6,818.23	\$46,383.95		___/___/___	_____
02/01/18	\$6,818.23	\$53,202.18		___/___/___	_____
03/01/18	\$6,818.23	\$60,020.40		___/___/___	_____
04/01/18	\$6,818.23	\$66,838.63		___/___/___	_____
05/01/18	\$6,818.23	\$73,656.85		___/___/___	_____
06/01/18	\$6,818.23	\$4,287.58	\$76,188	___/___/___	_____
07/01/18	\$6,818.23	\$11,105.81		___/___/___	_____
08/01/18	\$6,818.23	\$17,924.03		___/___/___	_____
09/01/18	\$6,818.23	\$24,742.26		___/___/___	_____
10/01/18	\$6,818.23	\$31,560.48		___/___/___	_____
11/01/18	\$6,818.23	\$38,378.71		___/___/___	_____
12/01/18	\$6,818.23	\$40,934.44	\$4,263	___/___/___	_____
01/01/19	\$6,818.23	\$47,752.66		___/___/___	_____
02/01/19	\$6,818.23	\$54,570.89		___/___/___	_____
03/01/19	\$6,818.23	\$61,389.11		___/___/___	_____
04/01/19	\$6,818.23	\$68,207.34		___/___/___	_____
05/01/19	\$6,818.23	\$75,025.58		___/___/___	_____
06/01/19	\$6,818.23	\$2,581.29	\$79,263	___/___/___	_____
07/01/19	\$6,818.23	\$9,399.52		___/___/___	_____
08/01/19	\$6,818.23	\$16,217.74		___/___/___	_____
09/01/19	\$6,818.23	\$23,035.97		___/___/___	_____
10/01/19	\$6,818.23	\$29,854.19		___/___/___	_____
11/01/19	\$6,818.23	\$36,672.42		___/___/___	_____
12/01/19	\$6,818.23	\$41,290.65	\$2,200	___/___/___	_____
01/01/20	\$6,818.23	\$48,108.87		___/___/___	_____
02/01/20	\$6,818.23	\$54,927.10		___/___/___	_____
03/01/20	\$6,818.23	\$61,745.32		___/___/___	_____

City of Sistersville, West Virginia
Utilities System Refunding Revenue Bonds, Series 2003
(Sinking Fund Schedule)

Payment Date	Monthly Payment	Sinking Fund Balance	Net Payment	Payment Date	Check Number
04/01/20	\$6,818.23	\$68,563.55		____/____/____	_____
05/01/20	\$6,818.23	\$75,381.77		____/____/____	_____
06/01/20	\$6,818.23	(\$0.00)	\$82,200	____/____/____	_____
Totals:	\$1,358,826.94		\$1,356,826.94		