

CITY OF CHESTER

**Combined Waterworks and Sewerage System Revenue Bonds,
Series 1996 A
(West Virginia SRF Program)**

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CITY OF CHESTER

**COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 1996 A
(WEST VIRGINIA SRF PROGRAM)**

BOND ORDINANCE

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CITY OF CHESTER

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF CHESTER AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

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"), supplemental to the Prior Ordinances (as hereinafter defined), is enacted pursuant to the provisions of Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates, through its Water-Sewerage Board (the "Board"), a public combined waterworks and sewerage system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of approximately 15,775 feet of gravity sewer, 6 pump stations, 2,575 feet of pressure sewer in an area of Hancock County known as Lawrenceville, together with all appurtenant facilities (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the City Clerk of the Issuer.

C. The Issuer intends to permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program), in the total aggregate principal amount of not more than \$1,500,000 (the "Series 1996 A Bonds"), to be initially represented by a single bond, to permanently finance costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 1996 A Bonds prior to and during acquisition or construction of the Project and for a period not exceeding 6 months after completion of acquisition or construction of the Project; amounts which may be deposited in the Series 1996 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1996 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1996 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 20 years.

F. It is in the best interests of the Issuer that its Series 1996 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank senior to, on a parity with or junior and subordinate to the Series 1996 A Bonds as to liens, pledge and source of and security for payment, which obligations are designated and have the lien positions with respect to the Series 1996 A Bonds as follows:

<u>Designation</u>	<u>Lien Position</u>
Combined Waterworks and Sewerage System Revenue Bonds, Series 1976, dated December 16, 1977, issued in the original aggregate principal amount of \$1,879,000 (the "Series 1976 Bonds")	First Lien
Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 A, dated July 6, 1988, issued in the original aggregate principal amount of \$1,133,851 (the "Series 1988 A Bonds")	Second Lien
Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B, dated July 6, 1988, issued in the original aggregate principal amount of \$283,463 (the "Series 1988 B Bonds")	Third Lien

The Series 1976 Bonds, the Series 1988 A Bonds and the Series 1988 B Bonds are hereinafter collectively called the "Prior Bonds."

The Series 1996 A Bonds shall be issued junior and subordinate to the Series 1976 Bonds, on a parity with the Series 1988 A Bonds, and senior and prior to the Series 1988 B Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the coverage requirements for issuance of parity bonds of the Series 1988 A Bonds and the ordinance authorizing the Series 1988 A Bonds and has substantially complied with all other parity requirements, except to the extent

that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the Series 1996 A Bonds, the Issuer shall obtain the written consent of the Holders of the Series 1976 Bonds to the issuance of the Series 1996 A Bonds on a junior and subordinate basis to the Series 1976 Bonds, the written consent of the Holders of the Series 1988 A Bonds to the issuance of the Series 1996 A Bonds on a parity with the Series 1988 A Bonds, and the written consent of the Holders of the Series 1988 B Bonds to the issuance of the Series 1996 A Bonds on a senior and prior basis to the Series 1988 B Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Series 1996 A Bonds as to liens pledge and/or source of and security for payment or in any other respects.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds (as hereinafter defined) and payments into all funds and accounts and other payments provided for herein and in the Prior Ordinances, all as such terms are hereinafter defined.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1996 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 1996 A Bonds or such final order will not be subject to appeal.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1996 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1996 A Bonds are to be issued.

K. The Project has been approved by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended, or is grandfathered from review thereby.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1996 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all such Series 1996 A 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 and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1996 Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

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

"Board" means Water-Sewerage Board of the City of Chester created by an ordinance of the Issuer enacted September 1, 1964, or any successor thereto.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

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

"Bonds" means, collectively, the Series 1996 Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"City Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 1996 Bonds for the proceeds or at least a de minimis portion thereof representing the purchase price of the Series 1996 A Bonds from the Authority.

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

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

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

"Consulting Engineers" means Gills, Guard & Johnson, Inc., Willoughby, Ohio, or any qualified engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

"Costs" or "Costs of the Project" means those costs described in Section 1.02 hereof to be a part of the cost of acquisition and construction of the Project.

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

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds to the functions of the DEP.

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

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

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

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

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

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, (ii) evidences of ownership of a proportionate interest in specified direct interest.

"Grant" means all moneys received by the Issuer on account of any Grant.

"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" include any gains from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined, and for furnishing by the Issuer of miscellaneous service.

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Issuer" means the City of Chester, a municipal corporation and political subdivision of the State of West Virginia, in Hancock County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body and the Sanitary Board of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into among the Authority, the DEP and the Issuer, providing for the purchase of the Series 1996 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1996 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1996 A 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 1996 A 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 or any other proceeds of the Series 1996 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 1996 A Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, as hereinafter defined, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and Paying Agent (all as hereinafter 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 Series 1996 A Bonds or the Prior 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.

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

"1976 Ordinance" means the ordinance of the Issuer enacted December 13, 1977, authorizing the Series 1976 Bonds.

"1988 Ordinance" means the ordinance of the Issuer enacted June 21, 1988, authorizing the Series 1988 A Bonds and Series 1988 B Bonds.

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

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

"Paying Agent" means the Commission or such other entity or authority designated as a such for the Series 1996 A Bonds in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means, collectively, the Series 1976 Bonds, the Series 1988 A Bonds and the Series 1988 B Bonds of the Issuer.

"Prior Ordinances" means, collectively, the 1976 Ordinance and the 1988 Ordinance of the Issuer.

"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.

"Project" means the acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of approximately

15,775 feet of gravity sewer, 6 pump stations, 2,575 feet of pressure sewer in an area of Hancock County known as Lawrenceville, together with all appurtenant facilities.

"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 State Board of Investments 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.

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve account established for the Prior Bonds and the Series 1996 A Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in any reserve account for the Prior Bonds and the Series 1996 A Bonds.

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

"Series 1976 Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 1976, of the Issuer, dated December 16, 1977, issued in the original aggregate principal amount of \$1,879,000.

"Series 1976 Bonds Reserve Account" means the Reserve Account established for the Series 1976 Bonds by the 1976 Ordinance.

"Series 1976 Bonds Sinking Fund" means the Sinking Fund established for the Series 1976 Bonds by the 1976 Ordinance.

"Series 1988 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 A, of the Issuer, dated July 6, 1988, issued in the original aggregate principal amount of \$1,133,851.

"Series 1988 A Bonds Reserve Account" means the Series 1988 A Bonds Reserve Account established for the Series 1988 A Bonds by the 1988 Ordinance.

"Series 1988 A Bonds Sinking Fund" means the Series 1988 A Bonds Sinking Fund established for the Series 1988 A Bonds by the 1988 Ordinance.

"Series 1988 B Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B, of the Issuer, dated July 6, 1988, issued in the original aggregate principal amount of \$283,463.

"Series 1988 B Bonds Reserve Account" means the Series 1988 B Bonds Reserve Account established for the Series 1988 B Bonds by the 1988 Ordinance.

"Series 1988 B Bonds Sinking Fund" means the Series 1988 B Bonds Sinking Fund established for the Series 1988 B Bonds by the 1988 Ordinance.

"Series 1996 A Bonds" means the not more than \$1,500,000 in aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 1996 A Bonds Reserve Account" means the Series 1996 A Bonds Reserve Account established in the Series 1996 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1996 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1996 A Bonds in the then current or any succeeding year.

"Series 1996 A Bonds Sinking Fund" means the Series 1996 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking fund established for the Prior Bonds and the Series 1996 A Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the

proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 1996 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1996 Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 1996 Bonds, the Prior Bonds or any other obligation of the Issuer, including, without limitation, the Depreciation Fund, the Operation and Maintenance Fund, the Renewal and Replacement Fund and the Reserve Accounts.

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

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed \$2,303,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1996 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program.

The cost of the Project is estimated not to exceed \$2,303,000, of which approximately \$1,500,000 will be obtained from proceeds of the Series 1996 A Bonds, approximately \$750,000 from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant Program through the State of West Virginia), and approximately \$53,000 from a grant by the DEP.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1996 A Bonds, funding a reserve account for the Series 1996 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1996 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 1996 A Bonds of the Issuer, in the principal amount of not more than \$1,500,000. The Series 1996 A Bonds shall be issued as a single Bond, designated "Combined Waterworks and Sewerage System Revenue Bond, Series 1996 A (West Virginia SRF Program)" and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1996 A Bonds remaining after funding of the Series 1996 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 1996 A Bonds, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 1996 A Bonds shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 1996 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1996 A Bonds, if any, shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1996 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 1996 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1996 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as

applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from the date so specified therein.

Section 3.03. Execution of Bonds. The Series 1996 A Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 1996 A Bonds shall cease to be such officer of the Issuer before the Series 1996 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 1996 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of the authorization of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1996 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 1996 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1996 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 1996 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 1996 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 1996 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 1996 A Bonds or transferring the registered Series 1996 A Bonds are exercised, all Series 1996 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 1996 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 1996 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 1996 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 1996 A Bonds or, in the case of any proposed redemption of Series 1996 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1996 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1996 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein

provided. No Holder or Holders of the Series 1996 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1996 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of all Series 1996 A Bonds shall be secured forthwith equally and ratably with each other by a lien on the Gross Revenues derived from operation of the System, junior and subordinate to the lien on the Gross Revenues in favor of the Holders of the Series 1976 Bonds, on parity with the lien on the Gross Revenues in favor of the Holders of the Series 1988 A Bonds and senior and prior to the lien of the Gross Revenues in favor of the Holders of the Series 1988 B Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 1996 A Bonds and to make payments into all funds and accounts, and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1996 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1996 A Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 1996 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1996 A Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 1996 A Bonds.

Section 3.10. Form of Series 1996 A Bonds. The text of the Series 1996 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 1996 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHESTER
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 1996 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-_____

\$_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CHESTER, a municipal corporation and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199____, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with no interest. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 199____, as set forth on EXHIBIT B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, dated _____, 199_____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage

portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED JUNIOR AND SUBORDINATE, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS; SERIES 1976, DATED DECEMBER 16, 1977, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,879,000 (THE "SERIES 1976 BONDS").

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 A, DATED JULY 6, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,133,851 (THE "SERIES 1988 A BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B , DATED JULY 6, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$283,463 (THE "SERIES 1988 B BONDS").

THE SERIES 1976 BONDS, THE SERIES 1988 A BONDS AND THE SERIES 1988 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, junior and subordinate to the pledge of Gross Revenues in favor of the Holders of the Series 1976 Bonds, on a parity with the pledge of Gross Revenues in favor of the Holders of the Series 1988 A Bonds and senior and prior to the pledge of Gross Revenues in favor of the

Holders of the Series 1988 B Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1996 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Gross Revenues, the moneys in the Series 1996 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 1996 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is

created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF CHESTER has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199 ____.

[SEAL]

Mayor

ATTEST:

City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1996 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199__.

ONE VALLEY BANK,
NATIONAL ASSOCIATION,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1996 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created (or continued if previously established by the Prior Ordinances) with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Depreciation Fund (established by the Prior Ordinances);
- (3) Operation and Maintenance Fund (established by the Prior Ordinances);
- (4) Renewal and Replacement Fund (established by the Prior Ordinances); and
- (5) Bond Construction Trust Fund.

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

- (1) Series 1976 Bonds Sinking Fund (established by the 1976 Ordinance);
- (2) Series 1976 Bonds Reserve Account (established by the 1976 Ordinance);
- (3) Series 1988 A Bonds Sinking Fund (established by the 1988 Ordinance);
- (4) Within the Series 1988 A Bonds Sinking Fund, the Series 1988 A Bonds Reserve Account (established by the 1988 Ordinance);
- (5) Series 1988 B Bonds Sinking Fund (established by the 1988 Ordinance);

(6) Within the Series 1988 B Bonds Sinking Fund, the Series 1988 B Bonds Reserve Account (established by the 1988 Ordinance);

(7) Series 1996 A Bonds Sinking Fund; and

(8) Within the Series 1996 A Bonds Sinking Fund, the Series 1996 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and in the Prior Ordinances and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Prior Ordinances. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 1976 Bonds Sinking Fund such sums as will be sufficient to pay the interest and principal which will mature and become due on the next interest and principal payment date on all the Series 1976 Bonds Outstanding, all in accordance with the 1976 Ordinance.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1976 Bonds Reserve Account the monthly amount required to replenish the Series 1976 Bonds Reserve Account so as to maintain the reserve requirement therein, as set forth in the 1976 Ordinance, provided, however, that no further payments need be made into the Series 1976 Bonds Reserve Account for the purpose of maintaining the reserve requirement therein when there shall have been deposited therein and so long as there shall remain on deposit therein an amount equal to two times the maximum annual aggregate amount of interest and principal which will fall due on the Series 1976 Bonds, all in accordance with the 1976 Ordinance.

(3) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, remit to the Depository Bank for deposit in the Depreciation Fund, 10% of the Gross Revenues collected each month, less the above-provided payments into the Series 1976 Bonds Sinking Fund for such month, until the amount in the Depreciation Fund is in the sum of not less than \$280,000, and thereafter, when such sum falls below \$280,000 such payments into the Depreciation Fund shall be resumed.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, (i) remit to the Commission the amounts required by the 1988 Ordinance to be deposited in the Series 1988 A Bonds Sinking Fund for payment of interest on and principal of the Series 1988 A Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 1996 A Bonds, remit to the Commission for deposit in the Series 1996 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1996 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1996 A Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, (i) remit to the Commission the amount required by the 1988 Ordinance to be deposited in the Series 1988 A Bonds Reserve Account; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 1996 A Bonds, if not fully funded upon issuance of the Series 1996 A Bonds, remit to the Commission for deposit in the Series 1996 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1996 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1996 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1996 A Bonds Reserve Requirement.

(6) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund (as previously set forth in the Prior Ordinances and not in addition thereto), transfer to the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Reserve Accounts (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the 1988 Ordinance to be deposited in the Series 1988 B Bonds Sinking Fund for payment of the principal of the Series 1988 B Bonds.

(8) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the 1988 Ordinance to be deposited in the Series 1988 B Bonds Reserve Account.

(9) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, remit to the Depository Bank for deposit in the Operation and Maintenance Fund, 1/3rd of the amount determined to be necessary and sufficient to pay the reasonable and current expenses of operating and maintaining the System for the then current quarter; provided, that further deposits into the Operation and Maintenance Fund may be made in like manner, but only if and to the extent it may be found to be necessary to pay expenses actually accrued and payable.

Moneys in the Series 1996 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 1996 A Bonds as the same shall become due. Moneys in the Series 1996 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 1996 A Bonds as the same shall come due, when other moneys in the Series 1996 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1996 A Bonds Sinking Fund and the Series 1996 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 1996 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1996 A Bonds Reserve Account which result in a reduction in the balance of the Series 1996 A Bonds Reserve Account to below the Series 1996 A Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order as set forth above.

As and when additional Bonds ranking on a parity with the Series 1996 A 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 maturity and to accumulate a balance in the appropriate reserve account

in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional Bonds.

The Issuer shall not be required to make any further payments into the Series 1996 A Bonds Sinking Fund or the Series 1996 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1996 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall first be made with respect to the Series 1976 Bonds and then shall be made on a parity and pro rata, with respect to the Series 1988 A Bonds and Series 1996 A Bonds in accordance with the respective principal amounts then Outstanding, and thereafter with respect to the Series 1988 B Bonds.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1996 A Bonds Sinking Fund and the Series 1996 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Series 1996 A Bonds Sinking Fund and the Series 1996 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1996 A Bonds Sinking Fund, including the Series 1996 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1996 A Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove 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 the Sinking Funds, including the Reserve Accounts therein, the Renewal and Replacement Fund and the Depreciation Fund during the following month or such longer period as shall be required by the Act, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System, subject however, to the restrictions thereon set forth in the Prior Ordinances.

C. The Issuer shall, on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1996 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond

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

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

E. The Issuer shall, on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the SRF Administrative Fee as set forth in Schedule Y attached to the Loan Agreement.

F. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the 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 their respective charges, fees and expenses then due.

G. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund, the Renewal and Replacement Fund and the Depreciation 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.

H. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and the relevant provisions of the Prior Ordinances, and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 1996 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1996 A Bonds, there shall first be deposited with the Commission in the Series 1996 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1996 A Bonds for the period commencing on the date of issuance of the Series 1996 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1996 A Bonds, there shall be deposited with the Commission in the Series 1996 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 1996 A Bonds Reserve Account.

C. Next, from the proceeds of the Series 1996 A Bonds, there shall first be credited to the Bond Construction Trust Fund and then paid, any borrowing by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer; provided that the Authority and the DEP have previously consented to the payment of such borrowing.

D. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1996 A Bonds, such moneys shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 1996 A Bonds shall be used to fund the Series 1996 A Bonds Reserve Account, if not funded upon issuance of the Series 1996 A Bonds, in an amount not to exceed the Series 1996 A Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 1996 A Bonds be deposited in the Series 1996 A Bonds Reserve Account.

F. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth

in the Bond Legislation. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 1996 A Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 1996 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

- (1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit C, and
- (2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:
 - (A) That none of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
 - (B) That each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;
 - (C) That each of such costs has been otherwise properly incurred; and
 - (D) That payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1996 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1996 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1996 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1996 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 1996 A Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1996 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of all Series 1996 A Bonds shall be secured forthwith equally and ratably with each other by a lien on the Gross Revenues derived from the operation of the System, junior and subordinate to the lien on the Gross Revenues in favor of the Holders of the Series 1976 Bonds, on parity with the lien on said Gross Revenues in favor of the Holders of the Series 1988 A Bonds, and senior and prior to the lien on such Gross Revenues in favor of the Holders of the Series 1988 B Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 1996 A Bonds and to make payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted March 16, 1987, and the sewer rate ordinance of the Issuer enacted April 18, 1988, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances and with the

written consent of the Authority and the DEP. Additionally, so long as the Series 1996 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease the pledge created by this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1996 A Bonds, immediately be remitted to the Commission for deposit in the Series 1996 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Series 1996 A Bonds as prescribed by Section 10.01 hereof, but only after such proceeds are first applied in full to the Series 1976 Bonds and then on a parity basis and pro rata with the Series 1988 A Bonds. Any balance remaining after the payment of all the Series 1996 A Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine, 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 resolution 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 Issuer to the Commission for deposit in the Sinking Funds and shall be applied only to the purchase of the Prior Bonds and the Series 1996 A Bonds. 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 Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom 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 all Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 1996 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 1996 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1996 A Bonds and the Prior Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation and the Prior Ordinances have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 1996 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 1996 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 1996 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided, unless less restrictive than the provision of the Prior Ordinances.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1996 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the Series 1996 A Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided 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, 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 on the following:

- (1) The Bonds then Outstanding, including, without limitation, the Prior Bonds;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation 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 Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the 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 Consulting Engineers and the Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate acquisition and construction of such additions, extensions, betterments or improvements to the System which are to be financed by such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section and the Prior Ordinances. All the Series 1996 A Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 1996 A 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 equally, as to lien on and source of and security for payment from such revenues, with the Series 1996 A Bonds except in the manner and under the conditions provided in this section.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Ordinances with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation and the Prior Ordinances, shall have been made in full as required to the date of issuance of the Parity Bonds, and the Issuer then be in full compliance with all the covenants, agreements and terms of this Bond Legislation and the Prior Ordinances and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments and compliance.

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

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer, shall file with the Consulting Engineers, the Authority and the DEP, or any other original purchaser of the Series 1996 A Bonds, and shall mail in each year to any Holder or Holders of the Series 1996 A Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 1996 A Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 1996 A Bonds. Such audit report submitted to the Authority shall

include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Loan Agreement or as promulgated from time to time.

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

Section 7.09. Rates. 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 City Clerk, which copies will be open to inspection by all interested parties. 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 (or, where appropriate, continued) 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 Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance 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 1996 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with or junior to the Series 1996 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 1996 A Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with or junior to the Series 1996 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1996 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with or junior to the Series 1996 A Bonds, including the Prior Bonds. In any event, subject to any requirements of law, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

Section 7.10. Operating Budget; Audit and Monthly Financial Report.

The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the 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 Issuer 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 a registered professional engineer, that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

In addition, the Issuer shall annually cause the records of the System to be audited by an Independent Certified Public Accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, this Bond Legislation and the Loan Agreement and that the revenues of the System are adequate to meet the Issuer's operation and maintenance expenses and debt service requirements.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement as Exhibit B, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel.

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

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

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

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed.

The Issuer agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations

of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 1996 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project in the full insurable value thereof, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the sewerage facilities portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State 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 sewerage facilities portion of 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 sewerage facilities portion of the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the sewerage facilities portion 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 sewerage facilities portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority.

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.19. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. **PRIVATE BUSINESS USE LIMITATION.** The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1996 A 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 1996 A Bonds during the term thereof is, under the terms of the Series 1996 A 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 Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1996 A 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 1996 A Bonds during the term thereof is, under the terms of the Series 1996 A 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 Issuer, 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 1996 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1996 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. **PRIVATE LOAN LIMITATION.** The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1996 A 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 Issuer 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 1996 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. **INFORMATION RETURN.** The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1996 A Bonds and the interest, if any, thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. **FURTHER ACTIONS.** The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest, if any, on the Series 1996 A Bonds will be and remain

excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1996 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 1996 A Bonds and shall be junior and subordinate to the statutory mortgage lien in favor of the Holders of the Series 1976 Bonds, on a parity with the statutory mortgage lien in favor of the Holders of the Series 1988 A Bonds and senior and prior to the statutory mortgage lien in favor of the Holder of the Series 1988 B Bonds.

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17CFR Part 240).

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 1996 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1996 A Bonds which would cause the Series 1996 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, 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 1996 A Bonds) so that the interest, if any, on the Series 1996 A 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 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1996 A Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1996 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1996 A Bonds are issued does not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect applicable to the Series 1996 A Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1996 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1996 A Bonds. In the event of a failure to pay the correct rebate amount or amounts, the Issuer will pay, from any lawful sources available therefor, to the United States such amount or amounts, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1996 A Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

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

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

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

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1996 A Bonds shall be junior and subordinate to those of the Holders of the Series 1976 Bonds, on a parity with the Holders of the Series 1988 A Bonds and senior and prior to those of the Holders of the Series 1988 B Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under

the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Series 1996 A Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 1996 A Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1996 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 1996 A Bonds from gross income for federal income tax purposes.

Series 1996 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1996 A 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 1996 A 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 Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay, when due, the principal installments of and interest due and to become due on said Series 1996 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1996 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestment shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1996 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1996 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 1996 A Bonds, shall be made without the consent in writing of the Registered Owners of 66 2/3% or more in principal amount of the Series 1996 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Series 1996 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 1996 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 1996 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 1996 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict

between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds or any portion thereof are Outstanding.

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

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.08. 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 Hancock County Courier and the East Liverpool Evening Review, two newspapers of general circulation in the City of Chester, there being no newspaper published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 1996 A 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.

Passed on First Reading: - October 7, 1996
Passed on Second Reading: - October 21, 1996
Passed on Final Reading
Following Public
Hearing: - November 4, 1996

Roy Cashdollar

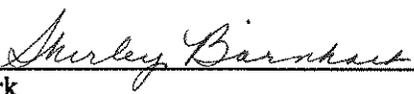
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the
CITY OF CHESTER on the 4th day of November, 1996.

Dated: December 17, 1996.

[SEAL]



City Clerk

11/15/96
COCJM.A5
146410/94001

CITY OF CHESTER

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1996 A
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF CHESTER; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the city council (the "Governing Body") of the City of Chester (the "Issuer"), has duly and officially adopted and enacted a bond ordinance, effective November 4, 1996 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF CHESTER AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO

THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program), of the Issuer (the "Bonds"), in the aggregate principal amount not to exceed \$1,500,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"), all in accordance with Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$1,301,239. The Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2018, and shall bear no interest. Principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 1998, and ending March 1, 2018, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of a redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby approve and shall pay the administrative fee equal to 1% of the principal amount of the Bonds set forth in "Schedule Y" attached to the Loan Agreement.

Section 4. The Issuer does hereby ratify, approve and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar (the "Registrar"), for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 6. The Issuer does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds.

Section 7. The Issuer does hereby appoint First National Bank of Chester, Chester, West Virginia, as Depository Bank under the Bond Ordinance.

Section 8. Series 1996 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 1996 A Bonds Sinking Fund, as capitalized interest.

Section 9. Series 1996 A Bonds proceeds in the amount of \$65,062 shall be deposited in the Series 1996 A Bonds Reserve Account.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Bond Construction Trust Fund as received from time to time for payment of Costs of the Project, including costs of issuance of the Bonds and related costs.

Section 11. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about December 17, 1996, to the Authority pursuant to the Loan Agreement.

Section 12. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Moneys in the Series 1996 A Bonds Sinking Fund, including the Series 1996 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 14. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 15. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the

Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than \$5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1996, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 4th day of November, 1996.

Roy Cashdollar

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Chester on the 4th day of November, 1996.

Dated: December 17, 1996.

[SEAL]



City Clerk

10/30/96
COCJM.B2
146410/94001

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION, a division of the West Virginia Department of Commerce, Labor and Environmental Resources (the "DEP"), and the local government designated below (the "Local Government").

CITY OF CHESTER
(Local Government)

W I T N E S S E T H:

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

WHEREAS, pursuant to the provisions of Chapter 20, Article 5I, of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards and DEP has been awarded capitalization grants to partially fund the Program;

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

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by

such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

1.3 "Loan" means the loan to be made by the Authority and DEP to the Local Government through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and of the Local Act, the Local Government has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Government by the Consulting Engineers.

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

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

2.5 The Local Government shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Local Government shall permit the Authority and DEP, acting by and through their Directors or duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Local Government shall submit to the Authority and DEP such documents and information as it may reasonably require in connection with the construction, acquisition and installation of

the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

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

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

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

2.9 The Local Government shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, DEP and the

Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Local Government agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 25% completion stage.

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

2.12 The Local Government, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority.

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the construction of the Project and operation of the System, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local

Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project) with all requisite appeal periods having expired, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

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

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the

Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date set forth in Exhibit E hereto.

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

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions established by federal and state regulations as set forth in Exhibit E hereto at such times as are set forth in Exhibit E.

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by the net revenues from the System;

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

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

(iv) That, except as otherwise required by State law or the Regulations, the System may be sold, mortgaged, leased or otherwise disposed of as a whole or substantially as a whole provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the local bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by

a lien on or payable from the revenues of the System prior to the Local Bonds and with the written consent of the Authority and DEP; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

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

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

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

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

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

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that the Local Government is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Local Government's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

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

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC,

prospective users of the System shall be required to connect thereto;

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

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

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

(xvii) That the Commission shall serve as paying agent for all Local Bonds;

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

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, the Project is adequate for the purposes for which it was designed and the funding plan as submitted to the Authority is

sufficient to pay the costs of acquisition and construction of the Project; and

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

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

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

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

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

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

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

ARTICLE V

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

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Loan Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to Section 4.2 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default

hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

ARTICLE VI

Other Agreements of the Local Government

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

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

6.3 The Local Government hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Loan.

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue

Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of

Attest:

Date: Oct. 31, 1996

E. Cheryl Barnhart
Its Recorder

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: Barbara S. Ingle
Its: Chief, Office of Water Resources

Date: 11/6/96

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Lyubosky
Its: Director

Attest:

Date: October 29, 1996

Barbara B. Meadows
Secretary-Treasurer

APPROVED AS TO FORM PRIOR TO
ACKNOWLEDGEMENT THEREOF, THIS
25th day of August, 1992.

Attorney General
BY: Dawn E. Wayfield
DEPUTY ATTORNEY GENERAL

EXHIBIT A

Certificate of Performance
for
Publicly Owned Treatment Works

I. As required by the Clean Water Act under Title VI, Section 602(b)(6), and the Loan Agreement, the Local Government does hereby certify that it has :

- a. Provided to the WV DEP written notification of the actual date of initiation of operation. This date of initiation was on the _____ day of _____, 19____.
- b. Utilized the services of _____,
our prime engineer who either:
_____ Supervised our project construction; and/or
_____ Provided architectural and engineering services during construction.

For a period of twelve (12) months following the initiation of operations, the prime engineer provided the following services:

- 1) Directed project operation and maintenance; and
- 2) Trained operating personnel and prepared the required curricula and training materials, and revised the operation and maintenance manual(s); and
- 3) Advised the Local Government on the status of the project meeting performance standards.

II. The Local Government, having access to and control of all the necessary data, and having monitored the construction of this project, hereby certifies that the project built under this Loan Agreement meets:

- a. The specifications for which the project was planned, designed, and built.
- b. The effluent limitations contained in its NPDES permit, if applicable.

CITY OF CHESTER

Local Government Name

Roy Cashdollar

Mayor

Local Government Representative's Name and Title

Oct. 31, 1996
Date

EXHIBIT B

[Form of Monthly Financial Report]

[Name of Local Government]

[Name of Bond Issue]

Fiscal Year - _____

Report Month: _____

<u>ITEM</u>	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>	<u>BUDGET YEAR TO DATE</u>	<u>DIFFERENCE</u>
1. Gross Revenues Collected				
2. Operation and Maintenance Expense				
3. Other Bond Debt Payments (including Reserve Fund deposits)				
4. SRF Bond Payments (include Reserve Fund deposits)				
5. Renewal and Replacement Fund Deposit				
6. Funds available for capital construction				

Witnesseth my signature this 31 day of OCT., 1996.

[Name of Local Government]

City of Chester

By:

Roy Ashdollar

Authorized Officer

EXHIBIT C

PAYMENT REQUISITION FORM

(TO BE PROVIDED BY DEP FOR EACH PROJECT)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____, of _____ Consulting Engineers, _____, hereby certify that my firm is engineer for the acquisition and construction of _____ to the _____ system (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____ County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19____, effective _____, 19____, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection ("DEP") dated _____, 19____.

1. The Bonds are being issued for the purpose of _____ (the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least twenty years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the _____ of the Issuer are sufficient to comply with the provisions

of Subsection 4.1(b) of the Loan Agreement, (vi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this _____ day of _____, 19____.

By _____

_____ West Virginia License No. _____

[SEAL]

EXHIBIT E

[Special Conditions]

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

Junior consent from G. E. Capital on 1976 Bonds.

EXHIBIT F

[Monthly Payment Form]

West Virginia Water Development
Authority
1201 Dunbar Avenue
Dunbar, WV 25064

Re: [Name of bond issue]

Dear Sirs:

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

Sinking Fund:

Interest \$ _____

Principal \$ _____

Total: \$ _____

Reserve Fund: \$ _____

Witness my signature this ____ day of _____.

City of Chester
[Name of Local Government]

By: *Roy Cashdollar*
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

[Opinion of Bond Counsel for Local Government]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated _____, 19____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Government and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, 19__ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of \$_____, issued in the form of one bond registered as to principal and interest to the Authority, with interest payable _____ 1, _____ 1, _____ 1, and _____ 1 of each year, beginning _____ 1, 19__, at the respective rate or rates and with principal payable in installments on _____ 1 in each of the years, all as follows:

<u>Year</u>	<u>Installment</u>	<u>Interest Rate</u>
-------------	--------------------	----------------------

The Local Bonds are issued for the purpose of _____
_____ and paying certain issuance and other costs in connection therewith.

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

Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Local Government is a duly organized and presently existing _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Government has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds are valid and legally enforceable special obligations of the Local Government, payable from the net revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the net revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

6. The Local Bonds are, by statute, exempt _____, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for federal income tax purposes.

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF BONDS

Principal Amount of Bonds	\$ 1,301,239.00
Purchase Price of Bonds	\$ 1,301,239.00

Interest on the Bonds shall be zero percent ~~from the date of delivery to and including~~----- . Principal and interest on the Bonds is payable quarterly, commencing June 1, 1998, at a rate of 0% per annum. Quarterly payments will be made thereafter on each September 1, December 1, March 1 and June 1 as set forth on Schedule Y attached hereto and incorporated herein by reference. As of the date of this Loan Agreement, it is the Authority's and DEP's understanding that the Local Government has ~~{no other obligations outstanding which have a lien as to the source of and security for payment equal to or superior to the lien being granted by the Bonds}~~ ~~or {provide list of outstanding debt}~~.*

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

The Bonds will be fully registered in the name of the West Virginia Water Development Authority as to principal ~~and interest~~ and such Bonds shall grant the Authority a second lien on the net revenues of the Local Government's system.

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

*First lien - Combined Waterworks and Sewerage System Revenue Bonds, Series 1976, dated December 16, 1977, issued in the original principal amount of \$1,879,000.

Second lien - Combined Waterworks and Sewerage System Revenue Bonds, Series 1988A, dated July 6, 1988, issued in the original principal amount of \$1,133,851.

Third lien - Combined Waterworks and Sewerage System Revenue Bonds, Series 1988B, dated July 6, 1988, issued in the original principal amount of \$283,463.

SCHEDULE Y

City of Chester \$1,301,239.00 0% interest rate, 1% annual fee DEBT SERVICE SCHEDULE				
DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
3/01/1998	-	-	-	-
6/01/1998	16,265.49	-	-	16,265.49
9/01/1998	16,265.49	-	-	16,265.49
12/01/1998	16,265.49	-	-	16,265.49
3/01/1999	16,265.49	-	-	16,265.49
6/01/1999	16,265.49	-	-	16,265.49
9/01/1999	16,265.49	-	-	16,265.49
12/01/1999	16,265.49	-	-	16,265.49
3/01/2000	16,265.49	-	-	16,265.49
6/01/2000	16,265.49	-	-	16,265.49
9/01/2000	16,265.49	-	-	16,265.49
12/01/2000	16,265.49	-	-	16,265.49
3/01/2001	16,265.49	-	-	16,265.49
6/01/2001	16,265.49	-	-	16,265.49
9/01/2001	16,265.49	-	-	16,265.49
12/01/2001	16,265.49	-	-	16,265.49
3/01/2002	16,265.49	-	-	16,265.49
6/01/2002	16,265.49	-	-	16,265.49
9/01/2002	16,265.49	-	-	16,265.49
12/01/2002	16,265.49	-	-	16,265.49
3/01/2003	16,265.49	-	-	16,265.49
6/01/2003	16,265.49	-	-	16,265.49
9/01/2003	16,265.49	-	-	16,265.49
12/01/2003	16,265.49	-	-	16,265.49
3/01/2004	16,265.49	-	-	16,265.49
6/01/2004	16,265.49	-	-	16,265.49
9/01/2004	16,265.49	-	-	16,265.49
12/01/2004	16,265.49	-	-	16,265.49
3/01/2005	16,265.49	-	-	16,265.49
6/01/2005	16,265.49	-	-	16,265.49
9/01/2005	16,265.49	-	-	16,265.49
12/01/2005	16,265.49	-	-	16,265.49
3/01/2006	16,265.49	-	-	16,265.49
6/01/2006	16,265.49	-	-	16,265.49
9/01/2006	16,265.49	-	-	16,265.49
12/01/2006	16,265.49	-	-	16,265.49
3/01/2007	16,265.49	-	-	16,265.49
6/01/2007	16,265.49	-	-	16,265.49
9/01/2007	16,265.49	-	-	16,265.49
12/01/2007	16,265.49	-	-	16,265.49
3/01/2008	16,265.49	-	-	16,265.49
6/01/2008	16,265.49	-	-	16,265.49
9/01/2008	16,265.49	-	-	16,265.49
12/01/2008	16,265.49	-	-	16,265.49
3/01/2009	16,265.49	-	-	16,265.49
6/01/2009	16,265.49	-	-	16,265.49
9/01/2009	16,265.49	-	-	16,265.49
12/01/2009	16,265.49	-	-	16,265.49
3/01/2010	16,265.49	-	-	16,265.49
6/01/2010	16,265.49	-	-	16,265.49

City of Chester
\$1,301,239.00
0% interest rate, 1% annual fee

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
9/01/2010	16,265.49	-	-	16,265.49
12/01/2010	16,265.49	-	-	16,265.49
3/01/2011	16,265.49	-	-	16,265.49
6/01/2011	16,265.49	-	-	16,265.49
9/01/2011	16,265.49	-	-	16,265.49
12/01/2011	16,265.49	-	-	16,265.49
3/01/2012	16,265.49	-	-	16,265.49
6/01/2012	16,265.49	-	-	16,265.49
9/01/2012	16,265.49	-	-	16,265.49
12/01/2012	16,265.49	-	-	16,265.49
3/01/2013	16,265.49	-	-	16,265.49
6/01/2013	16,265.48	-	-	16,265.48
9/01/2013	16,265.48	-	-	16,265.48
12/01/2013	16,265.48	-	-	16,265.48
3/01/2014	16,265.48	-	-	16,265.48
6/01/2014	16,265.48	-	-	16,265.48
9/01/2014	16,265.48	-	-	16,265.48
12/01/2014	16,265.48	-	-	16,265.48
3/01/2015	16,265.48	-	-	16,265.48
6/01/2015	16,265.48	-	-	16,265.48
9/01/2015	16,265.48	-	-	16,265.48
12/01/2015	16,265.48	-	-	16,265.48
3/01/2016	16,265.48	-	-	16,265.48
6/01/2016	16,265.48	-	-	16,265.48
9/01/2016	16,265.48	-	-	16,265.48
12/01/2016	16,265.48	-	-	16,265.48
3/01/2017	16,265.48	-	-	16,265.48
6/01/2017	16,265.48	-	-	16,265.48
9/01/2017	16,265.48	-	-	16,265.48
12/01/2017	16,265.48	-	-	16,265.48
3/01/2018	16,265.48	-	-	16,265.48
TOTAL	1,301,239.00	-	-	1,301,239.00

*

*Plus a one-percent annual administrative fee paid quarterly in the amount of \$1,646.88. The total administrative fee over the life of the loan is \$131,750.40.

YIELD STATISTICS

Accrued Interest from 03/01/1998 to 03/01/1998...	-
Average Life.....	10.125 YEARS
Bond Years.....	13,175.04
Average Coupon.....	-
Bond Yield for Arbitrage Purposes.....	1.0012500%
True Interest Cost (TIC).....	-
Effective Interest Cost (EIC).....	1.0012500%

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

final
12-11-95
as corrected
11-22-95

Entered: November 21, 1995

CASE NO. 95-0591-S-CN

CITY OF CHESTER, a municipal corporation,
Hancock County.

Application for a certificate of convenience and necessity to construct 15,775 feet of gravity sewer, six (6) pump stations, and 2,575 feet of pressure sewer in an area of Hancock County known as Lawrenceville, and for approval of financing incidental thereto.

RECOMMENDED DECISION

On June 30, 1995, the City of Chester (City), a municipal corporation, Hancock County, filed an application, duly verified, for a certificate of convenience and necessity to construct 15,775 feet of gravity sewer, six (6) pump stations and 2,575 feet of pressure sewer in an area of Hancock County known as Lawrenceville. Lawrenceville lies on a hilltop northeast of Chester. The proposed project will provide sewage collection and treatment service to approximately 170 homes in the area. The City estimates that construction will cost approximately \$2,105,839 and will be financed by a Small Cities Block Grant in the amount of \$750,000, a DEP advance assistance Grant in the amount of \$54,600 and a State Revolving Fund loan in the amount of \$1,301,239. The City is not requesting an increase in its current sewer rates and charges.

By Order issued June 30, 1995, the City was directed to give notice of the filing of said application by publishing a copy of the June 30, 1995 Order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in the City of New Cumberland, Hancock County, making due return to the Commission of proper certification of publication immediately after publication. The notice provided that anyone desiring to make objection to the application must do so, in writing, within thirty (30) days of publication of the notice, to P. O. Box 812, Charleston, West Virginia 25323. The notice further provide that, if no protests are received after the 30-day period, the Commission may waive formal hearing and grant the application of the City of Chester based upon the evidence submitted with the application and the Commission's review thereof.

On July 7, 1995, the Commission received correspondence from the Division of Environmental Protection advising the Commission that, while a formal loan commitment did not exist for the project in the amount of \$1,301,239, DEP had every intention of making the loan. DEP indicated that the project was on the current priority list and has already been awarded an

7/12

Since the project cannot go forward without the NPDES permit, the Administrative Law Judge feels there are no issues in dispute between the Applicant and Staff and a hearing will not be necessary in this matter.

Based upon the foregoing, the Administrative Law Judge is of the opinion that the City's application for a certificate of convenience and necessity to construct 15,775 feet of gravity sewer, six (6) pump stations and 2,575 feet of pressure sewer in an area of Hancock County known as Lawrenceville and for approval of financing incidental thereto, should be approved subject to the receipt of the NPDES permit; the bids coming within estimates; and the State Revolving Fund Loan in the amount of \$1,301,239 being at 1% interest for a period not to exceed 20 years.

FINDINGS OF FACT

1. On June 30, 1995, the City of Chester (City), a municipal corporation, Hancock County, filed an application, duly verified, for a certificate of convenience and necessity to construct 15,775 feet of gravity sewer, six (6) pump stations and 2,575 feet of pressure sewer in an area of Hancock County known as Lawrenceville. (See application).

2. The City estimates that construction will cost approximately \$2,105,839 and will be financed by a Small Cities Block Grant in the amount of \$750,000, a DEP advance assistance Grant in the amount of \$54,600 and a State Revolving Fund loan in the amount of \$1,301,239, at an interest rate not to exceed 1% for a period not to exceed 20 years. The City did not request an increase in its current rates and charges. (See application).

3. The City has made publication in accordance with West Virginia Code §24-2-11. (Affidavit of publication received August 16, 1995).

4. No protests were received to the application during the 30-day protest period. (See case file generally).

5. Commission Staff recommends that the City's application for a certificate of convenience and necessity be approved subject to the receipt of an NPDES permit from the Department of Environmental Protection; bids coming within estimates; and the State Revolving Fund Loan being in the amount of \$1,301,239 at an interest rate not to exceed 1% for a period not to exceed 20 years. (See Final Joint Staff Memorandum received November 18, 1995).

6. The City and Staff requested that the hearing scheduled for November 28, 1995, be cancelled. (See correspondence received November 17, 1995; Final Joint Staff Memorandum received November 18, 1995).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.
2. The proposed project is adequately financed and economically feasible.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Issued: November 22, 1995

CASE NO. 95-0591-S-CN

CITY OF CHESTER, a municipal corporation,
Hancock County.

Application for a certificate of convenience and necessity to construct 15,775 feet of gravity sewer, six (6) pump stations, and 2,575 feet of pressure sewer in an area of Hancock County known as Lawrenceville, and for approval of financing incidental thereto.

CORRECTIVE ORDER

On June 30, 1995, the City of Chester (City), a municipal corporation, Hancock County, filed an application, duly verified, for a certificate of convenience and necessity to construct 15,775 feet of gravity sewer, six (6) pump stations and 2,575 feet of pressure sewer in an area of Hancock County known as Lawrenceville. Lawrenceville lies on a hilltop northeast of Chester. The proposed project will provide sewage collection and treatment service to approximately 170 homes in the area. The City estimates that construction will cost approximately \$2,105,839 and will be financed by a Small Cities Block Grant in the amount of \$750,000, a DEP advance assistance Grant in the amount of \$54,600 and a State Revolving Fund loan in the amount of \$1,301,239. The City is not requesting an increase in its current sewer rates and charges.

On November 21, 1995, a Recommended Decision was entered conditionally approving the application. The order indicates that the Department of Health is the agency responsible for approving the plans and specifications of the project. The Department of Health is responsible for the review of plans and specifications of water projects, not sewer. The Division of Environmental Protection is the authorized agency to review and approve plans and specifications of sewer projects. Therefore, the Administrative Law Judge feels that the Recommended Decision should be corrected to indicate that any references to the Department of Health should read Division of Environmental Protection.

ORDER

IT IS, THEREFORE, ORDERED that any references in the Recommended Decision, entered November 21, 1995, to the Department of Health be, and hereby are, amended to read Division of Environmental Protection.

CITY OF CHESTER

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1996 A
(West Virginia SRF Program)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

The undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the City of Chester (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 17th day of December, 1996, the Authority received the entire original issue of \$1,301,239 principal amount of the Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program), of the Issuer (the "Bonds"), issued as a single, fully registered Bond, numbered AR-1, and dated December 17, 1996.

2. At the time of such receipt of the Bonds upon original issuance, the Bonds had been executed by the Mayor and the City Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of \$81,811, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced by the Authority and the West Virginia Division of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

WITNESS our respective signatures on this 17th day of December, 1996.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Barbara B Meadnes
Authorized Representative

CITY OF CHESTER

Roy Cashdollar
Mayor

12/02/96
COCJM.I3
146410/94001

CITY OF CHESTER

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1996 A
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

One Valley Bank, National Association,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the City of Chester Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program), in the principal amount of \$1,301,239, dated December 17, 1996 (the "Bonds"), executed by the Mayor and the City Clerk of the City of Chester (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on November 4, 1996, and a Supplemental Resolution duly adopted by the Issuer on November 4, 1996 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-captioned Bond issue, duly certified by the City Clerk of the Issuer;

(3) Executed counterparts of the loan agreement dated October 29, 1996, by and among the West Virginia Water Development Authority (the "Authority"), the West Virginia Division of Environmental Protection (the "DEP") and the Issuer (the "Loan Agreement"); and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of \$81,811, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated this 17th day of December, 1996.

CITY OF CHESTER

Roy Cashdollar

Mayor

12/02/96
COCJM.J3
146410/94001

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHESTER
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 1996 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$1,301,239

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CHESTER, a municipal corporation and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of ONE MILLION THREE HUNDRED ONE THOUSAND TWO HUNDRED THIRTY-NINE DOLLARS (\$1,301,239), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 1998, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with no interest. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing June 1, 1998, as set forth on EXHIBIT B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, dated October 29, 1996.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions,

additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on November 4, 1996, and a Supplemental Resolution duly adopted by the Issuer on November 4, 1996 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED JUNIOR AND SUBORDINATE, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS; SERIES 1976, DATED DECEMBER 16, 1977, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,879,000 (THE "SERIES 1976 BONDS").

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 A, DATED JULY 6, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,133,851 (THE "SERIES 1988 A BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B , DATED JULY 6, 1988, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$283,463 (THE "SERIES 1988 B BONDS").

THE SERIES 1976 BONDS, THE SERIES 1988 A BONDS AND THE SERIES 1988 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, junior and subordinate to the pledge of Gross Revenues in favor of the Holders of the Series 1976 Bonds, on a parity with the pledge of Gross Revenues in favor of the Holders of the Series 1988 A Bonds and senior and prior to the pledge of Gross Revenues in favor of the Holders of the Series 1988 B Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1996 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer

within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Gross Revenues, the moneys in the Series 1996 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 1996 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of

the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

IN WITNESS WHEREOF, the CITY OF CHESTER has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated December 17, 1996.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1996 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: December 17, 1996.

ONE VALLEY BANK,
NATIONAL ASSOCIATION,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1)	\$81,811	12-17-96	(19)	
(2)	\$		(20)	
(3)	\$		(21)	
(4)	\$		(22)	
(5)	\$		(23)	
(6)	\$		(24)	
(7)	\$		(25)	
(8)	\$		(26)	
(9)	\$		(27)	
(10)	\$		(28)	
(11)	\$		(29)	
(12)	\$		(30)	
(13)	\$		(31)	
(14)	\$		(32)	
(15)	\$		(33)	
(16)	\$		(34)	
(17)	\$		(35)	
(18)	\$		(36)	

TOTAL \$ _____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

City of Chester \$1,301,239.00 0% interest rate, 1% annual fee DEBT SERVICE SCHEDULE				
DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
3/01/1998	-	-	-	-
6/01/1998	16,265.49	-	-	16,265.49
9/01/1998	16,265.49	-	-	16,265.49
12/01/1998	16,265.49	-	-	16,265.49
3/01/1999	16,265.49	-	-	16,265.49
6/01/1999	16,265.49	-	-	16,265.49
9/01/1999	16,265.49	-	-	16,265.49
12/01/1999	16,265.49	-	-	16,265.49
3/01/2000	16,265.49	-	-	16,265.49
6/01/2000	16,265.49	-	-	16,265.49
9/01/2000	16,265.49	-	-	16,265.49
12/01/2000	16,265.49	-	-	16,265.49
3/01/2001	16,265.49	-	-	16,265.49
6/01/2001	16,265.49	-	-	16,265.49
9/01/2001	16,265.49	-	-	16,265.49
12/01/2001	16,265.49	-	-	16,265.49
3/01/2002	16,265.49	-	-	16,265.49
6/01/2002	16,265.49	-	-	16,265.49
9/01/2002	16,265.49	-	-	16,265.49
12/01/2002	16,265.49	-	-	16,265.49
3/01/2003	16,265.49	-	-	16,265.49
6/01/2003	16,265.49	-	-	16,265.49
9/01/2003	16,265.49	-	-	16,265.49
12/01/2003	16,265.49	-	-	16,265.49
3/01/2004	16,265.49	-	-	16,265.49
6/01/2004	16,265.49	-	-	16,265.49
9/01/2004	16,265.49	-	-	16,265.49
12/01/2004	16,265.49	-	-	16,265.49
3/01/2005	16,265.49	-	-	16,265.49
6/01/2005	16,265.49	-	-	16,265.49
9/01/2005	16,265.49	-	-	16,265.49
12/01/2005	16,265.49	-	-	16,265.49
3/01/2006	16,265.49	-	-	16,265.49
6/01/2006	16,265.49	-	-	16,265.49
9/01/2006	16,265.49	-	-	16,265.49
12/01/2006	16,265.49	-	-	16,265.49
3/01/2007	16,265.49	-	-	16,265.49
6/01/2007	16,265.49	-	-	16,265.49
9/01/2007	16,265.49	-	-	16,265.49
12/01/2007	16,265.49	-	-	16,265.49
3/01/2008	16,265.49	-	-	16,265.49
6/01/2008	16,265.49	-	-	16,265.49
9/01/2008	16,265.49	-	-	16,265.49
12/01/2008	16,265.49	-	-	16,265.49
3/01/2009	16,265.49	-	-	16,265.49
6/01/2009	16,265.49	-	-	16,265.49
9/01/2009	16,265.49	-	-	16,265.49
12/01/2009	16,265.49	-	-	16,265.49
3/01/2010	16,265.49	-	-	16,265.49
6/01/2010	16,265.49	-	-	16,265.49

City of Chester
\$1,301,239.00
0% Interest rate, 1% annual fee

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
9/01/2010	16,265.49	-	-	16,265.49
12/01/2010	16,265.49	-	-	16,265.49
3/01/2011	16,265.49	-	-	16,265.49
6/01/2011	16,265.49	-	-	16,265.49
9/01/2011	16,265.49	-	-	16,265.49
12/01/2011	16,265.49	-	-	16,265.49
3/01/2012	16,265.49	-	-	16,265.49
6/01/2012	16,265.49	-	-	16,265.49
9/01/2012	16,265.49	-	-	16,265.49
12/01/2012	16,265.49	-	-	16,265.49
3/01/2013	16,265.49	-	-	16,265.49
6/01/2013	16,265.48	-	-	16,265.48
9/01/2013	16,265.48	-	-	16,265.48
12/01/2013	16,265.48	-	-	16,265.48
3/01/2014	16,265.48	-	-	16,265.48
6/01/2014	16,265.48	-	-	16,265.48
9/01/2014	16,265.48	-	-	16,265.48
12/01/2014	16,265.48	-	-	16,265.48
3/01/2015	16,265.48	-	-	16,265.48
6/01/2015	16,265.48	-	-	16,265.48
9/01/2015	16,265.48	-	-	16,265.48
12/01/2015	16,265.48	-	-	16,265.48
3/01/2016	16,265.48	-	-	16,265.48
6/01/2016	16,265.48	-	-	16,265.48
9/01/2016	16,265.48	-	-	16,265.48
12/01/2016	16,265.48	-	-	16,265.48
3/01/2017	16,265.48	-	-	16,265.48
6/01/2017	16,265.48	-	-	16,265.48
9/01/2017	16,265.48	-	-	16,265.48
12/01/2017	16,265.48	-	-	16,265.48
3/01/2018	16,265.48	-	-	16,265.48
TOTAL	1,301,239.00	-	-	1,301,239.00

*Plus a one-percent annual administrative fee paid quarterly in the amount of \$1,646.88. The total administrative fee over the life of the loan is \$131,750.40.

YIELD STATISTICS

Accrued Interest from 03/01/1998 to 03/01/1998...	-
Average Life.....	10.125 YEARS
Bond Years.....	13,175.04
Average Coupon.....	-
Bond Yield for Arbitrage Purposes.....	1.0012500%
True Interest Cost (TIC).....	-
Effective Interest Cost (EIC).....	1.0012500%

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

STEPPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

BANK ONE CENTER

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

December 17, 1996

City of Chester

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1996 A
(West Virginia SRF Program)

THE BRYAN CENTRE

P. O. BOX 570

82 WEST WASHINGTON STREET, FOURTH FLOOR

HAGERSTOWN, MARYLAND 21740-0570

(301) 739-6600

FACSIMILE (301) 739-8742

FOURTH FLOOR - RILEY BUILDING

P. O. BOX 150

14TH AND CHARLINE STREETS

WHEELING, W. VA. 26003-0020

(304) 233-0000

FACSIMILE (304) 233-0014

THE PMC BUILDING, SUITE 101

P. O. BOX 828

417 GRAND PARK DRIVE

PARKERSBURG, W. VA. 26102-0628

(304) 422-6463

FACSIMILE (304) 422-6462

WRITER'S DIRECT DIAL NUMBER

SEVENTH FLOOR, BANK ONE CENTER

P. O. BOX 1588

CHARLESTON, W. VA. 25326-1588

(304) 353-8000

FACSIMILE (304) 353-8180

1000 HAMPTON CENTER

P. O. BOX 1818

MORGANTOWN, W. VA. 26507-1818

(304) 598-8000

FACSIMILE (304) 598-8118

126 EAST BURKE STREET

P. O. BOX 2629

MARTINSBURG, W. VA. 25401-5429

(304) 263-6991

FACSIMILE (304) 263-4785

104 WEST CONGRESS STREET

P. O. BOX 100

CHARLES TOWN, W. VA. 25414-0100

(304) 725-1414

FACSIMILE (304) 725-1913

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

West Virginia Division of
Environmental Protection
617 Broad Street
Charleston, West Virginia 25301

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of Chester (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its \$1,301,239 Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated October 29, 1996, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP") and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal to the Authority, with no interest, and with principal installments payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 1998, and ending March 1, 2018, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of 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 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system

of the Issuer (the "Project"); (ii) funding a reserve account for the Bonds; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on November 4, 1996, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 4, 1996 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement.

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

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System referred to in the Bond Legislation and secured by a lien on and pledge of the Gross Revenues of the System, junior and subordinate with respect to liens, pledge and source of and security for payment to the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1976, dated December 16, 1977, issued in the original aggregate principal amount of \$1,879,000, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 1988 A, dated July 6, 1988, issued in the original principal amount of \$1,133,851, and senior and prior with respect to liens, pledge and source of and security for payment to the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B, dated July 6, 1988, issued in the original principal amount of \$283,463, all in accordance with the terms of the Bonds and the Bond Legislation.

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "Stephen Johnson".

STEPTOE & JOHNSON

**WAYNE R. MIELKE
ATTORNEY AT LAW
801 CHARLES STREET
WELLSBURG, W.VA. 26070**

304-737-1770

December 17, 1996

City of Chester
Combined Waterworks and Sewerage System Revenue Bonds,
Series 1996 A
(West Virginia SRF Program)

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

West Virginia Division of
Environmental Protection
617 Broad Street
Charleston, West Virginia 25301

Steptoe & Johnson
Post Office Box 2190
Clarksburg, West Virginia 26302

Ladies and Gentlemen:

I am counsel to the City of Chester in Hancock County, West Virginia (the "Issuer"), in connection with the above-captioned bond issue. As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson, as bond counsel, a loan agreement dated October 29, 1996, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the West Virginia Water Development Authority (the "Authority"), the West Virginia Division of Environmental Protection (the "DEP") and the Issuer, a Bond Ordinance duly enacted by the Issuer on November 4, 1996, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 4, 1996 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

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

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

3. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the DEP and the Authority, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

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

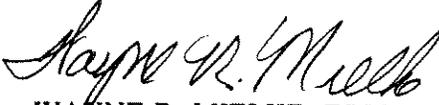
5. The Issuer has received all permits, licenses, approvals, exemptions, consents, registrations, certificates and authorizations required by law for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The Issuer has received the Final Order of the Public Service Commission of West Virginia entered November 21, 1995, in Case No. 95-0591-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, and the time for appeal of such Final Order has expired prior to the date hereof without any appeal.

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

West Virginia Water Development Authority, et al.
Page 3

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

Very truly yours,


WAYNE R. MIELKE, ESQUIRE

10/30/96
COCJM.L2
146410/94001

CITY OF CHESTER

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1996 A
(West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. RATES
12. SIGNATURES AND DELIVERY
13. BOND PROCEEDS
14. PUBLICATION AND PUBLIC HEARING ON BOND
ORDINANCE
15. PUBLIC SERVICE COMMISSION ORDER
16. PRIVATE USE OF FACILITIES
17. NO FEDERAL GUARANTY
18. IRS INFORMATION RETURN
19. SPECIMEN BOND
20. CONFLICT OF INTEREST
21. CLEAN WATER ACT
22. GRANTS

We, the undersigned MAYOR AND CITY CLERK of the City of Chester in Hancock County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with the \$1,301,239 principal amount of the City of Chester Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program), dated the date hereof (the "Bonds" or the "Series 1996 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as in the Bond Ordinance of the Issuer duly enacted November 4, 1996, and the Supplemental Resolution duly adopted November 4, 1996 (collectively, the "Bond Legislation").

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

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

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

There are outstanding obligations of the Issuer which will rank senior to, on a parity with or junior and subordinate to the Series 1996 A Bonds as to liens, pledge and source of and security for payment, which obligations are designated and have the lien positions with respect to the Series 1996 A Bonds as follows:

<u>Designation</u>	<u>Lien Position</u>
Combined Waterworks and Sewerage System Revenue Bonds, Series 1976, dated December 16, 1977, issued in the original aggregate principal amount of \$1,879,000 (the "Series 1976 Bonds")	First Lien
Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 A, dated July 6, 1988, issued in the original aggregate principal amount of \$1,133,851 (the "Series 1988 A Bonds")	Second Lien

Combined Waterworks and Sewerage System
Revenue Bonds, Series 1988 B, dated July 6,
1988, issued in the original aggregate principal
amount of \$283,463 (the "Series 1988 B
Bonds")

Third Lien

The Series 1976 Bonds, the Series 1988 A Bonds and the Series 1988 B Bonds
are hereinafter collectively called the "Prior Bonds."

The Series 1996 A Bonds shall be issued junior and subordinate to the
Series 1976 Bonds, on a parity with the Series 1988 A Bonds, and senior and prior to the
Series 1988 B Bonds with respect to liens, pledge and source of and security for payment
and in all other respects. The Issuer has met the coverage requirements for issuance of
parity bonds of the Series 1988 A Bonds and the ordinance authorizing the Series 1988 A
Bonds and has substantially complied with all other parity requirements, except to the extent
that noncompliance with any such other parity requirements is not of a material nature. The
Issuer has obtained the written consent of the Holders of the Series 1976 Bonds to the
issuance of the Series 1996 A Bonds on a junior and subordinate basis to the Series 1976
Bonds, the written consent of the Holders of the Series 1988 A Bonds to the issuance of the
Series 1996 A Bonds on a parity with the Series 1988 A Bonds, and the written consent of
the Holders of the Series 1988 B Bonds to the issuance of the Series 1996 A Bonds on a
senior and prior basis to the Series 1988 B Bonds. Other than the Prior Bonds, there are
no outstanding bonds or obligations of the Issuer which will rank prior to or on a parity
with the Series 1996 A Bonds as to liens pledge and/or source of and security for payment
or in any other respects.

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

City Charter, with Amendments.

Oaths of Office of Officers and Councilmembers.

Ordinance Creating Water-Sewerage Board.

Bond Ordinance.

Supplemental Resolution.

Water Rate Ordinance.

Sewer Rate Ordinance.

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

Affidavit of Publication of Water Rate Ordinance and Notice of Public Hearing.

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

Minutes on Adoption and Enactment of Bond Ordinance and Adoption of Supplemental Resolution.

Minutes on Adoption and Enactment of Water Rate Ordinance.

Minutes on Adoption and Enactment of Sewer Rate Ordinance.

Loan Agreement.

Public Service Commission Order entered November 21, 1995.

1976 Bond Ordinance.

Consent of 1976 Bondholder.

1988 Bond Ordinance.

Consent of 1988 Bondholder.

NPDES Permit.

Evidence of Small Cities Block Grant.

Evidence of DEP Grant.

6. **INCUMBENCY AND OFFICIAL NAME:** The proper corporate title of the Issuer is "City of Chester." The Issuer is a municipal corporation in Hancock County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of a Mayor and 5 councilmembers, all duly elected, qualified and acting, and the names and dates of commencement and termination of current terms of office of the councilmembers and the Mayor are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Roy Cashdollar - Mayor	July 1, 1996	June 30, 1998
John Vinci, Sr. - Councilmember	July 1, 1996	June 30, 1998
Sunday DeCapio - Councilmember	July 1, 1996	June 30, 1998
Frank DeCapio - Councilmember	July 1, 1996	June 30, 1998
John Stoy - Councilmember	July 1, 1996	June 30, 1998
James Handley - Councilmember	July 1, 1996	June 30, 1998

The Water-Sewerage Board of the Issuer is composed of the following members:

Roy Cashdollar	- Chairman
John Vinci, Sr.	- Member
Sunday DeCapio	- Member
Frank DeCapio	- Member
Tom Thayer	- Member
Rusty Smith	- Member
Pirl Gibbs	- Member

The duly elected and acting City Clerk of the Issuer is Shirley Barnhart. The duly appointed and acting Counsel to the Issuer is Wayne R. Mielke, Esquire.

7. **LAND AND RIGHTS-OF-WAY:** All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

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

the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. **CONTRACTORS' INSURANCE, ETC.:** All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation is in full force and effect.

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

11. **RATES:** The Issuer duly enacted a water rate ordinance on March 16, 1987, and a sewer rate ordinance on April 18, 1988, setting the respective rates and charges for the services of the System. The time for appeal of such rate ordinances has expired prior to the date hereof without any appeal, and are currently in effect.

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

13. **BOND PROCEEDS:** On the date hereof, the Issuer received \$81,811 from the Authority and the DEP, being a portion of the principal amount of the Bonds and more than a de minimis amount of the proceeds of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. **PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE:** Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between

each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the Hancock County Courier and the East Liverpool Evening Review, two newspapers of general circulation in the City of Chester, there being no newspaper published therein, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 4th day of November, 1996, at 7:00 p.m., at the Chester City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Final Order of the Public Service Commission of West Virginia entered November 21, 1995, in Case No. 95-0591-S-CN, granting to the Issuer a certificate of public convenience and necessity for this Project, and the time for appeal of such Final Order has expired prior to the date hereof without any appeal.

16. PRIVATE USE OF FACILITIES: The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary in order to assure the initial and continued tax-exempt status of the Bonds and the interest, if any, thereon. Less than 10% of the proceeds of the Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest, if any, on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bonds, including the disproportionate related business use of the proceeds of the Bonds, and none of the payment of principal of, or the interest, if any, on, such issue, under the terms of any underlying arrangement, is, directly or indirectly, secured by any interest in property used, or to be used for a private business use, payments in respect of such property or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit or other than use as a member of the general public. All of the foregoing shall be determined in accordance

with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder (the "Code").

17. **NO FEDERAL GUARANTY:** The Bonds are not and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

18. **IRS INFORMATION RETURN:** If necessary, the undersigned Mayor will officially sign a properly completed IRS Form 8038-G and cause such executed Form 8038-G to be filed in a timely manner with the Internal Revenue Service Center, Philadelphia, Pennsylvania.

19. **SPECIMEN BOND:** Delivered concurrently herewith is a true and accurate specimen of the Bond.

20. **CONFLICT OF INTEREST:** No officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

21. **CLEAN WATER ACT:** The Project as described in the Bond Ordinance complies with Sections 208 and 303(e) of the Clean Water Act.

22. **GRANTS:** On the date hereof, the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) in the amount of \$750,000, and the grant from the Division of Environmental Protection in the amount of \$52,923, are in full force and effect.

WITNESS our signatures and the official seal of the CITY OF CHESTER on this 17th day of December, 1996.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Roy Cashollos

Mayor

Shirley Barnhart

City Clerk

Raymond G. G. Walsh

Counsel to Issuer

11/15/96
COCJM.M3
146410/94001

CITY OF CHESTER

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1996 A
(West Virginia SRF Program)

CERTIFICATE AS TO ARBITRAGE

The undersigned Mayor of the City of Chester in Hancock County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of the \$1,301,239 principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program), of the Issuer, dated December 17, 1996 (the "Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986 and applicable regulations (the "Code"). I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances, and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meaning as set forth in the ordinance authorizing the Bonds duly enacted by the Issuer on November 4, 1996 (as supplemented, the "Bond Ordinance").

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

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer that may not certify its bonds or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on December 17, 1996, the date on which the Bonds are to be physically delivered in exchange for more than a de minimis amount of the principal amount of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Bonds, bearing no interest, were sold on December 17, 1996, to the West Virginia Water Development Authority (the "Authority"), pursuant to a loan agreement dated October 29, 1996, by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection (the "DEP"), for an aggregate purchase price of \$1,301,239 (100% of par), at which time, the Issuer received \$81,811 from the Authority and the DEP, being more than a de minimis amount of the principal amount of

the Bonds. No accrued interest has been or will be paid on the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Issuer has covenanted in the Bond Ordinance not to take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore, covenanted not to intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Section 148 of the Code. The Issuer, in the Bond Ordinance, has further covenanted that it will take all actions that may be required of it so that the interest, if any, on the 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.

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) funding a reserve account for the Bonds; and (iii) paying costs of issuance and related costs thereof.

8. Not later than simultaneously with the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend in excess of \$100,000 on the Project, constituting a substantial binding commitment. Acquisition, construction and equipping of the Project shall proceed with due diligence to completion, and with the exception of proceeds constituting capitalized interest (if any) and proceeds deposited in the Series 1996 A Bonds Reserve Account (if any), all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before December, 1997. Construction of the Project is expected to be completed by December, 1997.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at \$2,104,162. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of the Bonds	\$1,301,239
Small Cities Block Grant	750,000
DEP Grant	<u>52,923</u>
Total Sources	<u>\$2,104,162</u>

USES

Costs of Acquisition and Construction of the Project	\$2,029,100
Capitalized Interest	-0-
Fund Reserve Account	65,062
Costs of Issuance	<u>10,000</u>
Total Uses	<u>\$2,104,162</u>

The total cost of the Project is estimated to be at least equal to the gross proceeds of the Bonds and the proceeds of the grants described above. Except for the proceeds of the Bonds and the grants, no other funds of the Issuer will be available to meet costs of the Project, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Bonds does not exceed 120% of the average expected economic life of the Project, and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

10. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created (or continued if previously established by the Prior Ordinance):

- (1) Revenue Fund;
- (2) Depreciation Fund;
- (3) Operation and Maintenance Fund;
- (4) Renewal and Replacement Fund;
- (5) Bond Construction Trust Fund;

- (6) Series 1976 Bonds Sinking Fund;
- (7) Series 1976 Bonds Reserve Account;
- (8) Series 1988 A Bonds Sinking Fund;
- (9) Series 1988 A Bonds Reserve Account;
- (10) Series 1988 B Bonds Sinking Fund;
- (11) Series 1988 B Bonds Reserve Account;
- (12) Series 1996 A Bonds Sinking Fund; and
- (13) Series 1996 A Bonds Reserve Account.

11. Pursuant to Article VI of the Bond Ordinance, the proceeds of the Bonds will be deposited as follows:

(1) Series 1996 A Bonds proceeds in the amount of \$-0- will be deposited in the Series 1996 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Bonds during acquisition and construction of the Project and for not more than six months thereafter.

(2) Series 1996 A Bonds proceeds in the amount of \$65,062 will be deposited in the Series 1996 A Bonds Reserve Account.

(3) The balance of the proceeds of the Series 1996 A Bonds will be deposited in the Bond Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 1996 A Bonds and related costs.

Amounts in the Bond Construction Trust Fund, if invested, will be invested without yield limitation for a period necessary to complete the Project, not to exceed 3 years, except as otherwise set forth herein. All of such moneys are necessary for such purpose.

Except for "preliminary expenditures" as defined in Treas. Reg. § 1.150-2(f)(2), none of the proceeds of the Series 1996 A Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own or other funds.

12. Moneys held in the Series 1996 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to meet

costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 1996 A Bonds Sinking Fund and Series 1996 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Bond Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. Except for the Series 1996 A Bonds Sinking Fund and the Series 1996 A Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Depreciation Fund or the Renewal and Replacement Fund will be used or needed for payments upon the Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved desegregation plan producing a yield in excess of the yield on the Bonds have been or will be pledged to payment of the Bonds. Less than 10% of the moneys received from the sale of the Bonds, if any, will be deposited in the Series 1996 A Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 1996 A Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal of and interest, if any, on the Bonds and will not exceed 125% of average annual principal of and interest, if any, on the Bonds. Amounts in the Series 1996 A Bonds Reserve Account, not to exceed 10% of the proceeds of the Bonds, if invested, will be invested without yield limitation. The establishment of the Series 1996 A Bonds Reserve Account is required by the Authority, is vital to its purchase of the Bonds, and is reasonably required to assure payments of debt service on the Bonds.

Because amounts in the Depreciation Fund and the Renewal and Replacement Fund may be expended for other purposes, there is no reasonable assurance that any such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation.

14. Not later than simultaneously with the delivery of the Bonds, the Issuer shall enter into a contract for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2 1/2% of the estimated total Project cost financed with proceeds from the sale of the Bonds or \$100,000.

15. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The Project is expected to be completed within 12 months of the date hereof.

16. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such Bonds were issued or as otherwise allowed, no portion of the proceeds of the Bonds will be used, directly or indirectly, to acquire higher yielding investments, or to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

17. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Bonds to the Authority.

18. With the exception of the amount deposited in the Series 1996 A Bonds Sinking Fund for payment of interest on the Bonds, if any, and the amounts deposited in the Series 1996 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 12 months from the date of issuance thereof.

19. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

20. The Series 1996 A Bonds Sinking Fund (other than the Series 1996 A Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Bonds each year. The Series 1996 A Bonds Sinking Fund (other than the Series 1996 A Bonds Reserve Account therein) will be depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Bonds, or 1 year's interest earnings on the Series 1996 A Bonds Sinking Fund (other than the Series 1996 A Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 1996 A Bonds Sinking Fund for payment of the principal of or interest, if any, on the Bonds (other than the Series 1996 A Bonds Reserve Account therein), will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation, and any moneys received from the investment of amounts held in the Series 1996 A Bonds Sinking Fund (other than in the Series 1996 A Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

21. The amount designated as cost of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

22. All property financed with the proceeds of the Bonds will be held for federal income tax purposes by (or on behalf of) a qualified governmental unit.

23. If necessary, the Issuer shall file Form 8038-G or 8038-GC in a timely fashion with the Internal Revenue Service Center, Philadelphia, Pennsylvania.

24. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of

the Bonds have been or will be used to make or finance loans to, any person who is not a governmental unit.

25. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

26. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

27. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest, if any, on the Bonds is excludable from gross income for federal income tax purposes.

28. The Bonds are not and will not be, in whole or in part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

29. The Issuer is a governmental unit and has general taxing powers; no Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds) issued by the Issuer during the calendar year 1996, the calendar year in which the Bonds are issued, is not reasonably expected to exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code. For purposes of this paragraph and for purposes of applying such Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer. No portion of the Bonds is issued to refund other obligations.

30. The Issuer has retained the right to amend or supplement its authorizing documents if such amendment or supplement is necessary to preserve the exclusion from gross income for federal income tax purposes of the interest, if any, on the Bonds.

31. The Issuer shall comply with the yield restriction on the proceeds of the Bonds as set forth in the Code.

32. The Issuer has either (a) funded the Series 1996 A Bonds Reserve Account at the maximum amount of principal and interest, if any, which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 1996 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 1996 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest, if any, which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 1996 A Bonds Reserve Account and the Series 1996 A Bonds Sinking Fund (established for the annual payment of principal and interest, if any) will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to pay costs of the Project.

33. The Issuer shall submit to the Authority within 15 days following the end of each bond year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issuer exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

34. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with any of the Bonds and (c) will be paid out of substantially the same source of funds or will have substantially the same claim to be paid out of substantially the same source of funds as any of the Bonds.

35. The transactions contemplated herein do not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Bonds is not occurring sooner than otherwise necessary, nor are the Bonds in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

36. The Issuer will rebate to the United States the amount, if any, required by the Code and will take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

37. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds.

38. On the basis of the foregoing, it is not expected that the proceeds of any of the Bonds will be used in a manner that would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

39. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

40. Steptoe & Johnson is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

41. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

WITNESS my signature this 17th day of December, 1996.

CITY OF CHESTER

Roy Cashdollar
Mayor

12/02/96
COCJM.N4
146410/94001

CITY OF CHESTER

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1996 A
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, James Raymond Gills, Registered Professional Engineer, West Virginia License No. 8503, of Gills, Guard & Johnson, Inc., Consulting Engineers, in Willoughby, Ohio, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the sewerage portion of the existing public combined waterworks and sewerage system (the "System") of the City of Chester (the "Issuer"), to be constructed primarily in Hancock County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Ordinance enacted by the Issuer on November 4, 1996, and the Supplemental Resolution adopted by the Issuer on November 4, 1996, and the Loan Agreement, dated October 29, 1996 (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP").

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; (ii) funding a reserve account for the Bonds; and (iii) paying costs of issuance and related costs.

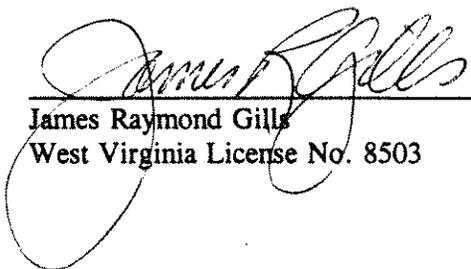
3. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm, and as described in the application submitted to the Authority and the DEP, requesting the Authority to purchase the Bonds (the "Application") and any change orders approved by the Issuer and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least twenty years, (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project, (v) the rates and charges for the System as adopted by the Issuer are sufficient to comply with the provisions of Subsection 4.1(b) of the Loan Agreement, (vi) the net proceeds of the Bonds, together

with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature and seal on this 17th day of December, 1996.

GILLS, GUARD & JOHNSON, INC.

[SEAL]


James Raymond Gills
West Virginia License No. 8503

11/06/96
COCJM.03
146410/94001

SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: City of Chester

ESTIMATED TOTAL COST OF PROJECT, SOURCES OF FUNDS
AND COST OF FINANCING

A. Cost of Project

1. Construction	\$	<u>1,567,655.00</u>
2. Technical Services	\$	<u>251,291.65</u>
3. Legal and Fiscal	\$	<u>23,000.00</u>
*4. Administrative	\$	<u>82,000.00</u>
5. Site and Other Lands	\$	<u>16,000.00</u>
6. Step I and/or Step II (Design) or Other Loan Repayment (Specify Type: _____)	\$	<u>-0-</u>
7. Interim Financing Costs	\$	<u>-0-</u>
8. Contingency	\$	<u>89,153.35</u>
9. Total of Lines 1 Through 8	\$	<u>2,029,100.00</u>

\$2,029,100.00

B. Sources of Funds

10. Federal Grants: ¹ (Specify Sources)	Small Cities	\$	<u> </u>
	Block Grant	\$	<u>750,000.00</u>
11. State Grants: ¹ (Specify Sources)	D.E.P. Advance	\$	<u> </u>
	Assistance	\$	<u>52,923.00</u>
		\$	<u> </u>
		\$	<u> </u>
12. Other Grants: ¹ (Specify Sources)		\$	<u> </u>
		\$	<u> </u>
13. Any Other Source ² (Specify)		\$	<u> </u>
		\$	<u> </u>

14. Total of Lines 10 Through 13	\$	<u>802,923.00</u>
15. Net Proceeds Required from Bond Issue (Line 9 Less than 14)	\$	<u>1,226,177.00</u>

C. Cost of Financing

16. Capitalized Interest (Construction period plus six months)	\$	<u>-0-</u>
17. Funded Reserve Account: ³	\$	<u>65,062.00</u>
18. Other Costs: ⁴	\$	<u>10,000.00</u>
	\$	<u> </u>
19. Total Cost of Financing (lines 16 through 18)	\$	<u>75,062.00</u>
20. Size of Bond Issue (Line 15 plus Line 19)	\$	<u>1,301,239.00</u>

* not allowable for State Revolving Fund Assistance

**	CDBG Administration	\$	73,500
	SRF Administration		5,000
	Accountant		2,000
	Audit		1,000
	Total	\$	<u>82,000</u>

Wiseman Hutzell & Co.

CERTIFIED PUBLIC ACCOUNTANTS



SUITE 710 HAWLEY BUILDING
WHEELING, W. VA. 26003
PHONE: (304) 233-7600
FAX: (304) 233-7604

December 17, 1996

City of Chester
Combined Waterworks and Sewerage System
Revenue Bonds, Series 1996 A
(West Virginia SRF Program)

West Virginia Water
Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25065

West Virginia Division of
Environmental Protection
617 Broad Street
Charleston, West Virginia 25301

Ladies and Gentleman:

Based upon the rates and charges as set forth in the sewer rate ordinance of the City of Chester (the "Issuer") enacted April 18, 1988, and the water rate ordinance of the Issuer enacted March 16, 1987 and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Gills, Guard & Johnson, Inc., it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the combined waterworks and sewerage system of the Issuer, will pay all repair, operation and maintenance expenses and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program) (the "Bonds"), to be issued to the West Virginia Water Development Authority and all other obligations secured by or payable from the revenues of the System prior to, on a parity with or junior to such bonds, including the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1976, Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 A, and Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B (collectively, the "Prior Bonds"). It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by the Bonds, 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 on the Bonds and the Prior Bonds.

Very truly yours,

WISEMAN HUTZELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS

RJP:tmp



CHARTER OF THE CITY OF CHESTER

ACTS OF THE LEGISLATURE OF WEST VIRGINIA

REGULAR SESSION 1907

CHAPTER 2. HOUSE BILL No. 67

AN ACT PROVIDING FOR A CHARTER FOR THE CITY OF CHESTER, IN THE COUNTY OF HANCOCK, AND TO NULLIFY THE CERTIFICATE OF INCORPORATION HERETOFORE GRANTED BY THE CIRCUIT COURT OF THE SAID COUNTY TO THE TOWN OF CHESTER.

(PASSED FEBRUARY 28, 1907; OVER THE VETO OF THE GOVERNOR. IN EFFECT NINETY DAYS FROM PASSAGE.)

- Sec.
1. CORPORATE NAME AND POWERS.
 2. CORPORATE BOUNDARIES.
 3. WARDS.
 4. OFFICERS; QUALIFICATIONS; COMMON COUNCIL.
 5. ELECTION; WHEN HELD; VOTERS; HOW ELECTION HELD.
 6. CONTESTED ELECTIONS.
 7. TERM OF OFFICE OF MAYOR, CLERK AND COUNCILMEN; SUCCESSORS; OFFICERS APPOINTED BY COUNCIL; TERM OF OFFICE; CLERK INELIGIBLE FOR SECOND APPOINTMENT, UNLESS, ETC.
 8. OATH OF OFFICE.
 9. COUNCIL TO PRESCRIBE POWERS AND DEFINE DUTIES OF OFFICERS BY IT APPOINTED.
 10. COUNCIL TO TAKE BOND FROM OFFICERS WHOSE DUTY IT IS TO RECEIVE MONEYS.
 11. REMOVALS; HOW MADE; VACANCIES; HOW FILLED.
 12. POWER OF COUNCIL AS TO MEETINGS; DUTIES OF MAYOR; WHEN MEMBER OF COUNCIL CANNOT VOTE.
 13. MINUTE BOOK AND ORDINANCE BOOK TO BE KEPT; BY WHOM.
 14. PROCEEDINGS OF COUNCIL OF LAST MEETING TO BE READ; ETC., AND SIGNED BY PRESIDING OFFICER.
 15. REQUIREMENTS AS TO EXPENDITURE OF MONEY OTHER THAN TO DEFray CURRENT AND INCIDENTAL EXPENSES.
 16. POWERS OF COUNCIL. (THIS SECTION HAS BEEN AMENDED. SEE POST. PAGE 21, ET SEQ.).
 17. COUNCIL TO HAVE FULL AUTHORITY TO ADOPT NEEDFUL ORDINANCES, ETC., MAYOR TO INFLICT AND ENFORCE FINES; WHO TO ACT IN ABSENCE OF MAYOR.
 18. SALARY OF MAYOR.
 19. POWERS AND DUTIES OF MAYOR.
 20. PROCESS IN PROCEEDINGS TO ENFORCE ORDINANCES.

SEC.

21. POWER OF MAYOR AS TO THE ISSUE OF EXECUTION OF FINES IMPOSED BY HIM.
22. DUTY OF THE JAILER OF HANCOCK COUNTY AS TO RECEIVING PRISONERS; EXPENSES OF MAINTAINING PRISONERS.
23. DOCKET TO BE KEPT; WHAT TO CONTAIN.
24. APPEALS; WITHIN WHAT TIME GRANTED; PROVISIONS OF LAW APPLICABLE.
25. DUTY OF MAYOR WHERE APPEAL IS TAKEN.
26. IF APPELLANT FOUND GUILTY OF A VIOLATION OF ORDINANCE IN QUESTION; WHAT THEN.
27. APPEALS IN CASES OTHER THAN IN VIOLATION OF ORDINANCES.
28. DUTIES OF CITY CLERK; SALARY; DUTIES OF SERGEANT.
29. DUTIES OF ASSESSOR; COMPENSATION.
30. COUNCIL TO LAY LEVY BASED ON ESTIMATE OF ANNUAL EXPENSES; WHAT LEVY UPON; CAPITATION TAX; COUNCIL TO HAVE PUBLISHED FINANCIAL STATEMENT.
31. CLERK TO GIVE BOND; IN WHAT SUM.
32. DUTY OF CITY CLERK AFTER ANNUAL LEVY IS MADE; DUTY OF SERGEANT AS TO COLLECTION.
33. DUTY OF SERGEANT AS TO TAXES IN HIS HANDS FOR COLLECTION; TO KEEP REGULAR BOOKS OF ACCOUNT; COMPENSATION; RECOURSE IF SERGEANT FAIL TO COLLECT, ETC., MONEYS WITH WHICH HE MAY BE CHARGABLE.
34. DUTIES OF SOLICITOR.
35. LIEN ON REAL ESTATE.
36. DUTIES OF CHIEF OF POLICE; TO EXECUTE BOND; SALARY.
37. VIOLATIONS IN PRESENCE OF POLICE; OFFENDER MAY BE FORTHWITH APPREHENDED, ETC.
38. FOR WHAT CITY LICENSE REQUIRED.
39. LICENSES, HOW APPLIED FOR AND GRANTED; TAX; TO WHOM PAID.
40. PROVISIONS OF LAW RELATING TO STATE LICENSES APPLICABLE TO LICENSES GRANTED BY CITY.
41. COUNCIL TO HAVE RIGHT TO INSTITUTE CONDEMNATION PROCEEDINGS.
42. PAVEMENTS.
43. COUNCIL TO ADVERTISE FOR BIDS FOR PAVING AND SHALL HAVE AUTHORITY TO PROVIDE FOR PAVING, ETC., HOW PAID; ASSESSMENTS; LIEN ON REAL ESTATE.
44. CITY OF CHESTER TO SUCCEED TO ALL RIGHTS, ETC., OF THE TOWN OF CHESTER; OFFICERS NOW IN OFFICE; SUCCESSORS; CERTIFICATE OF INCORPORATION ANNULLED.
45. INCONSISTENT ACTS REPEALED; ACT TO BE IN FORCE AS SOON AS RATIFIED BY A MAJORITY OF VOTERS; COUNCIL OF TOWN OF CHESTER TO CALL AN ELECTION.

BE IT ENACTED BY THE LEGISLATURE OF WEST VIRGINIA:

1. SEC. 1. THE INHABITANTS OF HANCOCK COUNTY IN THIS STATE
2. NOW AND HEREAFTER RESIDING WITHIN THE BOUNDARIES PRESCRIBED
3. IN THE NEXT SECTION HEREOF, SHALL BE AND THEY ARE HEREBY
4. CONSTITUTED A BODY POLITIC AND CORPORATE, BY AND UNDER THE
5. NAME OF "CITY OF CHESTER" AND AS SUCH, AND BY AND IN THAT
6. NAME, SHALL HAVE PERPETUAL SUCCESSION AND A COMMON SEAL,
7. AND MAY SUE AND BE SUED. CONTRACT AND BE CONTRACTED WITH,
8. PURCHASE, LEASE, HOLD AND USE REAL AND PERSONAL PROPERTY
9. NECESSARY FOR CORPORATE PURPOSES; AND GENERALLY, SHALL HAVE
10. ALL THE RIGHTS, POWERS AND FRANCHISES BELONGING OR APPERTAINING
11. TO MUNICIPAL CORPORATIONS IN THIS STATE.

12. SEC. 2. THE BOUNDARIES OF THE SAID CITY SHALL BE AS
13. FOLLOWS: THEY SHALL INCLUDE ALL OF THE TERRITORY INCLUDED
14. WITHIN THE LIMITS OF THE TOWN OF CHESTER, IN GRANT DISTRICT,
15. IN SAID COUNTY, AS THE SAME EXISTED AT AND PRIOR TO
16. THE PASSAGE OF THIS ACT, AND IN ADDITION THERETO SHALL INCLUDE
17. THE TERRITORY INCLUDED BY EXTENDING THE EASTERN AND
18. WESTERN BOUNDARY LINES AS FORMERLY EXISTING TO THE NORTH
19. BANK OF THE OHIO RIVER AND USING THE NORTH BANK OF THE OHIO
20. RIVER BETWEEN THESE POINTS OF INTERSECTION AS THE NORTH
21. BOUNDARY LINES OF SAID TOWN OF CHESTER,

22. SEC. 3. THE TERRITORY OF THE SAID CITY IS HEREBY DIVIDED
23. INTO FIVE WARDS, AS FOLLOWS: THE BOUNDARIES OF THE WARDS
24. OF SAID TOWN OF CHESTER AS HERETOFORE EXISTING, SHALL REMAIN
25. AND DESIGNATE THE LIMITS OF THE SEVERAL WARDS OF SAID
26. CITY.

27. THE COUNCIL OF SAID CITY MAY CHANGE THE BOUNDARIES OF THE
28. DIFFERENT WARDS; AND IF AT ANY TIME THE NUMBER OF INHABITANTS
29. EXCEED TEN THOUSAND, THE COUNCIL MAY INCREASE THE
30. NUMBER OF WARDS TO NOT MORE THAN EIGHT; BUT IN EITHER CASE
31. REGARD SHALL BE HAD TO EQUALITY OF POPULATION; SHOULD THE
32. NUMBER OF WARDS BE INCREASED THE COUNCIL SHALL RE-APPORTION
33. THE REPRESENTATION OF THE SEVERAL WARDS IN THE COUNCIL,
34. GIVING TO EACH WARD EQUAL REPRESENTATION.

35. SEC. 4. THE OFFICERS OF SAID CITY SHALL BE A MAYOR, SER-
36. GEANT, CLERK, SOLICITOR, CHIEF OF POLICE, HEALTH OFFICER,
37. STREET COMMISSIONER, ASSESSOR AND ONE COUNCILMAN FROM EACH
38. WARD; THE MAYOR AND CLERK SHALL BE ELECTED BY THE QUALI-
39. FIED VOTERS OF SAID CITY; THE OTHER OFFICERS NAMED EXCEPT
40. MEMBERS OF THE COUNCIL SHALL BE APPOINTED BY THE COUNCIL
41. AND THE COUNCILMEN SHALL BE ELECTED BY THE QUALIFIED VOTERS
42. OF THEIR RESPECTIVE WARDS.

1. NO PERSON SHALL BE ELIGIBLE TO ANY CITY OFFICE UNLESS HE
2. IS A QUALIFIED VOTER THEREOF, NOR UNLESS HE HAS RESIDED
3. THEREIN FOR AT LEAST SIX MONTHS BEFORE HIS ELECTION; AND,
4. IN THE CASE OF A COUNCILMAN, UNLESS HE IS A BONA FIDE RE-
5. SIDENT OF THE WARD FROM WHICH HE IS ELECTED, OR APPOINTED
6. AND A FREE-HOLDER OF SAID CITY; AND THE REMOVAL OF A
7. COUNCILMAN FROM THE WARD FROM WHICH HE IS ELECTED SHALL
8. VACATE HIS OFFICE; AND NO PERSON SHALL BE ELIGIBLE TO ANY
9. CITY OFFICE UNLESS HE IS A TAXPAYER AND ASSESSED AND PAID
10. TAX ON AT LEAST \$100 WORTH OF REAL OR PERSONAL PROPERTY
11. IN SAID CITY AND A QUALIFIED VOTER THEREOF.

12. THE MUNICIPAL AUTHORITIES OF SAID CITY SHALL CONSIST OF
13. THE MAYOR AND COUNCILMAN, WHO TOGETHER SHALL FORM A COMM-
14. COUNCIL, AND ALL THE CORPORATE POWERS OF SAID CORPORATION
15. SHALL BE EXERCISED BY SAID COUNCIL, OR UNDER ITS AUTHORITY
16. EXCEPT WHERE OTHERWISE PROVIDED.

17. SEC. 5. THE FIRST ELECTION HEREUNDER SHALL BE HELD ON
18. THE SECOND THURSDAY IN MARCH, ONE THOUSAND NINE HUNDRED AN
19. EIGHT AND BIENNIALLY THEREAFTER; EVERY PERSON WHO HAS BEEN
20. A BONA FIDE RESIDENT OF THE CITY AND OTHERWISE A QUALIFIED
21. VOTER, UNDER THE CONSTITUTION AND LAWS OF THE STATE, SHALL
22. BE ENTITLED TO VOTE AT SUCH ELECTION, IN THE WARD IN WHICH
23. HE RESIDES; THE ELECTION SHALL BE HELD, CONDUCTED AND THE
24. RESULTS THEREOF ASCERTAINED, CERTIFIED, RETURNED AND DETER-
25. MINED, UNDER SUCH RULES AND REGULATIONS AS MAY BE PRESCRIB-
26. ED BY COUNCIL, WHICH SHALL NOT BE INCONSISTENT WITH THE
27. GENERAL LAWS OF THE STATE GOVERNING MUNICIPAL ELECTIONS,
28. AND SHALL CONFORM AS NEARLY AS PRACTICABLE TO SUCH LAWS.

29. SEC. 6. CONTESTED ELECTIONS SHALL BE HEARD AND DECIDED
30. BY THE COUNCIL, AND THE PROCEEDINGS THEREIN SHALL CONFORM
31. AS NEARLY AS MAY BE TO SIMILAR PROCEEDINGS IN THE CASE OF
32. COUNTY AND DISTRICT OFFICERS; THE COUNCIL SHALL BE THE
33. JUDGE OF ELECTION, RETURNS AND QUALIFICATIONS OF ITS OWN
34. MEMBERS. IN CASE TWO OR MORE PERSONS RECEIVE AN EQUAL
35. NUMBER OF VOTES FOR THE SAME OFFICE, IF SUCH NUMBER BE THE
36. HIGHEST CAST FOR SUCH OFFICE, THE PERSONS UNDER WHOM THE
37. SUPERVISION OF SUCH ELECTION IS HELD SHALL DECIDE BY LOT
38. WHICH OF SUCH TWO OR MORE SHALL BE RETURNED ELECTED AND
39. SHALL MAKE THEIR OWN RETURN ACCORDINGLY.

40. SEC. 7. THE TERM OF OFFICE OF THE MAYOR, CLERK AND
41. COUNCILMEN SHALL BEGIN ON THE FIRST MONDAY IN APRIL NEXT
42. SUCCEEDING THEIR ELECTION AND SHALL BE FOR THE TERM OF TWO
43. YEARS AND UNTIL THEIR SUCCESSORS SHALL HAVE BEEN ELECTED
44. AND QUALIFIED; THE SERGEANT, CHIEF OF POLICE, ASSESSOR,

1. HEALTH OFFICER AND STREET COMMISSIONER SHALL BE APPOINTED
2. BY THE COUNCIL, AND SHALL HOLD THEIR OFFICE DURING THE
3. PLEASURE OF THE COUNCIL; THE SAME PERSON SHALL NOT BE
4. APPOINTED CLERK FOR MORE THAN TWO CONSECUTIVE TERMS, AND
5. ANY FORMER INCUMBENT SHALL BE INELIGIBLE FOR A SECOND
6. APPOINTMENT UNLESS HE SHALL HAVE FULLY SETTLED UP THE BUSI-
7. NESS OF HIS FORMER TERM OR TERMS.

8. SEC. 8. EVERY PERSON ELECTED OR APPOINTED TO ANY OFFICE
9. IN SAID CITY SHALL WITHIN TWENTY DAYS AFTER HIS ELECTION
10. OR APPOINTMENT AND BEFORE ENTERING UPON THE DISCHARGE OF
11. THE DUTIES THEREOF, TAKE AND SUBSCRIBE THE OATH OF OFFICE
12. PRESCRIBED BY LAW FOR OFFICERS GENERALLY, WHICH MAY BE DON
13. BEFORE THE MAYOR OR CLERK OF SAID CITY, OR BEFORE ANY PER-
14. SON AUTHORIZED BY LAW TO ADMINISTER OATHS; AND THE SAME,
15. TOGETHER WITH THE CERTIFICATE OF THE OFFICER ADMINISTERING
16. THE OATH, SHALL BE FILED WITH THE CLERK OF SAID CITY.

17. SEC. 9. THE COUNCIL SHALL PRESCRIBE THE POWERS AND DE-
18. FINE THE DUTIES OF ALL OFFICERS BY IT APPOINTED, EXCEPT SO
19. FAR AS THE SAME ARE BY THIS ACT DEFINED; SHALL FIX THEIR
20. COMPENSATION, AND MAY REQUIRE AND TAKE FROM THEM, RESPECT-
21. IVELY, BONDS PAYABLE TO THE CITY IN ITS CORPORATE NAME
22. WITH SUCH SURETIES AND IN SUCH PENALTIES, AS MAY BE DEEMED
23. PROPER, CONDITIONED FOR THE FAITHFUL PERFORMANCE OF THEIR
24. DUTIES.

25. SEC. 10. THE COUNCIL SHALL REQUIRE AND TAKE FROM ALL
26. OFFICERS ELECTED OR APPOINTED AS AFORESAID WHOSE DUTY IT
27. SHALL BE TO RECEIVE FUNDS, ASSETS OR PROPERTY BELONGING TO
28. SAID CITY, OR HAVE CHARGE OF THE SAME, SUCH BONDS, OBLIGA-
29. TIONS OR OTHER WRITINGS, AS MAY BE DEEMED NECESSARY AND
30. PROPER, TO SECURE THE FAITHFUL PERFORMANCE OF THEIR SEVERA
31. L DUTIES. ALL BONDS, OBLIGATIONS AND OTHER WRITINGS TAKEN I
32. PURSUANCE OF ANY OF THE PROVISIONS OF THIS ACT SHALL BE
33. MADE PAYABLE TO THE CITY OF CHESTER, WITH SUCH SURETIES AN
34. IN SUCH PENALTIES AS MAY BE DEEMED PROPER, CONDITIONED FO
35. THE FAITHFUL PERFORMANCE OF THEIR DUTIES, AND FOR THE
36. ACCOUNTING FOR AND PAYING OVER, AS REQUIRED BY LAW, ALL
37. MONEYS COMING INTO THEIR HANDS BY VIRTUE OF THEIR OFFICES,
38. AND THE RESPECTIVE PERSONS, AND THEIR HEIRS, EXECUTORS AND
39. ASSIGNS BOUND THEREBY, SHALL BE SUBJECT TO THE SAME PRO-
40. CEEDINGS ON SAID BONDS, OBLIGATIONS AND OTHER WRITINGS, FOR
41. ENFORCING THE CONDITIONS OF THE TERMS HEREOF, BY A MOTION
42. OR OTHERWISE, BEFORE ANY COURT OF COMPETENT JURISDICTION
43. HELD IN THE COUNTY OF HANCOCK, THAT COLLECTORS OF COUNTY
44. LEVIES AND OTHER SURETIES ARE OR SHALL BE SUBJECT TO ON
45. THEIR BONDS FOR ENFORCING THE PAYMENT OF COUNTY LEVIES.

1. SEC. 11. THE COUNCIL SHALL HAVE THE AUTHORITY TO REMOVE
2. FROM OFFICE ANY OFFICER OF THE CITY, WHETHER ELECTED OR
3. APPOINTED, FOR MISCONDUCT OR NEGLECT OF DUTY BY AN AFFIRMA
4. TIVE VOTE OF THREE-FOURTHS OF THE MEMBERS OF THE COUNCIL,
5. BUT ONLY AFTER REASONABLE NOTICE TO SUCH OFFICER, AND A
6. HEARING OF THE CHARGES PREFERRED; AND ANY VACANCY IN OFFIC
7. HOWEVER OCCASIONED MAY BE FILLED BY THE COUNCIL FOR THE UN-
8. EXPIRED TERM.

9. SEC. 12. THE COUNCIL SHALL FIX THE PLACE AND TIMES OF
10. HOLDING ITS REGULAR MEETINGS; MAY PROVIDE FOR SPECIAL AND
11. ADJOURNED MEETINGS; SHALL HAVE POWER TO COMPEL THE ATTEND-
12. ANCE OF ITS MEMBERS; AND MAY PRESCRIBE RULES AND REGULA-
13. TIONS NOT INCONSISTENT HEREWITH, FOR THE TRANSACTIONS OF
14. BUSINESS AND FOR ITS OWN GUIDANCE AND GOVERNMENT; THE
15. COUNCIL SHALL BE PRESIDED OVER AT ITS MEETINGS BY THE
16. MAYOR, OR IN HIS ABSENCE BY ONE OF THE COUNCILMEN SELECTED
17. BY A MAJORITY OF THE COUNCIL PRESENT, WHO MAY VOTE ON ANY
18. QUESTION AS MEMBER OF THE COUNCIL; THE MAYOR SHALL HAVE A
19. VOTE ONLY IN CASE OF A TIE, AND IN NO CASE SHALL THE PRE-
20. SIDING OFFICER HAVE BUT ONE VOTE; A MAJORITY OF THE COUNCIL
21. SHALL BE NECESSARY TO CONSTITUTE A QUORUM FOR THE TRANS-
22. ACTION OF BUSINESS; NO MEMBERS OF THE COUNCIL SHALL VOTE
23. UPON OR TAKE PART IN THE CONSIDERATION OF ANY PROPOSITION
24. IN WHICH HE IS OR MAY BE INTERESTED OTHERWISE THAN AS A
25. RESIDENT OF SAID CITY.

26. SEC. 13. THE COUNCIL SHALL CAUSE TO BE KEPT BY THE CLERK
27. IN A WELL BOUND BOOK, TO BE CALLED THE "MINUTE BOOK"
28. ACCURATE RECORD OF ALL ITS PROCEEDINGS, ORDINANCES, ACTS,
29. ORDERS AND RESOLUTIONS, AND IN ANOTHER TO BE CALLED "ORDI-
30. ANCE BOOK" ACCURATE COPIES OF ALL GENERAL ORDINANCES ADOPT-
31. ED BY THE COUNCIL; BOTH OF WHICH SHALL BE FULLY INDEXED AND
32. OPEN TO THE INSPECTION OF ANY ONE REQUIRED TO PAY TAXES TO
33. THE CITY, OR WHO MAY BE OTHERWISE INTERESTED; ALL OATHS AND
34. BONDS OF OFFICERS OF THE CITY, AND ALL PAPERS OF THE
35. COUNCIL, SHALL BE ENDORSED, FILED AND SECURELY KEPT BY THE
36. CLERK; ALL PRINTED COPIES OF SUCH ORDINANCES PURPORTING TO
37. BE PUBLISHED UNDER AUTHORITY OF THE COUNCIL, AND TRANS-
38. CRIPTS OF SUCH ORDINANCES, ETC., ORDERS AND RESOLUTIONS,
39. CERTIFIED BY THE CLERK, UNDER THE SEAL OF THE CITY, SHALL
40. BE DEEMED PRIMA FACIE CORRECT, WHEN SOUGHT TO BE USED AS
41. EVIDENCE IN ANY COURT, OR BEFORE ANY JUSTICE.

42. SEC. 14. AT EACH MEETING OF THE COUNCIL THE PROCEEDINGS
43. OF THE LAST MEETING SHALL BE READ, AND IF ERRONEOUS, COR-
44. RECTED, AND SIGNED BY THE PRESIDING OFFICER FOR THE TIME
45. BEING, UPON THE CALL OF ANY MEMBER THE YEAS AND NAYS ON
46. ANY QUESTION SHALL BE TAKEN AND RECORDED IN THE MINUTE BOOK.

1. SEC. 15. NO ORDINANCE OR BY-LAW, AND NO RESOLUTION OR
2. MEASURE FOR THE EXPENDITURE OF MONEY, OTHER THAN TO DEFRAY
3. THE CURRENT AND INCIDENTAL EXPENSES OF THE CITY, SHALL BE
4. DEEMED PASSED OR ADOPTED, UNLESS IT SHALL HAVE BEEN FULLY
5. READ AT TWO CONSECUTIVE MEETINGS OF THE COUNCIL, AND SHALL
6. HAVE RECEIVED A MAJORITY OF THE VOTES OF THE MEMBERS PRE-
7. SENT, WHEN IT SHALL STAND AND BE DECLARED ADOPTED, AND NOT
8. OTHERWISE.

9. SEC. 16. THE COUNCIL OF SAID CITY SHALL HAVE POWER TO
10. LAY OFF, VACATE, CLOSE, OPEN, ALTER, GRADE AND KEEP IN
11. GOOD REPAIR ROADS, STREETS, ALLEYS, PAVEMENTS, SIDEWALKS,
12. CROSSINGS, DRAINS, AND GUTTERS THEREIN AND LIGHT THE SAME
13. FOR THE USE OF THE CITIZENS OR OF THE PUBLIC, AND TO KEEP
14. THE SAME FREE FROM OBSTRUCTION OF EVERY KIND; TO REGULATE
15. THE WIDTH OF PAVEMENTS AND SIDEWALKS ON THE STREETS AND
16. ALLEYS, AND TO ORDER THE PAVEMENTS, SIDEWALKS, FOOTWAYS,
17. DRAINS AND GUTTERS TO BE KEPT IN GOOD ORDER, FREE AND
18. CLEAN, BY THE OWNERS OR OCCUPANTS OF THE REAL PROPERTY
19. NEXT ADJACENT THERETO; TO ESTABLISH AND REGULATE MARKETS,
20. PRESCRIBE THE TIMES OF HOLDING THE SAME, PROVIDE SUITABLE
21. AND CONVENIENT BUILDINGS THEREFOR, AND PREVENT THE FORE-
22. STALLING OR REGRATING OF SUCH MARKETS; TO PREVENT INJURY
23. OR ANNOYANCE TO THE PUBLIC OR TO INDIVIDUALS FROM ANYTHING
24. DANGEROUS, OFFENSIVE OR UNWHOLESOME; TO PROHIBIT OR REGU-
25. LATE SLAUGHTER HOUSES AND SOAP FACTORIES WITHIN THE CITY
26. LIMITS; OR THE EXERCISE OF ANY UNHEALTHY OR OFFENSIVE
27. BUSINESS, TRADE OR EMPLOYMENT; TO ABATE ALL NUISANCES WITH
28. IN THE CITY LIMITS, OR TO REQUIRE AND COMPEL THE ABATEMENT
29. OR REMOVAL THEREOF, BY OR AT THE EXPENSE OF THE OWNER OR
30. OCCUPANT OF THE GROUND ON WHICH THEY ARE PLACED OR FOUND;
31. TO CAUSE TO BE FILLED UP, RAISED OR DRAINED BY OR AT THE
32. EXPENSE OF THE OWNER, ANY CITY LOT OR TRACT OF LAND COVER-
33. ED OR SUBJECT TO BE COVERED BY STAGNANT WATER; TO PREVENT
34. HORSES, HOGS, CATTLE, SHEEP OR OTHER ANIMALS AND FOWLS OF
35. ALL KINDS FROM GOING OR BEING AT LARGE IN SUCH CITY, AND,
36. AS ONE MEANS OF PREVENTION, TO PROVIDE FOR IMPOUNDING AND
37. CONFINING SUCH ANIMALS AND FOWLS, AND UPON FAILURE TO RE-
38. CLAIM, FOR THE SALE THEREOF; TO PROTECT PLACES OF DIVINE
39. WORSHIP AND TO PRESERVE ORDER IN AND ABOUT THE PREMISES
40. WHERE AND WHEN SUCH WORSHIP IS HELD; TO REGULATE THE KEEP-
41. ING OF GUNPOWDER AND OTHER INFLAMMABLE OR DANGEROUS SUB-
42. STANCES; TO PROVIDE FOR THE MAKING AND MAINTAINING OF
43. DIVISION FENCES BY THE OWNERS OF ADJOINING PREMISES, AND
44. FOR THE PROPER DRAINAGE OF CITY LOTS; OR OTHER PARCELS OF
45. LAND, BY OR AT THE EXPENSE OF THE OWNER OR OCCUPANT THERE-
46. OF, TO PROVIDE AGAINST DAMAGE OR DANGER BY FIRE; TO PUNISH
47. FOR ASSAULTS AND BATTERIES; TO PROHIBIT LOITERING IN; OR
48. VISITING HOUSES OF ILL-FAME, OR LOITERING UPON THE STREET

1. TO PREVENT LEWD AND LASCIVIOUS CONDUCT, THE SALE OR EXHIBI
2. TION OF INDECENT PICTURES OR OTHER REPRESENTATIONS; THE
3. DESECRATION OF THE SABBATH DAY, PROFANE SWEARING; TO PRO-
4. TECT THE PERSONS OF THOSE RESIDING OR BEING WITHIN SAID
5. CITY; TO APPOINT, WHEN NECESSARY OR ADVISABLE, A POLICE
6. FORCE, PERMANENT OR TEMPORARY; TO ASSIST THE CHIEF OF PO-
7. LICE IN THE DISCHARGE OF HIS DUTIES; TO BUILD OR PURCHASE
8. OR LEASE AND USE A SUITABLE PLACE WITHIN OR NEAR SAID CITY
9. FOR THE SAFE KEEPING OR PUNISHMENT OF PERSONS CHARGED WITH
10. OR CONVICTED OF THE VIOLATION OF ORDINANCES; TO PROVIDE FO
11. THE EMPLOYMENT OF PERSONS CONVICTED OF THE VIOLATION OF
12. ORDINANCES OR WHO MAY BE COMMITTED IN DEFAULT OF PAYMENT
13. OF FINES, PENALTIES OR COSTS, AND WHO ARE OTHERWISE UNABLE
14. TO DISCHARGE THE SAME, BY PUTTING THEM TO WORK FOR THE
15. BENEFIT OF THE CITY, AND TO USE SUCH MEANS TO PREVENT THEIR
16. ESCAPE, WHILE AT WORK, AS THEY MAY DEEM EXPEDIENT; TO EREC
17. OR AUTHORIZE OR PROHIBIT THE ERECTION OF GAS WORKS, ELEC-
18. TRIC LIGHT WORKS OR WATER WORKS WITHIN THE CITY LIMITS; TO
19. PREVENT INJURY TO SUCH WORKS OR THE POLLUTION OF ANY GAS
20. OR WATER USED OR INTENDED TO BE USED BY THE PUBLIC OR BY
21. INDIVIDUALS, AND TO DO ALL THINGS NECESSARY TO ADEQUATELY
22. SUPPLY SAID CITY AND THE INHABITANTS THEREOF WITH PURE,
23. HEALTHFUL AND WHOLESOME WATER; TO USE, GENERATE, DISTRIBU
24. TION AND CONTROL ELECTRICITY AND GAS FOR HEAT, LIGHT AND
25. POWER, AND TO FURNISH LIGHT FOR THE STREETS, HOUSES, BUILD
26. INGS, STORES AND OTHER PLACES IN AND ABOUT SAID CITY; TO
27. ESTABLISH AND CONSTRUCT WHARVES AND DOCKS, AND TO REPAIR,
28. ALTER OR REMOVE ANY LANDING, WHARF OR DOCK, WHICH HAS BEEN
29. OR SHALL BE SO CONSTRUCTED, AND TO ESTABLISH AND COLLECT
30. RATES AND CHARGES FOR THE USE THEREOF; TO REGULATE THE RUN
31. NING AND SPEED OF ENGINES AND CARS WITHIN THE SAID CITY; T
32. ORGANIZE ONE OR MORE FIRE COMPANIES AND PROVIDE NECESSARY
33. APPARATUS, TOOLS, IMPLEMENTS, ENGINES, OR ANY OF THEM FOR
34. THEIR USE, AND IN THEIR DISCRETION TO ORGANIZE A PAID FIRE
35. DEPARTMENT; TO MAKE REGULATIONS WITH RESPECT TO THE EREC-
36. TION AND LOCATION OF ALL TELEPHONE, TELEGRAPH, ELECTRIC
37. LIGHT OR OTHER POLES WITHIN SAID CITY AND THE EXTENSION O
38. ANY WIRES, LINES AND POLES BY ANY INDIVIDUALS OR CORPORA-
39. TION; TO GRANT AND REGULATE ALL FRANCHISES IN, UPON, OVER
40. AND UNDER THE STREETS, ALLEYS AND PUBLIC WAYS OF SAID CITY
41. UNDER SUCH RESTRICTIONS AS SHALL BE PROVIDED BY ORDINANCE,
42. BUT NO EXCLUSIVE FRANCHISE SHALL BE GRANTED BY SAID COUNCI
43. TO ANY INDIVIDUAL OR CORPORATION, NOR SHALL ANY FRANCHISE
44. FOR A LONGER PERIOD THAN FIFTY YEARS; TO CREATE BY ORDI-
45. NANCE SUCH COMMITTEES, OR BOARDS, AND DELEGATE SUCH AUTHOR
46. ITY THERETO, AS MAY BE DEEMED NECESSARY OR ADVISABLE TO
47. PROVIDE FOR THE ANNUAL ASSESSMENT OF THE TAXABLE PROPERTY
48. THEREIN, INCLUDING DOGS KEPT IN SAID CITY, AND TO PROVIDE
49. A REVENUE FOR THE CITY FOR MUNICIPAL PURPOSES AND TO
50. APPROPRIATE SUCH REVENUE TO ITS EXPENSES, AND GENERALLY

1. TO TAKE SUCH MEASURES, AS MAY BE DEEMED NECESSARY OR AD-
2. VISABLE, TO PROTECT THE PROPERTY, PUBLIC AND PRIVATE, WITH
3. IN THE CITY; TO PRESERVE AND MAINTAIN PEACE, QUIET AND GOOD
4. ORDER THEREIN AND TO PRESERVE AND PROMOTE THE HEALTH,
5. SAFETY, COMFORT AND WELL BEING OF THE INHABITANTS THEREIN.

6. THE COUNCIL OF SAID CITY SHALL HAVE THE POWER AND AUTHOR
7. ITY TO PROVIDE FOR THE GRANTING OF BUILDING PERMITS; TO
8. CAUSE THE REMOVAL OF UNSAFE WALLS OR BUILDINGS; AND MAY UPON
9. THE PETITION OF THE PERSON OR PERSONS OWNING THE GREAT
10. AMOUNT OF FRONTAGE OF THE LOTS ABUTTING ON ANY STREET BE-
11. TWEEN ANY TWO CROSS STREETS, OR IN ANY SQUARE IN SAID CITY
12. PROHIBIT THE ERECTION ON SUCH STREET, OR IN SUCH SQUARE, OF
13. ANY BUILDING, OR OF ANY ADDITION TO ANY BUILDING, MORE THAN
14. TEN FEET HIGH, UNLESS THE OUTER WALLS THEREOF BE MADE OF
15. BRICK AND MORTAR, OR OTHER FIREPROOF MATERIAL, AND TO PRO-
16. VIDE FOR THE REMOVAL OF ANY BUILDING OR ADDITION WHICH
17. SHALL HAVE BEEN ERECTED CONTRARY TO SUCH PROHIBITION, AT
18. THE EXPENSE OF THE OWNER OR OWNERS THEREOF.

19. SEC. 17. TO CARRY INTO EFFECT THESE ENUMERATED POWERS
20. AND ALL OTHERS BY THIS ACT OR BY GENERAL LAW CONFERRED OR
21. WHICH MAY HEREAFTER BE CONFERRED UPON THE SAID CITY OR ITS
22. COUNCIL OR ANY OF ITS OFFICERS, THE SAID COUNCIL SHALL
23. HAVE AND POSSESS FULL AUTHORITY TO MAKE, PASS AND ADOPT ALL
24. NEEDFUL ORDINANCES, BY-LAWS, ORDERS AND RESOLUTIONS, NOT
25. REPUGNANT TO THE CONSTITUTION AND LAWS OF THE UNITED STATE
26. OR OF THIS STATE; AND TO ENFORCE ANY OR ALL OF SUCH ORDI-
27. NANCES, BY-LAWS, ORDERS AND RESOLUTIONS, BY PRESCRIBING FOR
28. A VIOLATION THEREOF, FINES AND PENALTIES AND IMPRISONMENT
29. IN EITHER THE COUNTY JAIL OF HANCOCK COUNTY, OR THE CITY
30. PRISON, IF THERE BE ONE; BUT NO FINE SHALL EXCEED ONE HUN-
31. DRED DOLLARS, AND NO TERM OF IMPRISONMENT SHALL EXCEED
32. NINETY DAYS; SUCH FINES AND PENALTIES SHALL BE IMPOSED AND
33. RECOVERED, AND SUCH IMPRISONMENT INFLICTED AND ENFORCED BY
34. AND UNDER THE JUDGMENT OF THE MAYOR OF SAID CITY, OR IN
35. CASE OF HIS ABSENCE OR INABILITY TO ACT, THE CLERK OF SAID
36. CITY SHALL ACT AS MAYOR, OR, IN THE ABSENCE OF BOTH OF
37. SAID OFFICERS, ONE OF THE COUNCILMEN, APPOINTED FOR THAT
38. PURPOSE BY THE COUNCIL SHALL ACT.

39. SEC. 18. THE MAYOR SHALL RECEIVE A SALARY OF NOT LESS
40. THAN TWO HUNDRED NOR MORE THAN THREE HUNDRED DOLLARS PER
41. ANNUM AND IN ADDITION THERETO SUCH FEES AS PROPERLY ACCRUE
42. TO HIM IN PROCEEDINGS FOR THE ENFORCEMENT OF ORDINANCES,
43. BUT ALL SUCH FEES SHALL BE COLLECTED, WHEN PRACTICABLE,
44. AND ACCOUNTED FOR TO THE CITY, AND WARRANTS DRAWN COVERING
45. SUCH COSTS WHEN COLLECTED. PAYABLE TO THE MAYOR.

1. Sec. 19. THE MAYOR SHALL BE THE CHIEF EXECUTIVE OFFICER
2. OF SAID CITY, AND SHALL TAKE CARE THAT THE ORDERS, BY-LAWS
3. ORDINANCES AND RESOLUTIONS, OF THE COUNCIL THEREOF, ARE
4. FAITHFULLY EXECUTED; HE SHALL BE EX OFFICIO A JUSTICE AND
5. CONSERVATOR OF THE PEACE WITHIN THE CITY, AND SHALL, WITHI
6. THE SAME, HAVE, POSSESS AND MAY EXERCISE ALL THE POWERS AN
7. PERFORM ALL THE DUTIES, WHETHER IN CIVIL OR CRIMINAL PRO-
8. CEEDINGS, VESTED BY LAW IN A JUSTICE OF THE PEACE; ANY SUM
9. MONS, WARRANTS, OR OTHER PROCESS ISSUED BY HIM MAY BE EX-
10. ECUTED AT ANY PLACE WITHIN THE COUNTY; HE SHALL HAVE CONTR
11. OF THE POLICE OF THE CITY, AND MAY APPOINT SPECIAL POLICE
12. OFFICERS WHENEVER HE DEEMS IT NECESSARY; AND IT SHALL BE
13. HIS DUTY, ESPECIALLY, TO SEE THAT THE PEACE AND GOOD ORDER
14. OF THE CITY ARE PRESERVED, AND THAT PERSONS AND PROPERTY
15. THEREIN ARE PROTECTED, AND TO THIS END, HE MAY ARREST AND
16. DETAIN, OR CAUSE THE ARREST AND DETENTION OF ALL RIOTOUS
17. AND DISORDERLY PERSONS BEFORE TAKING OTHER PROCEEDINGS IN
18. THE CASE; HE SHALL, FROM TIME TO TIME, RECOMMEND TO THE
19. COUNCIL SUCH MEASURES AS HE MAY DEEM NECESSARY FOR THE WEL-
20. FARE OF THE CITY; HE SHALL NOT RECEIVE ANY MONEY DUE OR
21. BELONGING TO THE STATE OR TO CORPORATIONS, OR TO INDIVIDU-
22. ALS, UNLESS AND UNTIL HE SHALL HAVE GIVEN THE BOND AND
23. SECURITY REQUIRED OF A JUSTICE OF THE PEACE BY CHAPTER
24. FIFTY OF THE CODE OF WEST VIRGINIA; AND ALL THE PROVISIONS
25. OF SAID CHAPTER RELATING TO MONEYS RECEIVED BY JUSTICES
26. SHALL APPLY TO MONEYS RECEIVED BY HIM IN LIKE CASES.

27. Sec. 20. THE PROCESS IN PROCEEDINGS TO ENFORCE ANY ORDI
28. NANCE PRESCRIBING A FINE OR IMPRISONMENT, OR A FINE AND IM
29. PRISONMENT, FOR THE VIOLATION THEREOF, SHALL BE A SUMMONS
30. IN THE NAME OF THE CITY OF CHESTER AS PLAINTIFF DIRECTED TO
31. THE CHIEF OF POLICE, OR TO ANY CONSTABLE OF ANY DISTRICT
32. WITHIN SAID CITY, REQUIRING HIM TO SUMMON THE PERSON ACCUS
33. ED OF SUCH VIOLATION, AND WHO MAY THEREAFTER BE DESIGNATED
34. AS DEFENDANT, TO APPEAR BEFORE THE MAYOR, AT ANY TIME AND
35. PLACE THEREIN NAMED, TO MAKE ANSWER TO SUCH ACCUSATION, AN
36. TO BE DEALT WITH ACCORDING TO LAW; SUCH SUMMONS SHALL CON-
37. TAIN SUCH A STATEMENT OF THE FACTS ALLEGED AS WILL INFORM
38. SUCH PERSON OF THE GENERAL NATURE OF THE OFFENSE AGAINST
39. THE CITY WITH WHICH HE STANDS CHARGED; AND, EXCEPT IN CASE
40. OF ARREST UPON VIEW, SHALL BE ISSUED ONLY UPON THE COM-
41. PLAIN, ON OATH, OF SOME CREDIBLE PERSON; BUT THE MAYOR MA
42. FOR GOOD CAUSE APPEARING, BY INDORSEMENT ON THE SUMMONS,
43. ORDER THE PERSON SO ACCUSED TO BE FORTHWITH APPREHENDED AN
44. BROUGHT BEFORE HIM FOR A HEARING OF THE CHARGE; THE CLERK
45. OF SAID CITY, AS WELL AS THE MAYOR, SHALL HAVE AUTHORITY TO
46. RECEIVE ANY COMPLAINT IN WRITING OF THE VIOLATION OF ANY
47. ORDINANCE, AND TO SIGN AND ISSUE THE PROPER SUMMONS BASED
48. ON SUCH COMPLAINT, THE MAYOR SHALL HAVE, POSSESS, AND MAY

1. EXERCISE, THE POWER AND AUTHORITY BELONGING TO A JUSTICE
2. UNDER SECTIONS TWO HUNDRED AND TWENTY-FOUR AND TWO HUNDRED
3. AND TWENTY-FIVE OF CHAPTER FIFTY OF THE CODE OF WEST VIR-
4. GINIA, IN SUMMONING AND ENFORCING THE ATTENDANCE AND EX-
5. AMINATION OF WITNESSES, IN PUNISHING FOR CONTEMPT, IN
6. GRANTING CONTINUANCES, AND IN SECURING AND ENFORCING THE
7. FURTHER ATTENDANCE OF THE ACCUSED WITH A VIEW TO A TRIAL
8. OR HEARING; IF ANY RECOGNIZANCE BE TAKEN FOR SUCH FURTHER
9. ATTENDANCE AND IS FORFEITED THE MAYOR MAY RECORD THE DE-
10. FAULT, AND AN ACTION MAY BE MAINTAINED, IN THE NAME OF THE
11. CITY, BEFORE THE MAYOR, OR ANY JUSTICE HAVING JURISDICTION
12. AGAINST THE ACCUSED AND HIS SECURITIES, IF ANY, TO RECOVER
13. THE PENALTY THEREOF.

14. SEC. 21. THE MAYOR SHALL HAVE THE POWER TO ISSUE AN EX-
15. ECUTION FOR ANY FINE AND COSTS ASSESSED OR IMPOSED BY HIM
16. FOR THE VIOLATION OF ANY ORDINANCE, OR HE MAY, AT THE TIME
17. OF RENDERING JUDGMENT THEREFOR, OR AT ANY TIME THEREAFTER,
18. AND BEFORE SATISFACTION OF SUCH JUDGMENT, BY HIS ORDER IN
19. WRITING REQUIRE THE IMMEDIATE PAYMENT THEREOF; AND IN DE-
20. FAULT OF SUCH PAYMENT HE MAY COMMIT THE PERSON SO IN DE-
21. FAULT TO THE JAIL OF HANCOCK COUNTY OR IN HIS DISCRETION
22. TO THE PRISON OF SAID CITY, IF ONE SHALL HAVE BEEN PROVIDED
23. BY THE COUNCIL, UNTIL THE FINE AND COSTS ARE FULLY PAID;
24. BUT SUCH IMPRISONMENT SHALL NOT EXCEED NINETY DAYS.

25. SEC. 22. THE JAILOR OF HANCOCK COUNTY SHALL TAKE AND RE-
26. CEIVE INTO HIS CUSTODY ANY PERSON SENTENCED TO IMPRISONMENT
27. IN THE JAIL OF SAID COUNTY, OR COMMITTED THERETO FOR THE
28. NON-PAYMENT OF A FINE AND COSTS, OR FOR THE FAILURE TO EN-
29. TER INTO A RECOGNIZANCE BY THE JUDGMENT OR ORDER OF THE
30. MAYOR, IN PROCEEDINGS FOR VIOLATION OF AN ORDINANCE; AND
31. THE EXPENSE OF MAINTAINING SUCH PERSON WHILE SO IN CONFIN-
32. EMENT SHALL BE PAID BY THE CITY EXCEPT IN CASES OF PERSONS
33. HELD TO ANSWER A COMMITMENT OR INDICTMENT.

34. SEC. 23. A BOOK WELL BOUND AND INDEXED, TO BE DENOMI-
35. NATED THE "DOCKET," SHALL BE KEPT IN THE OFFICE OF THE
36. MAYOR, IN WHICH SHALL BE NOTED EACH CASE BROUGHT OR TRIED
37. BY HIM, TOGETHER WITH THE PROCEEDINGS THEREIN, INCLUDING A
38. STATEMENT OF COMPLAINT, THE SUMMONS, THE RETURN, THE FACT
39. OF APPEARANCE OR NON-APPEARANCE, THE DEFENSE, THE HEARING,
40. THE JUDGMENT, THE COSTS AND IN CASE THE JUDGMENT BE ONE OF
41. CONVICTION, THE ACTION TAKEN TO ENFORCE THE SAME; THE RE-
42. CORD OF SUCH CASE SHALL BE SIGNED BY THE MAYOR, OR OTHER
43. PERSON ACTING IN HIS STEAD; AND THE ORIGINAL PAPERS THERE-
44. OF, IF NO APPEAL BE TAKEN SHALL BE KEPT TOGETHER AND PRE-
45. SERVED IN HIS OFFICE.

1. SEC. 24. IN ANY CASE FOR THE VIOLATION OF AN ORDINANCE
2. OF THE SAID CITY, IN WHICH THERE IS A JUDGMENT BY THE
3. MAYOR OF IMPRISONMENT OR FOR A FINE OF MORE THAN FIVE
4. DOLLARS, AN APPEAL SHALL LIE AT THE INSTANCE OF THE PERSON
5. AGAINST WHOM SUCH JUDGMENT IS RENDERED, TO THE CIRCUIT
6. COURT OF HANCOCK COUNTY; SUCH APPEAL SHALL NOT BE GRANTED
7. BY THE MAYOR UNLESS, WITHIN TEN DAYS FROM THE DATE OF THE
8. JUDGMENT SUCH PERSON SHALL ENTER INTO A RECOGNIZANCE, WITH
9. SECURITY DEEMED SUFFICIENT, TO APPEAR BEFORE THE SAID COURT
10. ON THE FIRST DAY NEXT TERM THEREOF, TO ANSWER FOR THE
11. OFFENSE AGAINST THE CITY WITH WHICH HE STANDS CHARGED, AND
12. NOT THENCE DEPART WITHOUT LEAVE OF SAID COURT; THE PROVI-
13. SIONS OF CHAPTER ONE HUNDRED AND SIXTY-TWO OF THE CODE OF
14. WEST VIRGINIA, RELATING TO RECOGNIZANCE IN CRIMINAL CASES,
15. SHALL BE APPLICABLE TO THE RECOGNIZANCE CONTEMPLATED BY
16. THIS SECTION; BUT ANY MONEY RECOVERED THEREON OR BY VIRTUE
17. THEREOF SHALL INURE TO THE SAID CITY.

18. SEC. 25. IF SUCH APPEAL BE TAKEN, THE MAYOR SHALL FORTH-
19. WITH DELIVER TO THE CLERK OF THE SAID COURT, THE COMPLAINT
20. IN WRITING, IF ANY, THE SUMMONS, A TRANSCRIPT OF THE RECORD
21. INCLUDING THE JUDGMENT, THE RECOGNIZANCE AND ANY OTHER
22. PAPERS BELONGING TO THE CASE; AND SUCH CLERK SHALL RECEIVE
23. AND FILE THE SAME, AND PLACE THE CASE UPON THE TRIAL DOCKET
24. OF THE NEXT SUCCEEDING TERM OF SAID COURT, AND SAID COURT
25. SHALL PROCEED TO TRY THE SAME IN ITS ORDER.

26. SEC. 26. IF THE APPELLANT BE FOUND GUILTY OF A VIOLA-
27. TION OF THE ORDINANCE IN QUESTION, WHETHER UPON THE VERDICT
28. OF THE JURY OR OTHERWISE, THE COURT SHALL ASCERTAIN BY ITS
29. JUDGMENT THE FINE OR IMPRISONMENT, OR THE FINE AND IMPRISON-
30. MENT, TO BE PAID OR SUFFERED BY SUCH DEFENDANT, HAVING RE-
31. GARD TO THE PUNISHMENT PRESCRIBED BY SUCH ORDINANCE, AND
32. SHALL INCLUDE IN ANY SUCH JUDGMENT THE COSTS INCURRED BY
33. SAID CITY, AS WELL AS IN THE PROCEEDINGS BEFORE THE MAYOR
34. AS THOSE IN COURT, INCLUDING A FEE TO THE ATTORNEY FOR THE
35. CITY OF TEN DOLLARS, AND THE FEES, IF ANY, OF THE JAILOR
36. OR THE KEEPER OF THE CITY PRISON; AND THE PROCEEDINGS TO
37. ENFORCE THE COLLECTION OF ANY SUCH FINE AND COSTS, AS MAY
38. BE PROVIDED IN SECTIONS TEN, ELEVEN AND TWELVE OF CHAPTER
39. THIRTY-SIX OF THE CODE OF WEST VIRGINIA, EXCEPT THAT THE
40. WRIT, MENTIONED IN TENTH SECTION, MAY BE ISSUED BY THE
41. CLERK UPON THE ORDER OF THE MAYOR OF THE CITY, AND THE
42. NOTICE CONTEMPLATED BY THE ELEVENTH SECTION SHALL BE GIVEN
43. TO SUCH OFFICER; IF THE JUDGMENT BE FOR THE DEFENDANT HE
44. SHALL RECOVER HIS COSTS AGAINST THE CITY.

1. SEC. 27. FROM ALL JUDGMENTS BY THE MAYOR IN CASES OTHER
2. THAN FOR VIOLATION OF ORDINANCES, APPEALS SHALL BE ALLOWED
3. AS IN SIMILAR CASES BEFORE JUSTICES.

4. SEC. 28. IT SHALL BE THE DUTY OF THE CITY CLERK TO KEEP
5. A JOURNAL OF THE PROCEEDINGS OF THE COUNCIL, AND HAVE
6. CHARGE OF AND PRESERVE THE RECORDS, BONDS, PAPERS AND OTHER
7. DOCUMENTS BELONGING TO THE CITY; HE SHALL, IN CASE OF SICK
8. NESS OR DISABILITY OF THE MAYOR TO ACT; OR IN CASE OF HIS
9. ABSENCE FROM THE CITY, OR DURING ANY VACANCY IN THE OFFICE
10. OF THE MAYOR, PERFORM THE DUTIES OF MAYOR, AND SHALL BE
11. VESTED WITH ALL POWERS NECESSARY FOR THE PERFORMANCE OF
12. SUCH DUTIES; HE SHALL ALSO PERFORM SUCH OTHER DUTIES PER-
13. TAINING TO THE FISCAL AFFAIRS OF THE CITY, OR OTHERWISE, A
14. MAY BE REQUIRED OF HIM BY THIS ACT OR BY THE COUNCIL; HE
15. SHALL RECEIVE SUCH SALARY AS MAY BE FIXED BY COUNCIL, WHICH
16. SHALL NOT BE LESS THAN ONE HUNDRED NOR MORE THAN FOUR HUN-
17. DRED DOLLARS PER ANNUM.

18. THE SERGEANT SHALL BE AT THE HEAD OF THE POLICE DEPART-
19. MENT OF THE CITY. IT SHALL BE THE DUTY OF THE SERGEANT TO
20. COLLECT THE CITY TAXES, FINES, LEVIES AND ASSESSMENTS; HE
21. HAS ALL POWER TO ENFORCE THE PAYMENT AND COLLECTION THERE-
22. OF, THAT THE OFFICER COLLECTING THE STATE TAX HAS OR MAY
23. HEREAFTER BE GIVEN UNDER THE STATUTES AND LAWS OF WEST
24. VIRGINIA, AND THE SAID SERGEANT SHALL HAVE ALL THE POWERS,
25. RIGHTS AND PRIVILEGES WITHIN THE CORPORATE LIMITS OF SUCH
26. CITY IN REGARD TO THE COLLECTION OF CLAIMS, THE ARREST OF
27. PERSONS, THE EXECUTION AND RETURN OF PROCESS THAT CAN BE
28. LEGALLY EXERCISED BY A CONSTABLE OF THE DISTRICT AND HE
29. SHALL BE ENTITLED TO THE SAME FEES AND LIABLE TO THE SAME
30. PENALTIES, FORFEITURES, ETC., AS THE CONSTABLE OF THE DIS-
31. TRICT; THE SERGEANT SHALL BE AT THE HEAD OF THE POLICE DE-
32. PARTMENT OF THE CITY WITH THE SAME POWERS WITHIN THE LIMITS
33. OF THE CITY AS THE SHERIFF IN HIS COUNTY.

34. SEC. 29. IT SHALL BE THE DUTY OF THE ASSESSOR TO ASCER-
35. TAIN THE PROPERTY WITHIN SAID CITY, SUBJECT TO TAXATION,
36. INCLUDING A CAPITATION UPON EACH MALE INHABITANT OF SAID
37. CITY WHO HAS ATTAINED THE AGE OF TWENTY-ONE YEARS, SUB-
38. STANTIALLY IN MANNER AND FORM AS IN THE CASE OF ASSESSMENTS
39. BY COUNTY ASSESSORS, AND MAKE RETURN THEREOF TO THE COUNCIL
40. ON OR BEFORE THE FIRST DAY OF JULY OF EACH YEAR; HE SHALL
41. ALSO MAKE OUT THE LAND BOOKS FOR SAID CITY IN EACH YEAR,
42. AND MAKE PROPER TRANSFERS OF SUCH PROPERTY AS SHALL HAVE
43. CHANGED OWNERSHIP WITHIN THE PRECEDING YEAR, AND CHARGE THE
44. SAME ON SAID BOOKS TO THE PERSON WHO BY HIMSELF HAS THE
45. FREEHOLD IN HIS POSSESSION, WHETHER IN FEE OR FOR LIFE, ON
46. THE FIRST DAY OF APRIL, IN SUCH YEAR; WHEN A TRACT OR LOT

1. OF LAND BECOME THE PROPERTY OF, DIFFERENT OWNERS, IN SEVER
2. AL PARCELS, THE ASSESSOR SHALL DIVIDE THE VALUE AT WHICH
3. THE WHOLE LAND HAS BEFORE BEEN ASSESSED, AMONG THE DIFFER-
4. ENT OWNERS, HAVING REGARD TO THE VALUE OF EACH INTEREST
5. COMPARED WITH THAT OF THE WHOLE, AND ENTER THE SAME ON THE
6. LAND BOOKS FOR SAID YEAR; HE SHALL ALSO ENTER IN SAID LAN-
7. BOOK THE VALUE OF ANY OLD BUILDING OMITTED FOR ONE OR MORE
8. YEARS, AND OF ADDITION OR IMPROVEMENT TO A BUILDING, AND
9. OF ANY BUILDING NEWLY ERECTED, NOT THERETOFORE ASSESSED,
10. IF THE SAME BE OF THE VALUE OF ONE HUNDRED DOLLARS OR UP-
11. WARDS; HE SHALL HAVE THE SAME POWER AND BE SUBJECT TO THE
12. SAME PENALTIES, IN ASCERTAINING AND ASSESSING THE PROPERT-
13. AND SUBJECTS OF TAXATION IN SAID CITY, AS ARE CONFERRED AN
14. IMPOSED UPON COUNTY ASSESSORS BY GENERAL LAW; BUT THE COUN-
15. CIL MAY CORRECT ANY ERROR ON HIS PART IN MAKING SUCH
16. ASSESSMENT, UPON THE APPLICATION OF ANY PERSON AGGRIEVED;
17. THE COUNCIL SHALL HAVE AUTHORITY TO PRESCRIBE BY GENERAL
18. ORDINANCE SUCH OTHER RULES AND REGULATIONS AS MAY BE NECES-
19. SARY TO ENABLE AND REQUIRE THE ASSESSOR TO ASCERTAIN AND
20. PROPERLY ASSESS ALL PROPERTY SUBJECT TO TAXATION BY SAID
21. CITY, SO THAT SUCH ASSESSMENT AND TAXATION SHALL BE UNIFORM
22. AND EQUAL, AND MAY ENFORCE SUCH RULES AND REGULATIONS BY
23. REASONABLE FINES AND PENALTIES TO BE IMPOSED UPON ANY ONE
24. FAILING OR REFUSING TO COMPLY THEREWITH; THE SAID ASSESSOR
25. SHALL ALSO LIST THE NUMBER OF DOGS OR OTHER ANIMALS SUB-
26. JECT TO A LICENSE TAX IN SAID CITY, AND THE NAMES OF THE
27. PERSONS OWNING THE SAME WHICH LIST SHALL BE RETURNED TO
28. THE COUNCIL AT THE SAME TIME THE ASSESSMENT IS RETURNED;
29. HE SHALL RECEIVE FOR HIS SERVICES SUCH COMPENSATION AS
30. SHALL BE FIXED BY THE COUNCIL.

31. SEC. 30. THE COUNCIL SHALL CAUSE TO BE MADE UP ANNUAL
32. AND SPREAD UPON ITS MINUTE BOOK, AN ACCURATE ESTIMATE OF
33. ALL SUMS WHICH ARE OR MAY BECOME LAWFULLY CHARGEABLE AGAIN-
34. THE CITY, WHICH OUGHT TO BE PAID WITHIN ONE YEAR, AND IT
35. SHALL ORDER, AT A MEETING HELD BY IT IN THE MONTH OF JULY
36. OF EACH YEAR, A LEVY OF SO MUCH AS WILL IN ITS JUDGMENT BE
37. NECESSARY TO PAY THE SAME; SUCH LEVY SHALL BE UPON ALL REAL
38. AND PERSONAL PROPERTY OTHERWISE SUBJECT TO STATE AND COUN-
39. TAXES, AND AN ANNUAL CAPITATION TAX OF ONE DOLLAR UPON EAC-
40. H MALE INHABITANT OF SAID CITY WHO HAS ATTAINED THE AGE OF
41. TWENTY-ONE YEARS; PROVIDED, THAT SUCH LEVY SHALL NOT EXCEED
42. THE RATE FIXED BY THE GENERAL ACTS OF WEST VIRGINIA ON THE
43. ASCERTAINED VALUE OF SUCH PROPERTY; AT LEAST ONCE IN EACH
44. YEAR THE COUNCIL SHALL CAUSE TO BE MADE UP AND PUBLISHED,
45. IN ONE OR MORE OF THE NEWSPAPERS OF THE CITY, OR OF HANCOCK
46. COUNTY, A STATEMENT OF THE FINANCIAL CONDITION OF SAID CITY
47. INCLUDING THE REVENUE RECEIVED FROM THE DIFFERENT SOURCES,
48. AND OF THE EXPENDITURES UPON THE DIFFERENT ACCOUNTS, FOR THE
49. PRECEDING YEAR OR PORTION OF THE YEAR AS THE CASE MAY BE.

1. SEC. 31. THE CLERK OF SAID CITY, BEFORE ENTERING UPON
2. THE DISCHARGE OF HIS DUTIES, SHALL EXECUTE A BOND CONDI-
3. TIONED FOR THE FAITHFUL PERFORMANCE BY HIM OF THE DUTIES
4. OF HIS OFFICE, AND FOR THE ACCOUNTING FOR AND PAYING OVER,
5. AS REQUIRED BY LAW, ALL MONEY WHICH MAY COME INTO HIS HANDS
6. BY VIRTUE OF HIS OFFICE WITH SURETIES SATISFACTORY TO THE
7. COUNCIL, PAYABLE TO THE CITY OF CHESTER, IN A PENALTY OF
8. NOT LESS THAN ONE THOUSAND DOLLARS, AS THE COUNCIL MAY PRE-
9. SCRIBE; HE SHALL BE CUSTODIAN OF ALL BONDS, NOTES, TOGETHER
10. WITH ALL VALUABLE PAPERS WHICH MAY BE PLACED IN HIS POSSE-
11. SION BY THE COUNCIL.

12. SEC. 32. IMMEDIATELY AFTER THE ANNUAL LEVY OF CITY TAXES
13. IS MADE, IT SHALL BE THE DUTY OF THE CITY CLERK TO EXTEND
14. THE SAME IN THE PROPERTY BOOKS RETURNED BY THE ASSESSOR,
15. INCLUDING AS WELL THE PROPER CAPITATION TAX, AND MAKE OUT
16. THEREFROM PROPER TAX TICKETS, AND THE SAME AFTER BEING EX-
17. AMINED AND COMPARED AND APPROVED BY THE FINANCE COMMITTEE
18. OF THE COUNCIL, AND IF FOUND TO BE CORRECT, SHALL BE TURNED
19. OVER TO THE SERGEANT ON THE FIRST DAY OF SEPTEMBER FOLLOW-
20. ING THE LEVY, WHOSE RECEIPTS SHALL BE RETURNED TO THE COUN-
21. CIL AND ENTERED UPON ITS RECORDS, AND THE SERGEANT SHALL BE
22. CHARGED THEREWITH; THE SERGEANT SHALL GIVE NOTICE THAT SAID
23. TICKETS ARE IN HIS HANDS FOR COLLECTION, STATING THE
24. PENALTY FOR NON-PAYMENT THEREOF, AND THE TIME AND PLACE
25. WHERE THE SAME MAY BE PAID, WHICH NOTICE SHALL BE PUBLISHED
26. FOR TWENTY DAYS IN ONE OR MORE NEWSPAPERS PUBLISHED IN SAID
27. CITY OR COUNTY, AND TO ALL PERSONS WHO SHALL PAY THEIR
28. TAXES IN FULL BEFORE THE FIRST DAY OF OCTOBER, NEXT SUC-
29. CEEDING SAID LEVY, THERE SHALL BE ALLOWED A DISCOUNT OF TWO
30. AND ONE-HALF PER CENTUM ON THE WHOLE AMOUNT OF THE TAXES
31. SO PAID AND NOT OTHERWISE; TO ALL TAXES REMAINING UNPAID
32. ON THE FIRST DAY OF JANUARY, NEXT SUCCEEDING SAID LEVY, A
33. PENALTY OF TEN PER CENTUM SHALL BE ADDED, AND THE SERGEANT
34. SHALL FORTHWITH PROCEED TO COLLECT FROM THE PARTIES, BY
35. DISTRAINT OR OTHERWISE, THE ENTIRE AMOUNT OF THE TAXES WITH
36. WHICH THEY ARE SEVERALLY CHARGED THEREIN WITH INTEREST AT
37. THE RATE OF ONE PER CENTUM PER MONTH, FROM THE FIRST DAY
38. OF JANUARY, UNTIL THEY ARE FULLY PAID, TOGETHER WITH THE
39. PENALTY HEREIN PROVIDED TO BE ADDED THERETO.

40. SEC. 33. IT SHALL BE THE DUTY OF THE SERGEANT, AT LEAST
41. ONCE IN SIX MONTHS DURING HIS CONTINUANCE IN OFFICE, AND
42. MORE OFTEN IF REQUIRED BY COUNCIL, TO RENDER AN ACCOUNT OF
43. TAXES, LEVIES, ASSESSMENTS AND OTHER CLAIMS IN HIS HANDS
44. FOR COLLECTION AND RETURN A LIST OF SUCH AS HE SHALL NOT
45. HAVE BEEN ABLE TO COLLECT, BY REASON OF INSOLVENCY, RE-
46. MOVAL OR OTHER CAUSE TO WHICH LIST HE SHALL APPEND AN

1. AFFIDAVIT THAT HE HAS USED DUE DILIGENCE TO COLLECT THE
2. CLAIMS THEREIN MENTIONED, BUT HAS BEEN UNABLE TO DO SO, AND
3. IF THE COUNCIL SHALL BE SATISFIED WITH THE CORRECTNESS OF
4. SAID LIST, AND SHALL ALLOW HIM A CREDIT FOR SAID CLAIMS,
5. BUT MAY THEREAFTER TAKE SUCH LAWFUL MEASURES TO COLLECT THE
6. SAME AS SHALL BY IT BE PRESCRIBED; HE SHALL KEEP REGULAR
7. BOOKS OF ACCOUNT, TO BE EXAMINED AND APPROVED BY THE COUN-
8. CIL, OF ALL MONEYS RECEIVED AND DISBURSED BY HIM, AND OF
9. OTHER MATTERS PERTAINING TO HIS OFFICE, WHICH BOOKS SHALL
10. AT ALL TIMES BE OPEN TO THE INSPECTION OF THE COUNCIL OR
11. ANY COMMITTEE APPOINTED BY IT FOR SUCH PURPOSES; ALL MONEYS
12. BELONGING TO THE CITY SHALL BE PAID OVER TO THE SERGEANT,
13. NO MONEYS SHALL BE PAID OUT BY HIM EXCEPT UPON THE ORDER
14. OF THE COUNCIL, COUNTERSIGNED BY THE MAYOR; HE SHALL RE-
15. CEIVE FOR HIS SERVICES A COMPENSATION FIXED BY THE COUNCIL
16. NOT TO EXCEED A COMMISSION OF FIVE PER CENT OF THE TOTAL
17. TAXES COLLECTED INCLUDING REVENUE COLLECTED OTHER THAN
18. STATE MONEYS, BUT NO COMMISSION SHALL BE CHARGED BY SAID
19. SERGEANT FOR RECEIVING STATE FUNDS FOR TOWN PURPOSES, AND
20. NO ADDITIONAL COMMISSIONS SHALL BE CHARGED BY SERGEANT FOR
21. DISBURSEMENT OF MONEYS; IF THE SERGEANT SHALL FAIL TO COL-
22. LECT, ACCOUNT FOR AND PAY OVER, ALL OR ANY MONEYS, WITH
23. WHICH HE MAY BE CHARGEABLE BELONGING TO THE CITY ACCORDING
24. TO THE CONDITIONS OF HIS BOND AND THE ORDERS OF THE COUN-
25. CIL, IT SHALL BE LAWFUL FOR THE COUNCIL TO RECOVER THE SAME
26. BY ACTION OR BY MOTION UPON TEN DAYS' NOTICE IN THE CORPO-
27. RATE NAME OF THE CITY IN THE CIRCUIT COURT OF HANCOCK
28. COUNTY AGAINST HIM AND HIS SURETIES OR ANY OR EITHER OF
29. THEM, OR HIS OR THEIR EXECUTORS OR ADMINISTRATORS; IF THE
30. SUM CLAIMED DOES NOT EXCEED THREE HUNDRED DOLLARS, SUCH
31. RECOVERY MAY BE HAD BEFORE THE MAYOR OR ANY JUSTICE OF SAID
32. COUNTY.

33. SEC. 34. IT SHALL BE THE DUTY OF THE SOLICITOR TO PRE-
34. PARE, WHEN DIRECTED BY THE COUNCIL, ALL ORDINANCES FOR
35. SAID CITY, TO REPRESENT THE SAID CITY IN ALL MATTERS AND
36. PROCEEDINGS IN ANY COURT, IN WHICH THE SAID CITY IS INTER-
37. ESTED, AND COUNSEL THE SAID COUNCIL WHEN REQUESTED; HE
38. SHALL RECEIVE AS COMPENSATION FOR HIS SERVICES, TO BE FIX-
39. ED BY THE COUNCIL, NOT EXCEEDING THREE HUNDRED DOLLARS PER
40. ANNUM.

41. SEC. 35. THERE SHALL BE A LIEN ON REAL ESTATE, WITHIN
42. SAID CITY FOR THE CITY TAXES ASSESSED THEREON, AND FOR ALL
43. FINES AND PENALTIES ASSESSED TO, OR IMPOSED UPON THE OWNERS
44. THEREOF, BY THE AUTHORITIES OF SUCH CITY, FROM THE TIME THE
45. SAME ARE SO ASSESSED OR IMPOSED, WHICH SHALL HAVE PRIORITY
46. OVER ALL OTHER LIENS, EXCEPT THE LIEN FOR TAXES DUE THE
47. STATE, COUNTY AND DISTRICTS, AND WHICH MAY BE ENFORCED BY

1. THE COUNCIL IN THE SAME MANNER PROVIDED BY LAW FOR THE EN-
2. FORCEMENT OF THE LIEN FOR COUNTY TAXES OR IN SUCH OTHER
3. MANNER AS COUNCIL SHALL BY ORDINANCE PROVIDE. IF ANY REAL
4. ESTATE WITHIN SAID CITY BE RETURNED DELINQUENT FOR THE NON
5. PAYMENT OF THE DELINQUENT TAXES THEREON, A COPY OF SUCH DE-
6. LINQUENT LIST MAY BE CERTIFIED BY THE COUNCIL TO THE
7. AUDITOR, AND THE SAME MAY BE SOLD FOR THE CITY TAXES,
8. INTEREST AND COMMISSIONS THEREON, IN THE SAME MANNER, AT
9. THE SAME TIME AND BY THE SAME OFFICERS, AS REAL ESTATE IS
10. SOLD FOR THE NON-PAYMENT OF STATE TAXES.

11. SEC. 36. IT SHALL BE THE DUTY OF THE CHIEF OF POLICE TO
12. PRESERVE ORDER AND QUIET IN SAID CITY, AND TO SEE THAT ALL
13. SUBORDINATE POLICE OFFICERS FAITHFULLY PERFORM THEIR
14. OFFICIAL DUTY; HE SHALL BE PRESENT IN THE POLICE COURT
15. WHENEVER THE SAME SHALL BE IN SESSION AND SEE THAT ALL ITS
16. ORDERS AND REQUIREMENTS ARE PROPERLY EXECUTED; HE SHALL
17. WITH THE CONSENT OF THE COUNCIL ENTER OF RECORD BUT NOT
18. OTHERWISE, APPOINT ONE OR MORE POLICEMEN AS THE COUNCIL MAY
19. DETERMINE; HE SHALL, BEFORE ENTERING UPON THE DISCHARGE OF
20. HIS DUTIES, EXECUTE A BOND CONDITIONED FOR THE FAITHFUL
21. PERFORMANCE BY HIM OF THE DUTIES OF HIS OFFICE, AND FOR TH-
22. ACCOUNTING FOR AND PAYING OVER, AS REQUIRED BY LAW, ALL
23. MONEY WHICH MAY COME INTO HIS HANDS BY VIRTUE OF HIS OFFICE
24. WITH SURETIES SATISFACTORY TO THE COUNCIL, IN A PENALTY OF
25. NOT LESS THAN ONE THOUSAND DOLLARS NOR MORE THAN THREE
26. THOUSAND DOLLARS, AS THE COUNCIL MAY PRESCRIBE; HE SHALL
27. RECEIVE SUCH SALARY AS MAY BE FIXED BY COUNCIL, WHICH SHALL
28. NOT BE LESS THAN SIX HUNDRED NOR MORE THAN ONE THOUSAND
29. DOLLARS PER ANNUM.

30. SEC. 37. IN CASE A VIOLATION OF ANY ORDINANCE OF SAID
31. CITY IS COMMITTED IN THE PRESENCE, OR WITHIN VIEW, OF THE
32. CHIEF OF POLICE OR OTHER POLICE OFFICERS, THE OFFENDER MAY
33. BE FORTHWITH APPREHENDED AND TAKEN BEFORE THE MAYOR, AND A
34. COMPLAINT UNDER OATH, STATING SUCH VIOLATION THERE LODGED
35. AND FILED; AND THEREUPON SUCH OFFENDER MAY BE TRIED AND
36. DEALT WITH ACCORDING TO LAW, WITHOUT SUMMONS. THE CHIEF O-
37. POLICE SHALL EXECUTE, WITHIN THE COUNTY OF HANCOCK, ANY
38. PROPER PROCESS ISSUED BY THE MAYOR IN PROCEEDINGS FOR THE
39. ENFORCEMENT OF ORDINANCES; AND SHALL COLLECT, BY LEVY OR
40. EXECUTION OR OTHERWISE, AND DULY ACCOUNT FOR, ALL FINES
41. ASSESSED AND COSTS IMPOSED IN SUCH PROCEEDINGS; HE SHALL
42. HAVE ALL THE RIGHT AND POWERS, WITHIN SAID CITY, IN REGARD
43. TO THE ARREST OF PERSONS, THE COLLECTION OF CLAIMS AND THE
44. EXECUTION AND RETURN OF PROCESS, THAT ARE OR MAY BE LAW-
45. FULLY EXERCISED BY A CONSTABLE OF A DISTRICT WITHIN THE
46. SAME, AND SHALL BE ENTITLED TO THE COMPENSATION THEREFOR;

1. AND HE AND HIS SURETIES SHALL BE LIABLE TO ALL FINES, PEN-
2. ALTIES AND FORFEITURES THAT A CONSTABLE IS LIABLE TO FOR
3. ANY DERELICTION OF DUTY IN OFFICE, TO BE RECOVERED IN THE
4. SAME MANNER, AND IN THE SAME COURTS, THAT SUCH FINES, PEN-
5. ALTIES AND FORFEITURES ARE RECOVERED AGAINST CONSTABLES.

6. SEC. 38. THE COUNCIL SHALL HAVE THE AUTHORITY TO REQUIRE
7. A CITY LICENSE AS FOLLOWS: FOR ANYTHING TO BE DONE,
8. CARRIED ON OR EXHIBITED WITHIN THE CITY, FOR WHICH A STATE
9. LICENSE IS NOW OR MAY HEREAFTER BE REQUIRED (OTHER THAN THE
10. SALE OF SPIRITUOUS, VINOUS OR MALT LIQUORS) ALSO FOR THE
11. KEEPING OF HACKS, CARRIAGES, CARTS, WAGONS, AND OTHER VE-
12. HICLES FOR HIRE WITHIN THE CITY, AND FOR THE KEEPING OF
13. DOGS WITHIN THE CITY, AND THE COUNCIL MAY PROVIDE FOR THE
14. KILLING OF ALL DOGS, THE KEEPING OF WHICH IS NOT SO LI-
15. CENSED; AND UPON ALL SUCH LICENSES THE COUNCIL MAY IMPOSE
16. A REASONABLE TAX FOR THE USE OF THE CITY.

17. SEC. 39. THE COUNCIL SHALL PRESCRIBE BY ORDINANCE, THE
18. MANNER IN WHICH LICENSES OF ALL KINDS SHALL BE APPLIED FOR
19. AND GRANTED, AND SHALL REQUIRE THE PAYMENT OF THE TAX
20. THEREON TO BE MADE TO THE COLLECTOR AND TREASURER BEFORE
21. DELIVERY TO THE PERSON APPLYING THEREFOR.

22. SEC. 40. THE PROVISIONS OF THE TWENTY-NINTH SECTION OF
23. CHAPTER THIRTY-TWO OF THE CODE OF WEST VIRGINIA, RELATING
24. TO STATE LICENSE SHALL BE DEEMED APPLICABLE TO LICENSES OF
25. A SIMILAR CHARACTER TO THOSE THEREIN MENTIONED, WHEN GRANT-
26. ED BY OR UNDER THE AUTHORITY OF THE COUNCIL OF SAID CITY;
27. LICENSES FOR KEEPING DOGS SHALL ALSO EXPIRE ON THE THIR-
28. TIETH DAY OF APRIL NEXT AFTER THEY ARE GRANTED.

29. SEC. 41. THE COUNCIL SHALL HAVE THE RIGHT TO INSTITUTE
30. PROCEEDINGS IN THE NAME OF THE CITY, FOR THE CONDEMNATION
31. OF REAL ESTATE FOR STREETS, ALLEYS, DRAINS, MARKET GROUNDS,
32. LANDINGS, WHARVES, CITY PRISON OR OTHER WORK OR PURPOSES
33. OF PUBLIC UTILITY; SUCH PROCEEDINGS SHALL CONFORM TO THE
34. PROVISIONS OF CHAPTER FORTY-TWO OF THE CODE OF WEST VIR-
35. GINIA; AND THE COSTS THEREOF SHALL BE BORNE BY THE CITY,
36. EXCEPT THAT IN CONTESTS INVOLVING A HEARING IN THE CIRCUIT
37. COURT SHALL BE RESERVED BY THE PREVAILING PARTY.

38. SEC. 42. AFTER HAVING CAUSED PROPER CURB OF BRICK, STONE
39. OR OTHER SUITABLE MATERIAL TO BE SET AND PLACED ON ANY OF
40. THE STREETS OR ALLEYS OF SAID CITY AT THE EXPENSE OF THE
41. PROPERTY OWNER, THE COUNCIL MAY REQUIRE SIDEWALKS OR FOOT-
42. WAYS ON SUCH STREETS OR ALLEYS TO BE PAVED WITH BRICK,
43. STONE OR SUCH OTHER SUITABLE MATERIAL AS THE COUNCIL MAY

1. DETERMINE, UNDER THE DIRECTION OF THE STREET COMMISSIONER,
2. BY THE OWNERS RESPECTIVELY OF THE LOTS, OR THE FRACTIONAL
3. PART OF LOTS, FACING OR ABUTTING ON SUCH SIDEWALK OR FOOT-
4. WAY AND IF THE OWNER OF ANY SUCH SIDEWALK OR FOOTWAY, OR
5. OF THE REAL PROPERTY NEXT ADJACENT THERETO, SHALL FAIL OR
6. REFUSE TO PAID THE SAME IN THE MANNER OR WITHIN THE TIME
7. REQUIRED BY THE COUNCIL, IT SHALL BE THE DUTY OF THE COUN-
8. CIL TO CAUSE THE SAME TO BE DONE AT THE EXPENSE OF THE
9. CITY, AND TO ASSESS THE AMOUNT OF SUCH EXPENSE UPON SUCH
10. OWNER; AND THE SAME MAY BE COLLECTED IN THE MANNER HEREIN
11. PROVIDED FOR THE COLLECTION OF CITY TAXES, AND THE SAME
12. SHALL CONSTITUTE A LIEN ON SUCH PROPERTY, WHICH MAY BE EN-
13. FORCED BY A SUIT IN EQUITY IN THE NAME OF THE CITY IN THE
14. CIRCUIT COURT OF HANCOCK COUNTY AS OTHER LIENS AGAINST
15. REAL ESTATE ARE ENFORCED; PROVIDED, HOWEVER, THAT REASON-
16. ABLE NOTICE SHALL FIRST BE GIVEN TO SAID OWNERS THAT THEY
17. ARE REQUIRED TO CONSTRUCT SUCH SIDEWALKS OR FOOTWAYS, AND
18. IN CASE THE OWNER IS A NON-RESIDENT OF THE STATE, THE NO-
19. TICE AFORESAID MAY BE GIVEN BY PUBLICATION FOR FOUR
20. SUCCESSIVE WEEKS, IN A NEWSPAPER PUBLISHED IN SAID CITY OR
21. COUNTY; THE PROVISIONS OF THIS SECTION SHALL ALSO BE
22. APPLICABLE TO NEEDED REPAIRS TO ANY OF THE PAVEMENTS OF THE
23. CITY, AND TO THE SUBSTITUTION OF NEW PAVEMENTS FOR ANY
24. WHICH MAY HAVE BEEN HERETOFORE OR WHICH MAY BE HEREAFTER
25. LAID AND COMPLETED, AND WHICH MAY BE DEEMED INSUFFICIENT.

26. SEC. 43. THE COUNCIL SHALL HAVE THE AUTHORITY TO PRO-
27. VIDE THAT ANY STREET OR ALLEY, OR ANY PORTION THEREOF BE-
28. TWEEN THE CURBSTONES, SHALL BE MACADAMIZED, OR PAVED WITH
29. BRICKS, COBBLESTONES OR OTHER SUITABLE MATERIAL, UPON THE
30. LOWEST AND BEST TERMS OBTAINABLE, AFTER ADVERTISEMENT FOR
31. FOUR WEEKS IN ONE OR MORE NEWSPAPERS OF THE CITY OR COUNTY
32. FOR BIDS AND PROPOSALS FOR THE WORK; AND THE TWO-THIRDS OF
33. THE COST OF SUCH MADACAMIZING OR PAVING, FROM CURB TO CURB
34. OF SUCH STREET OR ALLEY, SHALL BE ASSESSED TO THE OWNERS
35. OF THE LOTS, OR FRACTIONAL PARTS OF LOTS, FRONTING OR
36. ABUTTING ON SUCH STREET OR ALLEY, THAT IS TO SAY: THE PRO-
37. PERTY OWNERS ON EACH SIDE OF SAID STREET OR ALLEY TO BE
38. ASSESSED ONE-THIRD OF THE COST OF SAID IMPROVEMENTS, TO
39. EACH PROPERTY OWNER A SUM PROPORTIONATE TO THE DISTANCE,
40. OR EXTENT IN FEET BY HIM OWNED, AND ONE-THIRD OF THE SUM
41. SO ASSESSED SHALL BE PAID BY EACH PROPERTY OWNER TO THE
42. CITY WITHIN THIRTY DAYS AFTER THE COMPLETION OF THE WORK,
43. AND THE REMAINDER IN TWO EQUAL INSTALLMENTS IN SIX AND
44. TWELVE MONTHS THEREAFTER, OR AT SUCH OTHER TIMES AS THE
45. COUNCIL MAY PRESCRIBE; THE REMAINING ONE-THIRD OF SUCH
46. EXPENSE, AS WELL AS THE EXPENSE OF MACADAMIZING OR PAVING
47. AT THE INTERSECTIONS OF STREETS AND ALLEYS, SHALL BE DE-
48. FRAYED BY THE CITY; THE COUNCIL SHALL CAUSE A NOTICE TO BE

1. PUBLISHED FOR ONE WEEK IN A NEWSPAPER OF SAID CITY OR
2. COUNTY SHOWING THE OWNERS OF THE PROPERTY AND THE NUMBER
3. OF FEET FRONTING ON SAID IMPROVEMENTS, AS WELL AS THE TIME
4. AND THE PLACE WHERE THE SAID COUNCIL WILL PROCEED TO FIX
5. SAID ASSESSMENTS AS ABOVE PROVIDED, AND GIVING NOTICE TO
6. ANY PERSON HAVING AN INTEREST IN SAID PROPERTY TO APPEAR
7. AND SHOW CAUSE, IF ANY THEY CAN, WHY SUCH ASSESSMENT SHOULD
8. NOT BE MADE; AND THE COUNCIL MAY, IN MAKING SAID ASSESS-
9. MENTS, CONSIDER THE PETITION OF ANY PERSON OR CORPORATION
10. RELATIVE TO THE INEQUALITY OF SAID ASSESSMENT, AND MAY
11. EQUALIZE AND ADJUST THE SAME; THE ASSESSMENT TO BE MADE TO
12. ANY OWNER OF REAL ESTATE SHALL CONSTITUTE A LIEN ON SUCH
13. ESTATE; AND LIKE PROCEEDINGS MAY BE HAD AND TAKEN TO EN-
14. FORCE SUCH LIEN OR TO RECOVER FROM SUCH OWNER THE AMOUNT
15. OF SUCH ASSESSMENT, OR IF ANY INSTALLMENT THEREOF, AS THOS.
16. PROVIDED FOR IN THE PRECEDING SECTION, PROVIDING FOR THE
17. LAYING OF PAVEMENTS. THE COUNCIL OF SAID CITY MAY CAUSE A
18. ADDITIONAL ANNUAL LEVY OF TWENTY-FIVE CENTS ON THE HUNDRED
19. DOLLARS OF THE ASCERTAINED VALUE OF ALL THE REAL AND PER-
20. SONAL PROPERTY WITHIN SAID CITY, OR SUBJECT TO TAXATION,
21. FOR THE PURPOSE ONLY OF DEFRAYING THE EXPENSE OF PAVING THE
22. STREETS AND ALLEYS OF SAID CITY AS HEREIN PROVIDED; SUCH
23. LEVY SHALL BE MADE AT THE TIME THE GENERAL LEVY IS LAID,
24. AND SHALL BE COLLECTED IN LIKE MANNER, BUT A SEPARATE AC-
25. COUNT SHALL BE KEPT OF THE RECEIPTS AND EXPENDITURES OF
26. SUCH FUND.

27. SEC. 44. THE CITY OF CHESTER, SHALL SUCCEED TO ALL THE
28. RIGHTS, POWERS AND RESPONSIBILITIES, AND BE VESTED WITH
29. THE TITLE TO ALL PROPERTY, OF THE TOWN OF CHESTER AS HERE-
30. TOFORE EXISTING, AND ALL OFFICERS OF SAID CITY ACTING AS
31. SUCH AT THE TIME THIS ENACTMENT TAKES EFFECT SHALL CONTINUE
32. UNTIL THE FIRST MONDAY IN APRIL, ONE THOUSAND NINE HUNDRED
33. AND EIGHT, OR UNTIL THEIR SUCCESSORS, THE OFFICERS HEREIN
34. MENTIONED, ARE ELECTED OR APPOINTED AND QUALIFY, TO EXER-
35. CISE THE POWERS, PERFORM THE DUTIES, AND RECEIVE THE COM-
36. PENSATION HERETOFORE CONFERRED, PRESCRIBED AND ALLOWED BY
37. FORMER CHARTER, BY GENERAL LAW, OR BY THE ORDINANCES OF
38. SAID CITY; SUCH ORDINANCES IN FORCE AT THE TIME REFERRED TO
39. SHALL CONTINUE TO HAVE FULL OPERATION AND EFFECT UNTIL
40. AMENDED, REPEALED OR SUPERSEDED BY THE COUNCIL OF SAID CITY
41. THE CERTIFICATE OF INCORPORATION HERETOFORE GRANTED BY THE
42. CIRCUIT COURT OF SAID COUNTY OF HANCOCK, INCORPORATING THE
43. TOWN OF CHESTER IS HEREBY ANNULLED.

44. SEC. 45. ALL ACTS OR PARTS OF ACTS WHICH ARE IN CONFLICT
45. AND INCONSISTENT WITH THIS ACT ARE HEREBY DECLARED INOPERA-
46. TIVE IN SO FAR AS THEY ARE IN CONFLICT OR INCONSISTENT WITH

1. THIS ACT; AND THIS ACT SHALL NOT BE CONSTRUED TO TAKE AWAY
2. ANY OF THE POWERS CONFERRED UPON SAID TOWN OR UPON THE
3. COUNCIL OR ANY OFFICER THEREOF, CONFERRED BY GENERAL LAW,
4. EXCEPT SO FAR AS THE SAME MAY BE INCONSISTENT WITH THE
5. POWERS CONFERRED BY THIS ACT; THIS ACT SHALL BE IN FORCE
6. AS SOON AFTER ITS PASSAGE AS IT SHALL HAVE BEEN RATIFIED B
7. A MAJORITY VOTE OF ALL THE QUALIFIED VOTERS ON THE SAME,
8. UNDER THIS CHARTER, WITHIN THE TERRITORY DESCRIBED IN THIS
9. ACT. THE PRESENT COUNCIL OF THE TOWN OF CHESTER SHALL HAV
10. POWER TO CALL AN ELECTION, OR ELECTIONS TO TAKE THE VOTE O
11. THE PEOPLE UPON THE RATIFICATION OR REJECTION OF THIS CHAR
12. TER, AND SHALL PUBLISH IN SOME NEWSPAPER OF THE COUNTY AND
13. POST NOTICES OF SAID ELECTION IN AT LEAST THREE PUBLIC
14. PLACES FOR A PERIOD OF NOT LESS THAN TEN DAYS PRECEDING
15. SUCH ELECTION.

ACTS OF THE LEGISLATURE OF WEST VIRGINIA

REGULAR SESSION 1913

CHAPTER 86. HOUSE BILL No. 368

AN ACT AMENDING AND RE-ENACTING SECTION SIXTEEN OF AN ACT PASSED ON THE TWENTY-EIGHTH DAY OF FEBRUARY, ONE THOUSAND NINE HUNDRED AND SEVEN, BY THE LEGISLATURE IN EXTRA SESSION, ENTITLED, "AN ACT PROVIDING FOR A CHARTER FOR THE CITY OF CHESTER, IN THE COUNTY OF HANCOCK, AND TO NULLIFY THE CERTIFICATE OF INCORPORATION HERETOFORE GRANTED BY THE CIRCUIT COURT OF SAID COUNTY TO THE TOWN OF CHESTER."

(PASSED FEBRUARY 14, 1913. IN EFFECT FROM ITS PASSAGE. APPROVED BY THE GOVERNOR FEBRUARY 18, 1913.)

SEC.

16. POWERS OF COUNCIL, DEFINED.

BE IT ENACTED BY THE LEGISLATURE OF WEST VIRGINIA:

1. THAT SECTION SIXTEEN OF AN ACT PASSED ON THE TWENTY-
2. EIGHTH DAY OF FEBRUARY, ONE THOUSAND NINE HUNDRED AND
3. SEVEN, ENTITLED, "AN ACT PROVIDING FOR A CHARTER FOR THE
4. CITY OF CHESTER IN THE COUNTY OF HAMMOCK AND TO NULLIFY
5. THE CERTIFICATE OF INCORPORATION HERETOFORE GRANTED BY
6. THE CIRCUIT COURT OF SAID COUNTY TO THE TOWN OF CHESTER,"
7. BE AND THE SAME IS HEREBY AMENDED AND RE-ENACTED SO AS TO
8. READ AS FOLLOWS:

9. SEC. 16. THE COUNCIL OF SAID CITY SHALL HAVE POWER TO
10. LAY OFF, VACATE, CLOSE, OPEN, ALTER, GRADE AND KEEP IN
11. GOOD REPAIR, ROADS, STREETS, ALLEYS, PAVEMENTS, SIDEWALKS,
12. CROSSINGS, DRAINS AND GUTTERS THEREIN AND LIGHT THE SAME
13. FOR THE USE OF THE CITIZENS AND PUBLIC, AND KEEP THE SAME
14. FREE FROM OBSTRUCTION OF EVERY KIND; TO REGULATE THE WIDTH
15. OF PAVEMENTS, SIDEWALKS ON THE STREETS AND ALLEYS IN SAID
16. CITY, AND TO ORDER THE PAVEMENTS, SIDEWALKS, STREETS,
17. ALLEYS AND GUTTERS TO BE KEPT IN GOOD ORDER, FREE AND CLEAN
18. BY OWNERS OR OCCUPANTS OF REAL PROPERTY NEXT ADJACENT THERE
19. TO; TO ESTABLISH AND REGULATE MARKETS, PRESCRIBE THE TIMES
20. OF HOLDING THE SAME, PROVIDE SUITABLE AND CONVENIENT BUILD-
21. INGS THEREFOR, AND PREVENT THE FORESTALLING OR REGRATING
22. OF SUCH MARKETS; TO PREVENT INJURY OR ANNOYANCE TO THE
23. PUBLIC OR TO INDIVIDUALS FROM ANYTHING DANGEROUS, OFFENSIVE
24. OR UNWHOLESOME; TO PROHIBIT OR REGULATE SLAUGHTER HOUSES OR
25. SOAP FACTORIES WITHIN THE CITY LIMITS, OR THE EXERCISE OF
26. ANY UNHEALTHY OR OFFENSIVE BUSINESS, TRADE OR EMPLOYMENT;
27. TO ABATE ALL NUISANCES WITHIN THE CITY LIMITS, OR TO RE-
28. QUIRE AND COMPEL THE ABATEMENT OR REMOVAL THEREOF, BY OR AT
29. THE EXPENSE OF THE OWNER OR OCCUPANT OF THE GROUND ON WHICH
30. THEY ARE PLACED OR FOUND; TO CAUSE TO BE FILLED UP, RAISED
31. OR DRAINED BY OR AT THE EXPENSE OF THE OWNER, ANY CITY LOT
32. OR TRACT OF LAND COVERED OR SUBJECT TO BE COVERED BY STAG-
33. NANT WATER; TO PREVENT HORSES, HOGS, CATTLE, SHEEP OR OTHER
34. ANIMALS AND FOWLS OF ALL KINDS FROM GOING OR BEING AT LARGE
35. IN SAID CITY, AND AS ONE MEANS OF PREVENTION, TO PROVIDE
36. FOR IMPOUNDING AND CONFINING OF SUCH ANIMALS AND FOWLS, AND
37. UPON FAILURE TO RECLAIM, FOR THE SALE THEREOF; TO PROTECT
38. PLACES OF DIVINE WORSHIP AND TO PRESERVE ORDER IN AND ABOUT
39. THE PREMISES WHERE AND WHEN SUCH WORSHIP IS HELD; TO REGU-
40. LATE THE KEEPING OF GUNPOWDER AND OTHER INFLAMMABLE OR
41. DANGEROUS SUBSTANCES; TO PROVIDE FOR THE MAKING AND MAIN-
42. TAINING OF DIVISION FENCES BY THE OWNER OF ADJOINING PREM-
43. ISES, AND FOR THE PROPER DRAINAGE OF CITY LOTS, OR OTHER
44. PARCELS OF LAND, BY OR AT THE EXPENSE OF THE OWNER OR

1. OCCUPANT THEREOF; TO PROVIDE AGAINST DAMAGE OR DANGER BY
2. FIRE; TO PUNISH FOR ASSAULTS AND BATTERIES; TO PROHIBIT
3. LOITERING IN, CONDUCTING OR VISITING HOUSES OF ILL FAME, OR
4. LOITERING UPON THE STREETS; TO PREVENT LEWD AND LASCIVIOUS
5. CONDUCT, SALE OF OR EXHIBITION OF INDECENT PICTURES OR
6. OTHER REPRESENTATIONS; TO PREVENT THE SALE OR DISPOSAL OF
7. INTOXICATING LIQUORS; TO PREVENT DESECRATION OF THE SABBATH
8. DAY, AND PROFANE SWEARING; TO PROTECT THE PERSON OF THOSE
9. RESIDING WITHIN SAID CITY; TO APPOINT, WHEN NECESSARY OR
10. ADVISABLE, A POLICE FORCE, PERMANENT OR TEMPORARY; TO
11. ASSIST THE CHIEF OF POLICE IN THE DISCHARGE OF HIS DUTIES;
12. TO BUILD, PURCHASE OR LEASE AND USE A SUITABLE PLACE WITH-
13. IN OR NEAR SAID CITY FOR SAFE KEEPING OR PUNISHMENT OF
14. PERSONS CHARGED WITH, OR CONVICTED OF THE VIOLATION OF OR-
15. DINANCES; TO PROVIDE FOR THE EMPLOYMENT OF PERSONS CON-
16. VICTED OF VIOLATION OF ORDINANCES, OR WHO MAY BE COMMITTED
17. IN DEFAULT OF PAYMENT OF FINES, PENALTIES OR COSTS, AND
18. WHO ARE OTHERWISE UNABLE TO DISCHARGE THE SAME, BY PUTTING
19. THEM TO WORK FOR THE BENEFIT OF THE CITY, AND TO USE SUCH
20. MEANS TO PREVENT THEIR ESCAPE, WHILE AT WORK, AS THEY MAY
21. DEEM EXPEDIENT; TO ERECT OR AUTHORIZE OR PROHIBIT THE
22. ERECTION OF GAS WORKS, ELECTRIC LIGHT WORKS, OR WATER WORKS
23. WITHIN THE CITY LIMITS; TO PREVENT INJURY TO SUCH WORKS, OR
24. THE POLLUTION OF ANY GAS, OR WATER USED OR INTENDED TO BE
25. USED BY THE PUBLIC OR BY INDIVIDUALS, AND TO DO ALL THINGS
26. NECESSARY TO ADEQUATELY SUPPLY SAID CITY AND THE INHABIT-
27. ANTS THEREOF WITH PURE, HEALTHFUL AND WHOLESOME WATER; TO
28. USE, GENERATE, DISTRIBUTE, SELL AND CONTROL ELECTRICITY AND
29. GAS FOR HEAT, LIGHT, AND POWER, AND TO FURNISH LIGHT FOR
30. THE STREETS, HOUSES, BUILDINGS, STORES AND OTHER PLACES IN
31. AND ABOUT SAID CITY; TO ESTABLISH AND CONSTRUCT WHARVES AND
32. DOCKS, AND TO REPAIR, ALTER OR REMOVE ANY WHARF OR DOCK,
33. WHICH HAS BEEN OR SHALL BE SO CONSTRUCTED, AND TO ESTABLISH
34. AND COLLECT RATES AND CHARGES FOR THE USE THEREOF; TO REGU-
35. LATE THE RUNNING AND SPEED OF ENGINES, CARS, AND ALL OTHER
36. VEHICLES WITHIN SAID CITY; TO ORGANIZE ONE OR MORE FIRE
37. COMPANIES AND PROVIDE NECESSARY APPARATUS, TOOLS, IMPLE-
38. MENTS, ENGINES OR OTHER SUPPLIES FOR THEIR USE, AND IN
39. THEIR DISCRETION TO ORGANIZE A PAID FIRE DEPARTMENT; TO
40. MAKE REGULATIONS WITH RESPECT TO THE ERECTION AND LOCATION
41. OF ALL TELEPHONE, TELEGRAPH, ELECTRIC LIGHT OR OTHER POLES
42. WITHIN SAID CITY AND THE EXTENSION OF ANY WIRES, LINES AND
43. POLES BY ANY INDIVIDUALS OR CORPORATIONS; TO GRANT AND
44. REGULATE ALL FRANCHISES IN, UPON, OVER AND UNDER THE STREET
45. ALLEYS, AND PUBLIC WAYS OF SAID CITY, UNDER SUCH RESTRIC-
46. TIONS AS SHALL BE PROVIDED BY ORDINANCE, BUT NO EXCLUSIVE
47. FRANCHISE SHALL BE GRANTED BY SAID COUNCIL TO ANY INDIVIDU-
48. AL OR CORPORATION, NOR SHALL ANY FRANCHISE BE GRANTED FOR /
49. LONGER PERIOD THAN FIFTY YEARS; TO CREATE BY ORDINANCE SUCH

1. COMMITTEES, OR BOARDS, AND DELEGATE SUCH AUTHORITY THERETO.
2. AS MAY BE DEEMED NECESSARY OR ADVISABLE; TO PROVIDE FOR THE
3. ANNUAL ASSESSMENT OF THE TAXABLE PROPERTY THEREIN, INCLUD-
4. ING DOGS KEPT IN SAID CITY, AND PROVIDE A REVENUE FOR THE
5. CITY FOR MUNICIPAL PURPOSES, AND APPROPRIATE SUCH REVENUES
6. FOR ITS EXPENSES, AND GENERALLY TO TAKE SUCH MEASURES, AS
7. MAY BE DEEMED NECESSARY OR ADVISABLE, TO PROTECT THE PRO-
8. PERTY, PUBLIC OR PRIVATE, WITHIN THE CITY; TO PRESERVE AND
9. MAINTAIN PEACE, QUIET AND GOOD ORDER THERIN AND TO PRE-
10. SERVE AND PROMOTE HEALTH, SAFETY, COMFORT AND WELL BEING
11. OF THE INHABITANTS THERLIN.

12. THE COUNCIL OF SAID CITY SHALL HAVE POWER AND AUTHORITY
13. TO PROVIDE FOR THE GRANTING OF BUILDING PERMITS; TO CAUSE
14. THE REMOVAL OF ALL UNSAFE WALLS OR BUILDINGS; AND MAY UPON
15. THE PETITION OF THE PERSON OR PERSONS OWNING THE GREATER
16. AMOUNT OF FRONTAGE ABUTTING ON ANY STREET BETWEEN ANY TWO
17. CROSS-STREETS OR ON ANY SQUARE IN SAID CITY, PROHIBIT THE
18. ERECTION ON SUCH STREET, OR IN SUCH SQUARE, OF ANY BUILD-
19. ING, OR OF ANY ADDITION TO ANY BUILDING, MORE THAN TEN FEET
20. HIGH, UNLESS THE OUTER WALLS BE MADE OF BRICK AND MORTAR,
21. OR OTHER FIRE PROOF MATERIALS, AND TO PROVIDE FOR THE RE-
22. MOVAL OF ANY BUILDING OR ADDITION WHICH SHALL HAVE BEEN
23. ERECTED CONTRARY TO SUCH PROHIBITION, AT THE EXPENSE OF THE
24. OWNER OR OWNERS THEREOF; IN ADDITION TO THE POWERS HEREIN
25. MENTIONED THE COUNCIL SHALL BE VESTED WITH ALL POWERS THAT
26. ARE NOW OR MAY BE CONFERRED UPON SUCH COUNCIL IN THIS STATE
27. BY GENERAL LAW, NOT REPUGNANT TO THE PROVISIONS OF THIS
28. ACT.

AMENDMENTS TO CHESTER CHARTER OF 1907

AMENDMENT No. 1

CITY ORGANIZATION

A. OFFICES. IN ADDITION TO THE MUNICIPAL ELECTED AUTHORITIES, THE CITY SHALL HAVE AND THERE ARE HEREBY CREATED THE FOLLOWING MUNICIPAL OFFICES:

BUILDING CUSTODIAN

SUPERINTENDANT OF WATER WORKS AND SEWAGE CITY ENGINEER
SUCH OTHER DEPARTMENTS, COMMISSIONS AND BOARDS AS THE
CITY COUNCIL MAY HEREAFTER FROM TIME TO TIME CREATE.

B. APPOINTMENT. ALL OFFICES MENTIONED IN THIS AMENDMENT SHALL BE FILLED AND APPOINTED BY EACH COUNCIL. ALL APPOINTMENTS SHALL CONTINUE UNTIL THE 15TH., DAY OF JULY, FOLLOWING THE EXPIRATION OF THE TERM OF THE COUNCIL, UNLESS SOONER REMOVED BY MANNER SET FORTH IN CHESTER CHARTER OF 1907.

EXCEPT AS HEREINAFTER PROVIDED, ALL APPOINTED OFFICERS SHALL BE RESIDENTS OF THE CITY OF CHESTER, AND MUST HAVE SO RESIDED WITHIN SAID CITY AT LEAST ONE (1) YEAR PRIOR TO THEIR APPOINTMENT, AND MUST CONTINUE TO RESIDE WITHIN THE CORPORATE LIMITS OF SAID CITY UNTIL THE EXPIRATION OF THEIR TERM.

C. SUPERINTENDANT OF WATER WORKS AND SEWAGE SHALL BE THE ADMINISTRATIVE HEAD OF THE CHESTER MUNICIPAL WATER WORKS AND SEWAGE SYSTEM, WITH THE POWER TO PERFORM SUCH MINISTERIAL DUTIES AND FUNCTIONS IMPLIEDLY PERTAINING THERE TO, OR AS MAY HEREINAFTER BE AUTHORIZED BY ORDINANCE, OR RESOLUTION OF THE COUNCIL.

D. CITY ENGINEER. THE CITY ENGINEER SHALL BE A COMPETENT CIVIL OR MECHANICAL ENGINEER, OR ONE WHO IS QUALIFIED BY YEARS OF EXPERIENCE, AND RECOMMENDED BY THE COUNCIL; HE SHALL DISCHARGE ALL DUTIES AND EXERCISE ALL POWERS WHICH SHALL BE CONFERRED UPON HIM BY ORDINANCE OR RESOLUTION OF THE CITY COUNCIL.

AMENDMENT No. 2

THOSE OFFICERS HOLDING OFFICE THROUGH APPOINTMENT BY COUNCIL SHALL RECEIVE SUCH SALARY, COMPENSATION, AS THE CITY COUNCIL SHALL FROM TIME TO TIME BY ORDINANCE OR RESOLUTION FIX.

OFFICE HE IS SEEKING IS THAT OF MAYOR OR CITY CLERK, OR A FILING FEE OF TEN (\$10.00) DOLLARS, IF THE OFFICE HE IS SEEKING IS THAT OF COUNCIL. THESE FEES SHALL BE USED TO DEFRAY THE COST OF PRINTING THE BALLOTS AND OF OTHER ELECTION EXPENDITURES.

REGULAR MUNICIPAL ELECTIONS SHALL BE HELD ON THE FIRST TUESDAY OF JUNE IN THE YEAR ONE THOUSAND NINE HUNDRED AND FIFTY-FIVE AND ON THE FIRST TUESDAY IN JUNE IN EACH SUCCEEDING SECOND YEAR. PERSONS ELECTED AT SUCH ELECTIONS SHALL HOLD OFFICE FOR TERM OF TWO (2) YEARS BEGINNING ON THE FIRST DAY OF THE FISCAL YEAR OF THE CITY FOLLOWING THE ELECTION.

C. THE MAYOR. THE MAYOR OF THE CITY SHALL BE ELECTED AT LARGE FROM THE CITY AT THE FIRST REGULAR MUNICIPAL ELECTION FOLLOWING THE EFFECTIVE DATE OF THE ADOPTION OF THIS REVISED CHARTER OF THE CITY. THE MAYOR'S TERM OF OFFICE SHALL BEGIN WITH THE FIRST DAY OF THE FISCAL YEAR IMMEDIATELY FOLLOWING SUCH ELECTION, AND SHALL CONTINUE FOR A PERIOD OF TWO (2) YEARS. IF A VACANCY SHALL OCCUR IN THE OFFICE OF MAYOR DURING SUCH TERM, BECAUSE OF DEATH, RESIGNATION, INCAPACITY, OR IN THE CASE OF HIS TEMPORARY ABSENCE OR TEMPORARY INCAPACITY OR INABILITY TO ACT THE CITY CLERK OF SAID CITY SHALL ACT AS MAYOR, OR IN THE ABSENCE OF THE BOTH OF SAID OFFICERS, UNDER SAID CIRCUMSTANCES, ONE OF THE MEMBERS OF THE COUNCIL, APPOINTED FOR THE PURPOSE BY THE COUNCIL, SHALL ACT AS MAYOR.

D. MEMBER OF COUNCIL. THE MEMBERS OF COUNCIL SHALL BE ELECTED FROM THE SEVERAL WARDS OF THE CITY, IN THE MANNER HEREINAFTER PROVIDED AT THE FIRST REGULAR MUNICIPAL ELECTION FOLLOWING THE EFFECTIVE DATE OF THIS REVISED CHARTER. THEIR TERM OF OFFICE SHALL BEGIN WITH THE FIRST DAY OF THE FISCAL YEAR IMMEDIATELY FOLLOWING SUCH ELECTION, AND SHALL CONTINUE FOR A PERIOD OF TWO (2) YEARS. IF A VACANCY SHALL OCCUR IN THE COUNCIL DURING ANY SUCH TERM, BECAUSE OF DEATH, RESIGNATION, INCAPACITY OR OTHER CAUSE OR CONDITION, INCLUDING THE ELECTION OF A MEMBER OF COUNCIL, TO FILL A VACANCY IN THE OFFICE OF MAYOR, THE REMAINING MEMBERS OF COUNCIL, BY A MAJORITY VOTE, SHALL ELECT A QUALIFIED PERSON FROM THE PROPER WARD TO FILL THE VACANCY.

E. THE CITY CLERK. THE CITY CLERK SHALL BE ELECTED AT LARGE FROM THE CITY AT THE FIRST REGULAR MUNICIPAL ELECTION FOLLOWING THE EFFECTIVE DATE OF THE ADOPTION OF THIS REVISED CHARTER OF THE CITY. THE CITY CLERK'S TERM OF OFFICE SHALL BEGIN WITH THE FIRST DAY OF THE FISCAL YEAR IMMEDIATELY FOLLOWING SUCH ELECTION, AND SHALL CONTINUE FOR A PERIOD OF TWO (2) YEARS. IF A VACANCY SHALL OCCUR IN THE OFFICE OF CITY CLERK DURING SUCH TERM, THE CITY COUNCIL, BY MAJORITY VOTE, SHALL HAVE THE POWER TO APPOINT A QUALIFIED VOTER TO FILL THE UNEXPIRED TERM.

AMENDMENT No. 3

**THE COMPENSATION OF ELECTIVE OFFICERS SHALL BE AS FOLLOWS:
THE MAYOR OF THE CITY SHALL RECEIVE NOT LESS THAN
\$300.00 NOR MORE THAN \$1,000.00 PER YEAR.**

**THE CITY CLERK SHALL RECEIVE NOT LESS THAN \$600.00
NOR MORE THAN \$2,000.00 PER YEAR.**

**EACH MEMBER OF THE CITY COUNCIL SHALL RECEIVE \$120.00
PER YEAR.**

AMENDMENT No. 4

**POWERS OF COUNCIL. THE COUNCIL SHALL HAVE POWER AND AUTHORITY
TO EXERCISE ALL MUNICIPAL POWERS THAT ARE NOW, OR HEREAFTER MAY
BE GRANTED TO THE CITY OF CHESTER, OR TO MUNICIPALITIES, BY THE
CONSTITUTION OR THE LAWS OF THE STATE OF WEST VIRGINIA; AND ALL
SUCH POWERS, WHETHER EXPRESSED OR IMPLIED, SHALL BE EXERCISED
AND ENFORCED IN SUCH MANNER AS SHALL BE PROVIDED BY ORDINANCE
OR RESOLUTION OF THIS COUNCIL.**

**THESE ENUMERATED POWERS ARE IN ADDITION TO THOSE POWERS
AS SET FORTH IN THE CITY CHARTER OF 1907 AND WHERE THESE ENUMER-
ATED POWERS ARE CONTRARY TO THE POWERS OF COUNCIL AS SET FORTH
IN THE CHARTER OF 1907 SAID POWERS OF THE CITY CHARTER OF 1907
SHALL BE DEEMED DISMISSED AND WITHOUT FORCE AND THE NEW POWERS
AS ENUMERATED SHALL BE IN EFFECT.**

AMENDMENT No. 5

**A REGULAR TWO PARTY ELECTION SYSTEM, PRIMARY AND GENERAL,
WILL BE HELD AT THE DATES AS SET FORTH LATER IN THIS AMENDMENT,
IN ACCORD WITH THE ELECTION LAWS OF THE STATE OF WEST VIRGINIA.**

**A. NOMINATIONS. CANDIDATES FOR THE OFFICES OF MEMBER OF COUN-
CIL, MAYOR AND CITY CLERK SHALL BE NOMINATED AT A PRIMARY
ELECTION TO BE HELD ON THE FIRST TUESDAY IN APRIL PRECEDING THE
GENERAL ELECTION. ANY PERSON DESIRING HIS NAME TO APPEAR ON
EITHER BALLOT AS A CANDIDATE (REPUBLICAN OR DEMOCRAT) FOR ANY
SUCH OFFICES AT SUCH PRIMARY ELECTION SHALL FILE WITH THE CITY
CLERK, ON OR BEFORE THE THIRTIETH DAY PRECEDING SUCH PRIMARY
ELECTION DATE.**

**B. REQUISITES OF CANDIDATES. EACH CANDIDATE FOR MAYOR, CITY
CLERK, OR COUNCILMAN SHALL AT THE TIME OF FILING PAY TO THE
CITY CLERK, A FILING FEE OF TWENTY (\$20.00) DOLLARS, IF THE**

AN ORDINANCE RELATING TO AMENDMENT OF SECTION FIVE OF THE CITY CHARTER ESTABLISHING THE ELECTION SYSTEM

Be it ordered by the City Council of the City of Chester, West Virginia:

Under the procedure provided by Chapter 8, Article 4, Section 8 of the West Virginia Code, it shall be undertaken to amend Section 5 as previously amended by Amendment #5 of the Charter of the City of Chester, as follows:

Sec. 5 A regular non-partisan election system will be established eliminating the primary election and only a non-partisan general election will be held on the second Tuesday of June beginning with the June, 1994 election. Said election shall be in accord with the election laws of the State of West Virginia.

A. NOMINATIONS. Candidates for the offices of Members of Council, Mayor and City Clerk: Any person desiring his name to appear on the non-partisan ballot as a candidate for any such offices at such primary election shall file with the City Clerk on or before the ~~thirtieth~~ ^{fifteenth} day preceding such non-partisan general election date.

The preceding amendment to the Charter of the City of Chester is hereby set out in the record book of the City of Chester as a proposed amendment and the common Council of the said City hereby sets the time and place for public hearing thereon for the 8 day of JUNE, 1992, @ 6 PM. The Council further directs the City Clerk to publish the proposed amendment together with the notice of hearing as a CLASS II-0 legal advertisement in compliance with Article 3, Chapter 59 of the Code of the State of West Virginia at which time any qualified voter or any freeholder may appear and file objections in writing.

Adopted on this 4th day of MAY, 1992.

James R. King
Mayor

Carla M. Sincere
City Clerk

1st RDG - 5.4.92 (5.0)

2nd RDG - Suspend RULES

Place on 2nd RDG.

Passed

CERTIFICATION

The enclosed documents are copies of the ordinances, publication, and minutes of a public hearing, all undertaken for the purpose of amending Section 16 of the Charter of the City of Chester. The procedures of Chapter 8, Article 4, Section 8 of the West Virginia Code were followed and the herein documents are certified to be true copies of the documents necessary to comply with said procedures.

Dated this 27th day of October, 1969.

Lois M. Whitton
Clerk

Attest:

Harold Ash
Mayor

AN ORDINANCE OF THE CITY OF CHESTER, WEST VIRGINIA
RELATING TO AMENDMENT OF
SECTION 16 OF THE CITY CHARTER.

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF CHESTER, WEST VIRGINIA:

Under the procedure provided by Chapter 8, Article 4, Section 8 of the West Virginia Code it shall be undertaken to amend Section 16 of the Charter of the City of Chester to read as follows:

Section 16. POWERS OF COUNCIL. - The Council shall have power and authority to exercise all municipal powers that are now, or hereafter may be granted to the City of Chester, or to municipalities in general, by the Constitution or laws of the State of West Virginia; and all such powers, whether expressed or implied, shall be exercised and enforced in such manner as shall be provided by ordinance or resolution of Council. Provided however, that the City of Chester and the Council thereof shall have no power to lay off, vacate, close, open, alter, grade, or repair the sidewalks along the streets and alleys in said City, nor shall it have power to exercise control or repair on said sidewalks or to assume any responsibility with respect to maintenance or correction of defects therein.

To this end, a public hearing shall be held at 7:30 P.M. on the thirtieth day of October, 1969, at the Chester City Hall. The Solicitor is hereby authorized to place the required advertisement, announcing said hearing and the purpose therefore.

Harold Ash
Attest

AN ORDINANCE OF THE CITY OF CHESTER, WEST VIRGINIA,
AMENDING SECTION 16 OF THE CITY CHARTER.

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF CHESTER,
WEST VIRGINIA:

Under the procedure approved in Chapter 8, Article 4, Section 8 of the
West Virginia Code, the common council of the City of Chester has undertaken
to amend Section 16 of the City Charter. By ordinance, duly adopted on _____
_____, the proposed amendment was set out, and a date
set for a public hearing on the proposed amendment. This proposal was duly
advertised according to law. A public hearing was held on October 13, 1969,
and no written objections to the proposed amendment were presented or
withdrawn at such hearing.

Accordingly, it is hereby ordained that the following Amendment to
16 of the Charter of the City of Chester take effect on the 27th day of Oct
1969.

Section 16. POWERS OF COUNCIL. - The Council shall have power
authority to exercise all municipal powers that are now, or hereafter may
granted to the City of Chester, or to municipalities in general, by the Con-
stitution or laws of the State of West Virginia; and all such powers, whether
expressed or implied, shall be exercised and enforced in such manner as
be provided by ordinance or resolution of Council. Provided however, the
City of Chester and the Council thereof shall have no power to lay off,
close, open, alter, grade, or repair the sidewalks along the streets and
in said City, nor shall it have power to exercise control or regulate said
walks or to assume any responsibility with respect to maintenance or
of defects therein.

Harold Oak

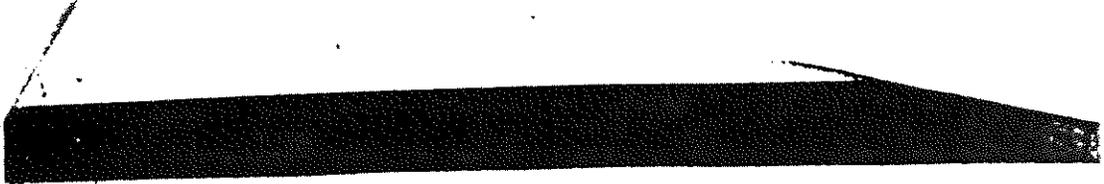
Richard ...

Read and passed the 13th day of October, 1969.

Read and passed the 21st day of October, 1969.

I hereby certify that the foregoing writing was presented for
me duly admitted to record on October 31, 1969 at 2:08 am

George Konchar, Clerk



exercise control or regulate such job, all or to assume any responsibility with respect to maintenance or correction of such job or therein.

The Mayor announced that under the provisions of Chapter 10, Article 1, Section 2 of the West Virginia Code, the public hearing was held for the purpose of permitting all interested citizens of the City of Chester to be heard concerning the proposed Amendment and if they so desired, to file written objections thereto. He further stated that if no such objections were filed, or if any objections filed were withdrawn within ten (10) days after the hearing, the Chester City Council would undertake to pass the above mentioned ordinance, and, if so passed, it would take effect on October 1, 1964.

Thus stated, the Mayor called for discussion on the proposed Amendment.

page 1.

ment and the presentation of written objections, if any be had. After waiting a reasonable time, it was observed by the Mayor that no objections to the proposal appeared to be forthcoming. Charles Martin, a voter and freeholder present at the hearing, moved for adjournment. This motion was seconded by Frank DeCaprio, a voter and freeholder. Following the unanimous approval of those present, the hearing was declared adjourned by the Mayor.

[Handwritten signature]

Attest:

Harold Ash
Mayor.

page 2.

Read and passed the 11 day of Sept 1969.

Read and passed the 8 day of Sept 1969.

Certificate Of Publication

HANCOCK COUNTY COURIER

Published By

THE HANCOCK COURIER PRINTING CO

NOTICE

Notice is hereby given that the Council of the City of Chester, West Virginia, has under consideration a proposal to amend Section 16 of the Charter of said City to read as follows:

Section 16. Powers Of Council. - The Council shall have power and authority to exercise all municipal powers that are now, or hereafter may be granted to the City of Chester, or to municipalities in general, by the Constitution or laws of the State of West Virginia; and all such powers, whether expressed or implied, shall be exercised and enforced in such manner as shall be provided by ordinance or resolution of Council. Provided however, that the City of Chester and the Council thereof shall have no power to lay off, vacate, close, open, alter, grade, or repair the sidewalks along the streets and alleys in said City, nor shall it have power to exercise control or regulate said sidewalks or to assume any responsibility with respect to maintenance or correction of defects therein.

The proposed amendment shall be considered at a public hearing to be held at 7:30 P. M. on the thirteenth day of October at the Chester City Hall. Any qualified voter or freeholder of the City of Chester may be present at such hearing and file objections in writing to the said amendment. If no objections are so filed, or if any objections filed are withdrawn within ten days after said hearing, the proposed amendment will take effect on October 27, 1969.

THE CITY OF CHESTER
HAROLD ASH, MAYOR
Pub. Sept. 18 & 25, 1969

STATE OF WEST VIRGINIA
COUNTY OF HANCOCK

I, Mary Lee Yarbrough, publisher of HANCOCK COUNTY COURIER, a newspaper published in the County of Hancock, State of West Virginia, hereby certify that the above publication was inserted in said newspaper on the following date:

Sept. 19 & 25, 1969

commencing on the 18 day of Sept. 1969

Given under my hand this 2 day of October 1969

Mary Lee Yarbrough

Sworn to and subscribed before me this 2

October 1969

Clara B. Thomas

Notary Public for HANCOCK COUNTY WEST VIRGINIA

My Commission expires Feb. 8, 1972

Cost: \$26.50

Minutes of a Public Hearing on a Proposed Amendment to the Charter of the City of Chester

At 7:30 P.M. on the 13th. day of October, 1969, Harold Ash, Mayor of the City of Chester, called to order a public hearing to consider a proposed amendment to the Charter of the City of Chester. He announced that the meeting had been duly called and advertised according to law. The proposed amendment was read by the Clerk:

Section 16. POWERS OF COUNCIL. - The Council shall have power and authority to exercise all municipal powers that are now, or hereafter may be granted to the City of Chester, or to municipalities in general, by the Constitution or laws of the State of West Virginia, and all such powers, whether expressed or implied, shall be exercised and enforced in such manner as shall be provided by ordinance or resolution of Council. Provided however, that the City of Chester and the Council thereof shall have no power to lay off, vacate, close, open, alter, grade, or repair the sidewalks along

Transcript of the Proceedings to Amend the
Charter of the City of Chester, West Virginia.

In Compliance with the Code of West Virginia of 1951, and the Supplement of 1953, Section 591 (43A) (15A) the Council of the City of Chester, a Class Three City in the State of West Virginia, called a special meeting on November 23rd., 1954 for the purpose of instituting proceedings by ordinance, to amend the City Charter. The following are the amendments as found in said ordinance:

Amendment No. 1. CITY ORGANIZATION

A. OFFICES. In addition to the municipal elected authorities, the City shall have and there are hereby created the following municipal offices:

Building Custodian
Superintendent of Water Works and Sewage City Engineer
Such other departments, commissions and boards as the
City Council may hereafter from time to time create.

B. APPOINTMENT. All offices mentioned in this amendment shall be filled and appointed by each council. All appointments shall continue until the 15th., day of July, following the expiration of the term of the Council unless sooner removed by manner set forth in Chester Charter of 1907.

Except as hereinafter provided, all appointed officers shall be residents of the City of Chester, and must have so resided within in said City at least one (1) year prior to their appointment, and must continue to reside within the corporate limits of said City until the expiration of their term.

C. SUPERINTENDANT OF WATER WORKS AND SEWAGE shall be the administrative head of the Chester Municipal Water Works and Sewage System, with the power to perform such ministerial duties and functions impliedly pertaining thereto, or as may hereinafter be authorized by ordinance, or resolution of the Council.

D. CITY ENGINEER. The City Engineer shall be a competent civil or mechanical engineer, or one who is qualified by years of experience, and recommended by the Council; he shall discharge all duties and exercise all powers which shall be conferred upon him by ordinance or resolution of the City Council.

Amendment No. 2. Those officers holding office through appointment by Council shall receive such salary, compensation, as the City Council shall from time to time by ordinance or resolution fix.

Amendment No. 3. The compensation of elective officers shall be as follows:

The Mayor of the City shall receive not less than \$300.00 nor more than \$1,000.00 per year.

The City Clerk shall receive not less than \$600.00 nor more than \$2,000.00 per year.

Each member of the City Council shall receive \$120.00 per year.

Amendment No. 4

POWERS OF COUNCIL. The council shall have power and authority to exercise all municipal powers that are now, or hereafter may be granted to the City of Chester, or to municipalities, by the constitution or the laws of the State of West Virginia, and all such powers, whether express or implied, shall be exercised and enforced in such manner as shall be provided by ordinance or resolution of this Council.

These enumerated powers are in addition to those powers as set forth in the City Charter of 1907 and where these enumerated powers are contrary to the powers of Council as set forth in the Charter of 1907 said powers of the City Charter of 1907 shall be deemed dismissed and without force and the new powers as enumerated shall be in effect.

Amendment No. 5

A regular two party election system, primary and general, will be held at the dates as set forth later in this amendment, in accord with the election laws of the State of West Virginia.

A. NOMINATIONS. Candidates for the offices of Member of Council, Mayor and City Clerk shall be nominated at a primary election to be held on the First Tuesday in April preceding the General Election. Any person desiring his name to appear on either ballot as a candidate (Republican or Democrat) for any such offices at such primary election shall file with the City Clerk on or before the Thirtieth day preceding such primary election date.

B. REQUISITES OF CANDIDATES. Each candidate for Mayor, City Clerk, or Councilman shall at the time of filing pay to the City Clerk a filing fee Twenty (\$20.00) Dollars, if the office he is seeking is that of Mayor or City Clerk, or a filing fee of Ten (\$10.00) Dollars, if the office he is seeking is that of Council. These fees shall be used to defray the cost of printing the ballots and of other election expenditures.

Regular Municipal Elections shall be held on the First Tuesday of June in the year One Thousand Nine Hundred and Fifty-six, and on the First Tuesday in June in each succeeding second year. Persons elected at such elections shall hold office for term of two (2) years beginning on the First day of the fiscal year of the City following the election.

C. THE MAYOR. The Mayor of the City shall be elected at large from the City at the First Regular Municipal Election following the effective date of the adoption of this revised Charter of the City. The Mayor's Term of office shall begin with the First day of the fiscal year immediately following such election, and shall continue for a period of two (2) years. If a vacancy shall occur in the office of Mayor during such term, because of death, resignation, incapacity, or in the case of his temporary incapacity or inability to act the City Clerk of said City shall act as Mayor, or in the absence of the both of said officers, under said circumstances, one of the Members of the Council, appointed for the purpose by the Council shall act as Mayor.

D. MEMBER OF COUNCIL. The Members of Council shall be elected from the several wards of the City, in the manner hereinafter provided at the First Regular Municipal Election following the effective date of this Revised Charter. Their term of office shall begin with the First day of the fiscal year immediately following such election, and shall continue for a period of two (2) years. If a vacancy shall occur in the Council during any such term, because of death, resignation, incapacity or other cause or condition, including the election of a member of Council, to fill a vacancy in the office of Mayor, the remaining Members of Council, by a majority vote, shall elect a qualified person from the proper ward to fill the vacancy.

E. THE CITY CLERK. The City Clerk shall be elected at large from the City at the First Regular Municipal Election following the effective date of the adoption of this Revised Charter of the City. The City Clerk's term of office shall begin with the First day of the fiscal year immediately following such election, and shall continue for a period of two (2) years. If a vacancy shall occur in the office of City Clerk during such term, the City Council, by majority vote, shall have the power to appoint a qualified voter to fill the unexpired term.

Council at this time set January 3rd., 1955 at 7:30 o'clock P. M. in the City Building of Chester, West Virginia, as the time and place for a public hearing thereon.

The proposed amendments, together with the notice of the time and place fixed for the hearing thereon were published once a week for three (3) successive weeks in two (2) newspapers of opposite politics, published in the county wherein the City of Chester is located. The notice included the proposed amendments, as well the notice to electors of the City of Chester, that they may appear and file objections in writing, to the said proposed amendments; the notice also informed the voters that if no objections were filed to said amendments that the same would become operative on and after a date therein set forth.

On January 3rd., 1955, at 7:30 o'clock P. M. in the City Building of Chester, West Virginia, Council met to hear any and all objections to the above amendments; and the only objection filed was presented by Harold L. Hayes, who stated he wished to oppose the revision of the charter as a whole, because he felt it should be decided by the voters of the City.

Said objection was accepted and a final hearing date was set for January 13th., 1955, at 7:30 o'clock P. M. in the City Building, Chester, West Virginia, to see if the said objection might be withdrawn at said date.

On January 13th., 1955, at 7:30 o'clock P. M. in the City Building, Chester, West Virginia, council met in Special Session and was told by Mr. Hayes that he would not withdraw his objection.

On January 17th., 1955 at 7:30 o'clock P. M. in the City Building, Chester, West Virginia, council called for a Special Election to be held March 24th., 1955, for the purpose of voting for ratification or rejection of the proposed amendments to said City's charter.

A notice of the election was published in two (2) newspapers of opposite politics for once a week for a period of three (3) weeks, said notice also stated that copies of the proposed amendments could be obtained by any qualified voter, from any of the councilmen, or the Mayor, or by requesting same while at the City Building of Chester, West Virginia; as well each councilman posted notice in four (4) places in his ward stating that the election would be held on March 24th., 1955, and that copies of the proposed amendments might be obtained from any of the councilmen or Mayor or by calling for same at the City Building of Chester, West Virginia.

On March 24th., 1955, voting was had on the proposed amendments to said City charter of the City of Chester, and final tally of said voting was 177 votes for the proposed amendments and 116 votes opposing same.

On April 4th., 1955, Council acting as a canvass board declared the results of the voting of March 24th., 1955 to meet with their approval and the same was entered in the minutes by the Clerk of said Council.

On April 18th., 1955 City Council of Chester, West Virginia, did adopt by ordinance the proposed amendments to the charter of said City of Chester, West Virginia.

James A. Jordan
James A. Jordan, City Solicitor
City of Chester, County of Hancock
and State of West Virginia.

State of West Virginia,
County of Hancock, to-wit:

James A. Jordan, Solicitor of the City of Chester, County of Hancock and State of West Virginia, being first duly sworn says that the facts and allegations contained in the foregoing transcript of Proceedings to Amend the Charter of said City of Chester, West Virginia, are true, except so far as they are therein stated to be upon information, and that so far as they are therein stated to be upon information, he believes them to be true.

James A. Jordan
James A. Jordan, City Solicitor

his the 26th day of April, 1955. Taken, subscribed and sworn to before me

Alvin E. Palmer
Notary Public in and for
Hancock County, West Virginia.

Commission Expires.
March 2nd., 1957
Notary Seal.

1

2

State of West Virginia

County of Hancock to wit:

I, James Handoff do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will honestly and faithfully discharge my duties as 5th Ward Councilman of the City of Chester, West Virginia, to the best of my skill and judgement, so help me God.

James Handoff

Taken, sworn and subscribed before me this 15th day of July 1996.

Angela Wilson

State of West Virginia

County of Hancock to wit:

I, John M Stoy do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will honestly and faithfully discharge my duties as Councilman 10 Ward of the City of Chester, West Virginia, to the best of my skill and judgement, so help me God.

John M Stoy

Taken, sworn and subscribed before me this 15th day of July 1996

Denzel Wells

State of West Virginia

County of Hancock to wit:

I, FRANK DECAPIO do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will honestly and faithfully discharge my duties as 3RD WARD COUNCILMAN of the City of Chester, West Virginia, to the best of my skill and judgement, so help me God.

Frank Decapio

Taken, sworn and subscribed before me this 1ST day of JULY 1996.

Senzel Wulfer

State of West Virginia

County of Hancock to wit:

I, Lunday Decapio do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will honestly and faithfully discharge my duties as 2nd Ward Councilman of the City of Chester, West Virginia, to the best of my skill and judgement, so help me God.

Lunday Decapio

Taken, sworn and subscribed before me this 1st day of July 1996.

Denzel Wilson

State of West Virginia

County of Hancock to wit:

I, JOHN J. VINCI SR. do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will honestly and faithfully discharge my duties as 1ST WARD COUNCILMAN of the City of Chester, West Virginia, to the best of my skill and judgement, so help me God.

John Vinci Sr.

Taken, sworn and subscribed before me this 1ST day of July 1996

Denzel Wilson

State of West Virginia

County of Hancock to wit:

I, Shuley Bunker do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will honestly and faithfully discharge my duties as City Clerk of the City of Chester, West Virginia, to the best of my skill and judgement, so help me God.

Shuley Bunker

Taken, sworn and subscribed before me this 1st day of July 1996

Denzil Wilson

State of West Virginia

County of Hancock to wit:

I, Roy Cashdollar do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will honestly and faithfully discharge my duties as Mayor of the City of Chester, West Virginia, to the best of my skill and judgement, so help me God.

Roy Cashdollar

Taken, sworn and subscribed before me this 1 day of

July 1996.

Sevgul Watson

AN ORDINANCE providing for the management, control and operation of the combined waterworks and sewerage system of the City of Chester, West Virginia.

WHEREAS the City of Chester, in Hancock County, West Virginia, by ordinance adopted September 4, 1946, has heretofore issued and now has outstanding Waterworks Revenue Bonds, dated October 1, 1946, which by their terms are payable from the income and revenues derived from that portion of the combined waterworks and sewerage system of the City of Chester supplying water services, and by concurrent proceedings said city is providing for extending and improving said combined waterworks and sewerage system of the City of Chester and the issuance of Water and Sewer Revenue Bonds, Series 1964 of said city payable from the income and revenues of said combined system, aforesaid, for the purpose of paying the cost of such extensions and improvements under the provisions of Article 13 of Chapter 8 of the West Virginia Code; and

WHEREAS in order to assure the original purchasers and any subsequent holder or holders of said bonds or any other bonds of said city as may be outstanding from time to time which by their terms are payable from the income and revenues of said combined system, of an efficient management, control and operation thereof, it is deemed advisable that a permanent plan of management, control and operation of such combined waterworks and sewerage system be now made of record:

NOW, THEREFORE, Be It Ordained by the Common Council of the City of Chester, West Virginia, as follows:

Section 1. That from and after the effective date of this ordinance, the management, control and operation of the combined waterworks and sewerage system of the City of Chester, West Virginia shall be carried on by a board to be known as the "Water-Sewerage Board of the City of Chester" created, appointed and functioning as hereinafter provided.

Section 2. Governing Body. The authority vested in the City by provisions of Articles 12 and 13, Chapter 6 of the Code of West Virginia is hereby vested in a Water - Sewerage Board composed of the Mayor of the City, three Councilmen and three Residents of the City who shall be neither city employees nor city office holders. Said Board shall be appointed by the Mayor with the advice and consent of the Council. The term of office shall be three years, excepting no city official shall serve beyond the term of office for which he was elected. Terms of all members shall be staggered so that insofar as possible, one-third of the Board shall retire each year. When a vacancy shall occur, it shall be filled for the unexpired portion of the former holder's term. The term and expiration date thereof for each member shall be specified in an appropriate resolution of the Common Council.

Section 3. Compensation. The members of the Water-Sewerage Board shall receive such compensation as may be established by the Common Council from time to time and shall be payable from the operating funds of the water and sewerage systems.

Section 4. General Powers. The water-sewerage Board shall have and exercise all of the powers and authority conferred upon municipalities by the laws of the State of West Virginia now in effect or which shall hereinafter be enacted for the construction, operation, management, financing and maintenance of the municipally owned water and sewerage systems which without limitation thereon shall include the following:

(a) Fix, regulate and change rates and charges for water and sewerage service supplied to all consumers, and adopt and prescribe reasonable rules and regulations which shall be observed and obeyed by all consumers in reference to the use and consumption of water taken from the city mains; the terms, charges and conditions upon which connections to the said water mains and sewers shall be permitted, and the place and manner of making the same; fix penalties by way of additional charges for failure to pay water or sewer rents promptly, and to this end may discontinue the supply of water to any consumer who fails to pay for either as required; require all users of water for temporary purposes to pay for the privilege in advance.

(b) The powers of the water sewerage board to fix and charge rates for water and sewerage service contained in paragraph (a) shall be subject to such supervision, regulation and control by the Public Service Commission of the state of West Virginia as that body is now or shall hereafter be authorized by the laws of the State to exercise over municipal-owned public utilities or municipal officers operating the same.

(c) The board shall have power from time to time to repair, extend and amplify the water workd or sewerage plant and system, and to make such additions to the pumping station, filtration plant, disposal plant, sewer and water mains and lines as may at any time and from time to time be deemed necessary for the proper operation of these systems.

(d) The board shall employ such supervisory, clerical and other personnel as in its discretion may be necessary for the proper operation of said systems and establish the salaries of each. The board shall be furthered empowered to contract for the services of an engineer, legal counsel and other professional services as may in its discretion be advisable.

Section 5. If any section, paragraph, clause or provision hereof shall be held invalid, the invalidity of such section, paragraph, clause or provision, shall not affect any of the remaining provisions.

Section 6. That all ordinances, resolution and orders, or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and this ordinance shall take effect from and after its passage and approval as provided by law.

Introduced Aug. 25 1964, 1964.

Adopted, and approved Sept 1 1964, 1964.

Attest:

Ray Cardella

Henry Abramo
Mayor

ORDINANCE NO. 287

PROPOSED CITY ORDINANCE

ESTABLISHING AND FIXING RATES, FEES, CHARGES AND DELAYED PAYMENT PENALTY CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWER FACILITIES OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF CHESTER

THE CITY COUNCIL OF THE CITY OF CHESTER HEREBY ORDAINS: The following schedule of rates, fees, charges and delayed payment penalty charges are hereby fixed and determined as the rates, fees, charges and delayed payment penalty to be charged to customers of the sewer facilities of the combined waterworks and sewerage system of the City of Chester throughout the territory served.

SECTION 1. SCHEDULE OF RATES

APPLICABILITY

Applicable in entire area served.

AVAILABILITY OF SERVICE

Available for sanitary sewer service.

RATES

\$3.50 plus \$4.36 per 1,000/gallons used per month.

DELAYED PAYMENT PENALTY

A 10% penalty shall be added to all charges not paid within 20 days from the date of the billing. This delayed payment is not interest and is only to be collected once for each bill where it is appropriate.

SECTION 2. EFFECTIVE DATE

The rates, fees, charges and delayed payment penalty charges provided herein shall be effective upon completion of the project as defined by the engineer; provided, however, the said date shall not be effective not less than 45 days after inactment hereof.

SECTION 3. SEPARABILITY;
REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All resolutions, orders or parts thereof in con-

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flict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in the East Liverpool Evening Review being the only newspaper of general circulation in the City of Chester, West Virginia, (there being no newspaper published therein and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 18th day of April, 1988, at 6:30 P.M., which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

The above Ordinance has been introduced at a meeting of Council held March 28, 1988.

Roy Cashdollar
Mayor

[Signature]
City Clerk

First Reading: March 28, 1988

Second Reading: April 18, 1988

ORDINANCE NO. 277

AN ORDINANCE INCREASING THE RATES OR CHARGES
FOR WATER FURNISHED BY THE CITY OF CHESTER, WEST VIRGINIA

WHEREAS, the City of Chester, West Virginia, is presently operating a water works system and providing water from said system to its customers, and,

WHEREAS, the revenue from said rates and charges is insufficient for the continued operation of said system, and,

WHEREAS, the Farmers Home Administration and the auditor for the City of Chester have requested the City of Chester to adjust its rates so as to meet its operating costs, and,

WHEREAS, The City of Chester Water and Sewer Board has in the past recommended that the City of Chester adjust its rates so as to meet operating costs, and,

WHEREAS, the City has hereto established and has in effect a schedule of rates and charges for the use and service in connection with said water works system, and,

WHEREAS, West Virginia Code Chapter 24, Article 2, Section 4 (b) removes from the West Virginia Public Service Commission jurisdiction, the approval of rate changes by municipal utilities except as is otherwise provided by West Virginia law, and,

WHEREAS, Chapter 24, Article 2, Section 4 (b) of the West Virginia Code as amended, specifically provides for the procedure in changing the aforesaid rates and charges.

NOW, THEREFORE, be it ordained by the Common Council of the City of Chester, West Virginia as follows:

That effective with the ____ day of _____, 1987, the water rates presently being charged for water furnished by the City by and through the Chester Municipal Water Works shall be increased by sixteen per cent (16%) as per the schedule of rates hereto attached as an exhibit and made a part of this ordinance as though set forth thereunder.

First Reading: FEB 16 1987

Second Reading: MARCH 16 1987

ADOPTED this 16th day of MARCH, 198~~7~~, after a

First Reading on the 16th day of FEB, 198~~7~~ and a Second

Reading on the 16th day of MARCH, 198~~7~~

MAYOR

Roy Cashdollar

ORDINANCE NO. 282-A

AN ORDINANCE INCREASING THE RATES OR CHARGES
FOR WATER FURNISHED BY THE CITY

WHEREAS, the City of Chester, West Virginia, is presently operating a water works system and providing water from said system to its customers, and,

WHEREAS, the City has hereto established and has in effect a schedule of rates and charges for the use and service in connection with said water works system, and,

WHEREAS, West Virginia Code Chapter 24, Article 2, Section 4 (b) removes from the West Virginia Public Service Commission Jurisdiction, the approval of rate changes by municipal utilities except as is otherwise provided by West Virginia law, and,

WHEREAS, Chapter 24, Article 2, Section 4 (b) of the West Virginia Code as amended, specifically provides for the procedure in changing the aforesaid rates and charges, and

WHEREAS, the City of Chester Water and Sewer Board has incurred and will incur additional expense in regard to its water treatment plant, and,

WHEREAS, the City of Chester desires to provide more uniformity on its water rates, and

WHEREAS, this Ordinance No. 282-A does amend Ordinance No. 282 of the City of Chester, West Virginia,

∴ NOW THEREFORE, be it ordained by the Common Council of the

City of Chester, West Virginia, as follows:

That effective with the 1st day of January, 1990, the water rates presently being charged for water furnished by the City by and through the Chester Municipal Water Works shall be increased as per the schedule of rates hereto attached as an exhibit and made a part of this ordinance as though set forth hereunder.

First Reading: Oct 15th, 1990

Second Reading: Nov 5th, 1990

ADOPTED this 5th day of November, 1990.

Arnell R. ...
Mayor

Carla M. Simey
City Clerk

MR. JOHN BECK OF BHJ GAVE A REPORT ON THE SEWER PROJECT AND PROPOSED THAT THE RATE INCREASE ORDINANCE BE PLACED ON ITS FIRST READING. DISCUSSION FOLLOWED.

MRS. FORD MADE A MOTION TO PLACE ORDINANCE # 287 THE SEWER RATE INCREASE ON ITS FIRST READING SECOND BY MRS. LAUGHLIN MOTION CARRIED 3-0

CITY CLERK JOHN ASH READ ORDINANCE #287 .

MRS. FORD MADE A MOTION TO PASS ORDINANCE 287 ON ITS FIRST READING, SHOULD THIS MOTION PASS THAT IT IS NOT TO BE CONSTRUED AS AN ADMISSION OF LIABILITY ON THE PART OF THE CITY OF CHESTER TO ANY LAW SUITE NOW PENDING IN WHICH THE CITY OF CHESTER IS A PARTY DEFENDENT. SECOND BY MRS. LAUGHLIN MOTION CARRIED 3-0

MR. BECK THEN READ A LETTER OF CERTIFIED BIDS.

MRS. LAUGHLIN MADE A MOTION TO ACCEPT THE LOW BIDS CONTAINED IN THE CERTIFIED BID TABULATION PROVIDED BY VAUGHN CONSULTANTS INC. ON OCTOBER 29, 1987 AND TO AUTHORIZE VAUGHN CONSULTANTS INC., BOTH TO ISSUE A CONDITIONAL NOTICE OF AWARD TO EACH CONTRACTOR AS SOON AS POSSIBLE AND TO PREPARE NOTICES OF AWARD FOR EXECUTION AFTER FINANCING IS IN PLACE, SHOULD ORDINANCE 287 PASS ITS SECOND AND FINAL READING WITH THE CITY OF CHESTER, CITY COUNCIL.

MRS. FORD MADE A MOTION TO PASS A RESOLUTION TO EXTEND THE NOTE OF 100,000 DOLLARS AT THE FIRST NATIONAL BANK OF WEIRTON FOR NINETY DAYS AND PAY THE INTEREST DUE TO APRIL 15, 1988 IN THE AMOUNT OF \$6,472.60. SECOND BY MRS. LAUGHLIN MOTION CARRIED 3-0

MRS. FORD MADE A MOTION TO AUTHORIZE THE CITY SOLICITOR TO CONTACT THE ATTORNEY GENERALS OFFICE WITH REGARD TO THE ACTION TAKEN OF THE SEWER PROJECT AS OF THIS DATE. SECOND BY MRS. LAUGHLIN MOTION CARRIED 3-0

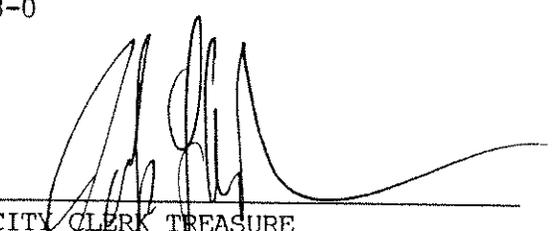
MAYOR CASHDOLLAR ASK JOHN BECK OF BHJ IF THE NEW RATES WOULD NOT BE CHARGED TILL AFTER COMPLETION OF THE SEWAER PLANT. MR. BECK SAID THE RATES WILL BE CHARGED AS SOON AS THEY ARE PASSED.

BUTCH MATRANTONI OF BHJ PRESENTED VOUCHER #163 FOR \$6472.60 PAYABLE TO THE FIRST NATIONAL BANK OF WEIRTON FOR INTEREST ON THE INTERIM FINANCING. VOUCHER 163 WAS APPROVED TO BE PAID ON A MOTION BY MRS. LAUGHLIN SECOND BY MR. DECAPIO MOTION CARRIED 3-0

HE THEN PRESENTED VOUCHER # 162 FOR \$2,965.65 PAYABLE TO BHJ FOR SERVICES PERFORMED JAN. 1, 1988 TO FEB. 26, 1988 ON A MOTION BY MRS. LAUGHLIN SECOND BY MRS. FORD VOUCHER 162 WAS APPROVED MOTION CARRIED 3-0

MR. DECAPIO MADE A MOTION THAT VOTING HOURS IN THE PRIMARY ELECTION BE SET AT 6:30 AM TO 6:30 PM AND THE POLE WORKERS BE PAID \$49.50 EACH AND THE POLING PLACE BE PAID \$50.00 EACH. SECOND BY MRS. LAUGHLIN MOTION CARRIED 3-0

MEETING ADJOURNED AT 9:00 PM


CITY CLERK TREASURE

MR. NOGAY THEN PRESENTED A MUTUAL AID AGREEMENT HE HAD PREPARED AT THE REQUEST OF THE FIRE DEPT. VIA COUNCIL WITH THE EAST LIVERPOOL FIRE DEPT. *Charles Payne, CLO, Law Director*

MR. NOGAY THEN PRESENTED AN ORDINANCE HE PREPARED PROHIBITING PARKING ON CERTAIN SECTIONS OF COLLINS MEMORIAL DRIVE.

ON A MOTION BY MRS. FORD SECOND BY MRS. LAUGHLIN ORDINANCE # 288 WAS PLACED ON ITS FIRST READING. MOTION CARRIED 3-0

THE CITY CLERK THEN READ ORDINANCE # 288 THE WORTHLESS CHECK ORDINANCE

ON A MOTION BY MR. DECAPIO SECOND BY MRS. FORD ORDINANCE # 288 WAS PASSED ON ITS FIRST READING. MOTION CARRIED 3-0

ON A MOTION BY MR. DECAPIO SECOND BY MRS. FORD ORDINANCE # 289 WAS PLACED ON ITS FIRST READING. MOTION CARRIED 3-0

THE CITY CLERK THEN READ ORDINANCE # 289 THE SHOPLIFTING ORDINANCE.

ON A MOTION BY MR. DECAPIO SECOND BY MRS. LAUGHLIN ORDINANCE #289 WAS PASSED ON ITS FIRST READING. MOTION CARRIED 3-0

MRS. LAUGHLIN MADE A MOTION TO AUTHORIZE ATTORNEY NOGAY TO CONTACT MR. EDWARDS AND MR. VENSEL TO COME TO A MEETING OF CITY COUNCIL ON MAY 16 TO TRY AND RESOLVE THEIR PROBLEM OVER THE ABANDONMENT OF ALLEY A. SECOND BY MR. DECAPIO MOTION CARRIED 3-0

ON A MOTION BY MRS. LAUGHLIN SECOND BY MRS. FORD ORDINANCE # 287 WAS PLACED ON ITS SECOND AND FINAL READING. MOTION CARRIED 3-0
MAYOR CASHDOLLAR REQUESTED THAT COUNCIL CHANGE ORDINANCE 287 SO THAT THE PEOPLE WOULD NOT HAVE TO PAY THE HIGHER SEWER RATES UNTIL AFTER COMPLETION OF THE PROJECT.
MR. DECAPIO MADE A MOTION TO AMEND ORDINANCE 287 TO READ UNDER SECTION 2 EFFECTIVE DATE AS FOLLOWS: THE RATES, FEES, CHARGES AND DELAYED PAYMENT PENALTY CHARGES PROVIDED HEREIN SHALL BE EFFECTIVE UPON COMPLETION OF THE PROJECT AS DEFINED BY THE ENGINEER PROVIDED HOWEVER THE SAID DATE SHALL NOT BE EFFECTIVE NOT LESS THAN 45 DAYS AFTER INACTMENT HEREOF. SECOND BY MRS. LAUGHLIN MOTION CARRIED 3-0

ON A MOTION BY MR. DECAPIO SECOND BY MRS. LAUGHLIN ORDINANCE #287 WAS PASSED ON ITS SECOND AND FINAL READING. MOTION CARRIED 3-0

THE MAYOR SUGGESTED THAT THE CITY HAVE THE STREET SWEEPER REPAIRED. AFTER A BRIEF DISCUSSION MR. DECAPIO SAID HE WILL CHECK TO SEE WHAT THOSE COST WOULD BE AND IF THE NEEDED PARTS COULD BE OBTAINED.

THE CITY CLERK PRESENTED THE BUDGET FOR FISCAL YEAR 1989 TO COUNCIL FOR THEIR APPROVAL.

ON A MOTION BY MR. DECAPIO SECOND BY MRS. FORD THAT BUDGET WAS APPROVED. MOTION CARRIED 3-0

MAYOR CASHDOLLAR ASK COUNCIL TO HAVE THE COPIER REPAIRED.

ON A MOTION BY MR. DECAPIO SECOND BY MRS. LAUGHLIN ATTORNEY NOGAY WAS AUTHORIZED TO CONTACT THE SHARP COMPANY TO TRY TO GET THEM TO REPAIR THE COPIER. MOTION CARRIED 3-0

UNDER NEW BUSINESS MR. MASTRANTONI OF BHI REPORTED TO COUNCIL THAT GRANT MONEY WAS AVAILABLE AGAIN THROUGH THE CDBG GRANTS AND HE PRESENTED A RESOLUTION FOR COUNCILS APPROVAL TO AUTHORIZE BHI TO DEVELOPE A CITIZENS PARTICIPATION PLAN AS A PRE-APPLICATION STEP IN THE GRANT REQUESTS. ON A MOTION BY MR. DECAPIO SECOND BY MRS. LAUGHLIN HIS REQUEST WAS APPROVED. MOTION CARRIED 3-0

FEBRUARY 16, 1987

MEETING OF THE COMMON COUNCIL, CITY OF CHESTER, WAS CALLED TO ORDER AT 7:24 P.M. BY MAYOR ROY CASHDOLLAR.

MEMBERS PRESENT: CITY CLERK - JOHN ASH, AND COUNCIL MEMBERS - ANNE FORD, CHRISTINE LAUGHLIN, AND FRANK DECAPIO WHO ARRIVED LATE. TODD MURRAY AND CHARLES KOLOGY WERE ABSENT. CITY SOLICITOR JEFF ADAMS WAS IN ATTENDANCE.

MINUTES OF THE PUBLIC MEETING, REGULAR COUNCIL MEETING, AND THE SPECIAL MEETING WERE APPROVED AS READ.

MAYOR CASHDOLLAR CALLED FOR PUBLIC PARTICIPATION.

ROBERT STONEBURNER REPORTED ON THE PROGRESS OF THE TESTING FOR THE POLICE DEPARTMENT ELIGIBILITY LIST. A MOTION WAS MADE BY MR. DECAPIO, SECONDED BY MRS. LAUGHLIN THAT ANYONE TO BE EMPLOYED ON THE POLICE DEPARTMENT MUST BE A RESIDENT OF THE CITY OF CHESTER, WEST VIRGINIA. MOTION CARRIED 3-0.

MR. STONEBURNER ASKED COUNCIL ABOUT CITY REQUIREMENTS ON ROAD REPAIR AFTER STREETS ARE DUG UP. DISCUSSION FOLLOWED.

MR. STONEBURNER THEN OFFERED ADVICE ON THE CITY'S FINANCES TO FINANCE CHAIRMAN, CHRIS LAUGHLIN.

REMITTANCES OF \$5,623.02 WERE APPROVED AS READ. MOTION TO ACCEPT THE REMITTANCES WAS MADE BY MR. DECAPIO, AND SECONDED BY MRS. LAUGHLIN. MOTION CARRIED 3-0.

AT 7:59 P.M., MRS. FORD MADE A MOTION TO GO INTO EXECUTIVE SESSION. THIS MOTION WAS SECONDED BY MRS. LAUGHLIN AND PASSED 3-0. COUNCIL THEN ENTERED INTO EXECUTIVE SESSION TO DISCUSS PERSONNEL MATTERS.

AT 8:10 P.M., A MOTION WAS MADE BY MRS. LAUGHLIN, SECONDED BY MR. DECAPIO TO RETURN TO REGULAR SESSION. MOTION CARRIED 3-0.

MOTION BY MR. DECAPIO, SECONDED BY MRS. FORD TO APPROVE TOTAL BILLS OF \$9,311.44 LESS TWO DAYS WAGES FOR A STREET DEPARTMENT EMPLOYEE TO BE DETERMINED BY THE ASSISTANT CITY CLERK.

COMMUNICATIONS:

THE MAYOR READ A LETTER FROM THE GOVERNOR'S OFFICE OF COMMUNITY AND INDUSTRIAL DEVELOPMENT CONCERNING THE RIVERBANK PROJECT. LETTER IS ATTACHED TO THESE MINUTES.

A LETTER WAS READ FROM SAM LOVE ASKING THE CITY ABOUT THE RAILROAD BRIDGES. MRS. LAUGHLIN MADE A MOTION TO TABLE ACTION UNTIL THE NEXT COUNCIL MEETING. THE MOTION WAS SECONDED BY MRS. FORD AND CARRIED 3-0.

COMMITTEE REPORTS:

ORDINANCE - MR. DECAPIO REPORTED THE ORDINANCES NEED CODIFIED AND THAT JUDY IS WORKING ON THEM. HE THEN MADE A MOTION FOR JUDY TO WORK ON ORGANIZING THE ORDINANCES IN HER SPARE TIME WITH THE COST NOT TO EXCEED \$45. THE MOTION WAS SECONDED BY MRS. FORD AND CARRIED 3-0.

MR. DECAPIO PLACED ORDINANCE #154-C, REPEALING ORDINANCE #154-B, ESTABLISHING LIMITS ON PARKING VEHICLES ON CITY STREETS, ON ITS FIRST READING. MOTION BY MRS. LAUGHLIN, SECONDED BY MR. DECAPIO TO PLACE ORDINANCE #154-C ON ITS FIRST READING. MOTION CARRIED 3-0.

MR. DECAPIO MADE A MOTION, SECONDED BY MRS. LAUGHLIN TO PASS ORDINANCE #154-C ON ITS FIRST READING. MOTION CARRIED 3-0.

MOTION BY MR. DECAPIO, SECONDED BY MRS. LAUGHLIN TO PLACE ORDINANCE #278 ON ITS FIRST READING. THIS ORDINANCE RELATES TO INCREASING SEWER RATES BY A \$3.50 SURCHARGE. MOTION CARRIED 2-1 WITH MR. DECAPIO VOTING NO.

MOTION BY MRS. LAUGHLIN, SECONDED BY MRS. FORD TO PASS ORDINANCE #278 ON ITS FIRST READING. MOTION CARRIED 2-1 WITH MR. DECAPIO VOTING NO.

MR. DECAPIO MADE A MOTION, SECONDED BY MRS. LAUGHLIN TO PLACE ORDINANCE #277 ON ITS FIRST READING. THIS ORDINANCE RELATES TO A WATER INCREASE OF 16%. MOTION CARRIED 3-0.

MOTION BY MR. DECAPIO, SECONDED BY MRS. LAUGHLIN TO PASS ORDINANCE #277 ON ITS FIRST READING. MOTION CARRIED 3-0.

FINANCE - MRS. LAUGHLIN MADE A MOTION, SECONDED BY MR. DECAPIO THAT ANY PERSON MAKING AN UNAUTHORIZED PURCHASE WOULD BE RESPONSIBLE FOR PERSONAL PAYMENT OF THAT PURCHASE. MOTION CARRIED 3-0.

MRS. LAUGHLIN REPORTED THAT SHE WILL BE CALLING A FINANCE MEETING TO WORK ON THE BUDGET.

BUILDING - MRS. FORD ASKED WHEN THE STUDENTS WILL BE WORKING. THE MAYOR REPLIED THAT THEY ARE WORKING AND HAVE BEEN ASSIGNED JOBS.

OLD BUSINESS:

MRS. LAUGHLIN ASKED IF THE POLICE ARE WORKING EIGHT HOUR SHIFTS? THE MAYOR REPORTED THEY ARE WORKING 24 HOUR SHIFTS.

MR. DECAPIO ASKED ABOUT FIVE TREES BEHIND THE FIRST NATION BANK. DISCUSSION FOLLOWED. MR. DECAPIO ALSO ASKED ABOUT RE-NAMING THE CITY PARK WHICH LEAD TO ANOTHER DISCUSSION.

NEW BUSINESS:

JOHN BECK PRESENTED CHANGE ORDER #1 COVERED BY GRANT MONIES BE APPROVED. MOTION BY MRS. LAUGHLIN, SECONDED BY MRS. FORD TO APPROVE CHANGE ORDER #1. MOTION CARRIED 3-0.

COUNCIL MINUTES CONT'D .

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JOHN BECK PRESENTED REQUISITION #2 TO BE APPROVED. MOTION BY MR. DECAPIO, SECONDED BY MRS. FORD TO APPROVE REQUISITION #2. MOTION CARRIED 3-0.

MR. BECK PRESENTED A REQUISITION TO BE PRESENTED TO THE CDBG GRANT TO BE PAID TO MR. VUKELIC AND MR. VAUGHN, INCLUDING VOUCHERS #89 AND #90. MOTION BY MR. DECAPIO, SECONDED BY MRS. FORD TO HAVE VOUCHERS #89 AND #90 PAID. MOTION CARRIED 3-0.

MR. BECK THEN PRESENTED AN APPLICATION #6 TO STATE OF WEST VIRGINIA FOR THE MONEY TO PAY VOUCHERS #89 AND #90. MOTION BY MRS. LAUGHLIN, SECONDED BY MRS. FORD FOR MR. BECK TO SUBMIT APPLICATION #6 TO THE STATE OF WEST VIRGINIA. MOTION CARRIED 3-0.

JOHN BECK PRESENTED AN APPLICATION TO EPA TO PAY \$27,500 FUNDING PORTION OF VOUCHERS #89 AND #90. MOTION BY MRS. FORD, SECONDED BY MR. DECAPIO AUTHORIZING APPLICATION TO EPA FOR PAYMENT OF \$27,500 FOR VOUCHERS #89 AND #90. MOTION CARRIED 3-0.

MAYOR'S REPORT:

THE MAYOR REPORTED THAT THE GROUNDBREAKING FOR ALICIA ARMS HAS BEEN CHANGED, BUT NO DEFINITE DATE IS SET.

MOTION TO ADJOURN. MOTION CARRIED. MEETING ADJOURNED AT 9:03 P.M.

JOHN F. ASH, CITY CLERK

MARCH 16, 1987

MEETING OF THE COMMON COUNCIL, CITY OF CHESTER, WAS CALLED TO ORDER AT 7:00 P.M. BY MAYOR ROY CASHDOLLAR.

MEMBERS PRESENT: CITY CLERK - JOHN ASH, CITY SOLICITOR - JEFF ADAMS, AND COUNCIL MEMBERS - CHARLES KOLOGY, ANNE FORD, FRANK DECAPIO, TODD MURRAY, AND CHRISTINE LAUGHLIN.

MINUTES OF THE PREVIOUS MEETING WERE APPROVED AS READ AFTER A MOTION BY MR. DECAPIO, SECONDED BY MRS. FORD.

THE MAYOR CALLED FOR PUBLIC PARTICIPATION.

AT THIS TIME, THE MAYOR ASKED FOR PUBLIC COMMENT ON THE WATER AND SEWER INCREASE IN RATES.

DON FLETCHER OF MONTANA AVENUE ASKED ABOUT SHUTTING OFF WATER FOR NON-PAYMENT.

MIKE GLOVER ASKED WHY HE RECEIVED A LARGE BILL WHEN HIS METER IS READ EVERY MONTH.

CHARLIE YOUNG ASKED THE MAYOR ABOUT THE INCREASES IN WATER AND SEWER RATES AND HOW IT IS CALCULATED. DISCUSSION FOLLOWED.

BOB STONEBURNER ASKED ABOUT THE SEWER RATE.

BILL TUTTLE ASKED IF ALL WATER METERS ARE BEING READ AND IF COUNCIL COULD RAISE THESE RATES AND LOOK THEIR NEIGHBORS IN THE FACE.

JOHN BECK RESPONDED BY EXPLAINING THE WATER DEPARTMENT HAS BILLS TO PAY AND MUST RAISE THE RATES. DISCUSSION FOLLOWED.

MRS. VAN DYNE, A SENIOR CITIZEN, ASKED THE MAYOR ABOUT THE INCREASE STATING SHE NEVER USES THE MINIMUM.

CHARLIE YOUNG ASKED COUNCIL WHY THEY WANT TO PASS AN ORDINANCE FORBIDDING WATER WELLS IN THE CITY. DISCUSSION FOLLOWED.

BOB STONEBURNER ASKED HOW MUCH MONEY THE WATER DEPARTMENT HAS HIDDEN AWAY.

BILL TUTTLE FELT IF THEY RAISE THE RATES, IT SHOULDN'T BE AS HIGH AS THEY ARE PROPOSING.

BOB STONEBURNER ASKED ABOUT THE DEPRECIATION COST ON THE WATER EQUIPMENT. JOHN BECK RESPONDED.

MR. MOSSER ASKED WHY THE COUNCIL LET THE DELINQUENT WATER BILLS GO SO LONG. DISCUSSION FOLLOWED.

TERRY POTTS REPORTED TO COUNCIL THAT HE HAS NOT RECEIVED ANY MILEAGE FROM THE CITY TO GO TO SCHOOL.

COUNCIL MINUTES CONTINUED
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BOB STONEBURNER ASKED ABOUT PARKING ON THE YELLOW LINE. TODD MURRAY RESPONDED.

MAYOR CALLED THE PUBLIC MEETING TO AN END AT 7:52 P.M.

MOTION BY MR. KOLOGY, SECONDED BY MRS. FORD TO APPROVE REMITTANCES OF \$8,744.27.
MOTION CARRIED 5-0.

MOTION BY MRS. LAUGHLIN, SECONDED BY MR. MURRAY TO APPROVE BILLS OF \$10,884.40,
LESS \$900 MILEAGE SUBMITTED BY MARK SMITH AND \$558 SUBMITTED BY ANETAKIS.
MOTION CARRIED 4-1 WITH MR. KOLOGY VOTING NO.

COMMUNICATIONS:

THE MAYOR READ A LETTER FROM LAWRENCEVILLE VFD ASKING THAT PYRAMUS BE PATCHED.

MOTION BY MRS. LAUGHLIN, SECONDED BY MR. MURRAY AUTHORIZING BOB PUGH AND TERRY
POTTS TO SIGN ON THE EQUIPMENT FUND. MOTION CARRIED 5-0.

COMMITTEE REPORTS:

STREETS - MR. KOLOGY REPORTED ON THE STREET DEPARTMENT ACTIVITIES.

FIRE - MR. MURRAY REQUESTED COUNCIL TO ENDORSE THE FIRE LEVY FEE ON BEHALF
OF THE FIRE DEPARTMENT. COUNCIL ENDORSED THE MOTION BY MRS. LAUGHLIN, SECONDED
BY MR. KOLOGY. MOTION CARRIED 5-0.

MOTION BY MRS. LAUGHLIN TO PLACE ORDINANCE TO RAISE SEWER RATES ON THE SECOND
AND FINAL READING ON THE \$3.50 FLAT RATE. SECOND BY MR. MURRAY. MOTION
CARRIED 3-2 WITH MRS. FORD, MR. MURRAY, AND MRS. LAUGHLIN VOTING YES AND MR.
KOLOGY AND MR. DECAPIO VOTING NO.

MOTION BY MR. MURRAY TO PASS ORDINANCE TO RAISE THE SEWER RATES ON THE SECOND
AND FINAL READING. SECOND BY MRS. FORD. MOTION CARRIED 3-2, WITH MRS. FORD,
MR. MURRAY, AND MRS. LAUGHLIN VOTING YES AND MR. KOLOGY AND MR. DECAPIO VOTING
NO.

MOTION BY MRS. FORD TO PLACE THE WATER INCREASE ON THE SECOND AND FINAL READING.
SECOND BY CHRIS. MOTION CARRIED 3-2 WITH MRS. FORD, MR. MURRAY, AND MRS.
LAUGHLIN VOTING YES AND MR. KOLOGY AND MR. DECAPIO VOTING NO.

MOTION BY MRS. LAUGHLIN TO PASS ORDINANCE TO RAISE THE WATER RATES 16% . SECOND
BY MR. MURRAY. MOTION CARRIED 3-2. VOTING YES WERE MRS. FORD, MR. MURRAY, AND
MRS. LAUGHLIN. MR. KOLOGY AND MR. DECAPIO VOTED NO.

MRS. FORD REPORTED THAT JUDY CAME TO WORK AND FOUND DESK NOT IN ORDER AND (SHE)
WANTS THE OFFICE ENTRY LIMITED TO THE CITY CLERK'S OFFICE. MOTION BY MRS. FORD
TO PURCHASE NEW LOCKS TO THE CITY CLERK'S OFFICE DIED FOR LACK OF A SECOND.

MAYOR REPORTED THE STATE WILL BE LINING THE MAIN STREET.

THE MAYOR REPORTED ON THE POLICE DEPARTMENT. HE ASKED COUNCIL TO DECIDE ON

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FORD

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EITHER REPAIRING THE POLICE CRUISER OR REPLACING IT. THE MAYOR IS RENTING A CAR FOR \$15 A DAY ON A TEMPORARY BASIS. DISCUSSION FOLLOWED ON THE POLICE CRUISER. MR. MURRAY MADE A MOTION TO PURCHASE A NEW POLICE CRUISER THROUGH THE STATE OF WEST VIRGINIA AT A REDUCED PRICE OF \$11,867.00. SECOND BY MR. DECAPIO. MOTION CARRIED 4-1 WITH MRS. FORD VOTING NO.

MOTION BY MRS. LAUGHLIN, SECONDED BY MR. MURRAY TO AUTHORIZE THE MAYOR TO RENT A CAR FOR \$15 AND INVESTIGATE FUNDING FOR PURCHASE OF A CAR. MOTION CARRIED 5-0.

MRS. FORD ASKED WHAT SCHEDULE THE POLICE DEPARTMENT WAS WORKING? MAYOR REPORTED THEY ARE ON 12 HOUR SHIFTS.

THE MAYOR REPORTED ON THE RIVERBANK PROJECT.

MAYOR CASHDOLLAR REPORTED ON THE CELOTEX FUNDING AND THE PLANT MAY BE OPENING SOON.

THE MAYOR REPORTED THE THIRD STREET PLAYGROUND IS A MESS AND IT MUST BE FIXED UP OR AT LEAST A FENCE REPAIRED.

MAYOR REPORTED ON THE VFW BEING TURNED DOWN ON A STREET COLLECTION DAY. DISCUSSION FOLLOWED.

OLD BUSINESS:

MR. DECAPIO ASKED THE MAYOR TO HAVE THE STATE MOVE THE RED LIGHT AT 6th STREET. MAYOR REPORTED THE STATE WON'T MOVE IT.

MRS. LAUGHLIN ASKED IF THE STREET DEPARTMENT HAS FINISHED PAINTING THE YELLOW LINES ON THE INTERSECTIONS? MR. KOLOGY REPORTED YOU CAN'T PAINT IN THE WINTER.

NEW BUSINESS:

MAYOR REPORTED STARR AND VINCI HAVE RESIGNED FROM THE PLANNING COMMISSION. THE MAYOR APPOINTED ROY MASON AND MARTHA DINGESS.

MRS. FORD REPORTED ON LITTERING IN THE STREAMS AND CUT TREES IN THE STREAMS, AND THE PENALTIES INVOLVED IF A PERSON IS CAUGHT.

MR. KOLOGY REPORTED TWO HOUSES ON PENNSYLVANIA AVENUE ARE BURNING TRASH IN BARRELS.

CITY CLERK PASSED A COPY OF A LETTER TO EACH COUNCILMAN FOR NOTICE ONLY.

JOHN BECK PRESENTED VOUCHERS 92 AND 93 FOR APPROVAL OF PAYMENT. VOUCHER #92 WAS IN THE AMOUNT OF \$16,954.00 AND VOUCHER #93 WAS FOR \$7,879.73. JOHN BECK ASKED COUNCIL FOR AUTHORIZATION FOR THE MAYOR AND CLERK TO SIGN ON A NEW LOAN AT FNB, CHESTER, FOR \$40,848.52.

MR. MURRAY MADE A MOTION AUTHORIZING BORROWING FOR \$40,848.52 FROM FIRST NATIONAL BANK OF CHESTER FROM 3/17/87 TO 4/20/87, AND PAYMENT OF VOUCHERS #92 AND #93. SECONDED BY MRS. LAUGHLIN. MOTION CARRIED 5-0.

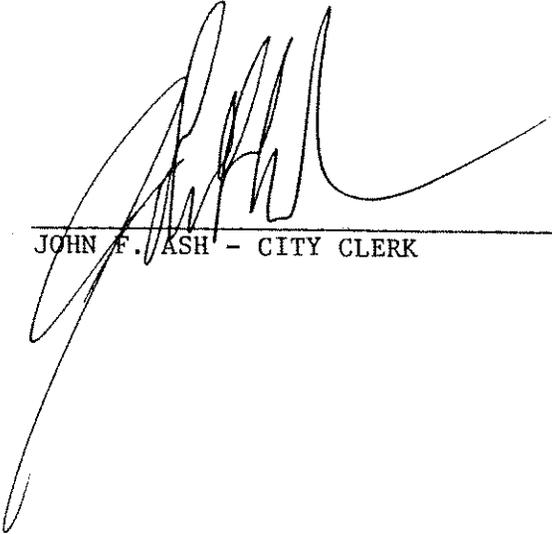
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CHRIS LAUGHLIN LEFT AT 9:17 BECAUSE OF ILLNESS.

MOTION BY MR. KOLOGY TO DRAW DOWN AND PAY \$625 TO HANCOCK COUNTY PSD. SECOND
BY MR. MURRAY. MOTION CARRIED 4-0.

DISCUSSION ON SEWER PROJECT FOLLOWED.

MEETING ADJOURNED AT 4:27 P.M.



JOHN F. ASH - CITY CLERK

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Meeting of the Common Council of the City of Chester held October 15, 1990, was called to order at 7:00PM by Mayor Sally Riley.

Mayor Riley led the Pledge of Allegiance followed by a prayer.

Members present included:

City Clerk - Carla Simcox
 Councilmen - Bill Tuttle
 Jerry D'Angelo
 Ken Morris
 Jim Handley
 Frank DeCario
 City Solicitor - Jeff Adams
 City Accountant - Barry Boyd

Minutes of the previous meeting held October 1, 1990, were read by Clerk Simcox. Mr. Tuttle motioned to approve the minutes as read, seconded by Mr. Handley. Motion carried 5-0.

PUBLIC PARTICIPATION:

Republican candidates David Cline for County Commissioner and Don Chaney for State Representative were present to answer any questions or comments on the election and their candidacy.

REMITTANCES:

Remittances of \$5,095.75 were accepted into the City Treasury for proper disbursement by a vote of 5-0 on a motion by Mr. Tuttle, seconded by Mr. DeCario.

BILLS:

Mr. Tuttle made the motion to pay all bills totalling \$15,952.38 seconded by Mr. D'Angelo. Motion carried 5-0.

COMMUNICATIONS:

Mayor Riley presented a letter from the Upper Hancock County United Fund asking for a donation. No action was taken.

A letter from Conrail asking for payment on rental property from the City was presented. Since the City bought that property and no longer pays rent on it, Mr. Tuttle suggested the letter be turned over to the City Solicitor. Mayor Riley then gave Mr. Adams the letter.

A letter from AT&T was presented informing Council of the renewal date of December 1, 1990, on the maintenance agreement for phone system equipment. Mr. D'Angelo made the motion to continue the agreement seconded by Mr. Tuttle. Motion carried 5-0.

Mayor Riley also announced that addresses of area servicemen stationed in the Middle East have been received and are posted on the front door of City Hall.

ACCOUNTANT'S REPORT:

City Accountant, Mr. Boyd, presented Council with his report for the month of September (copy attached). He noted there was an error on page 3 concerning the cleaning of City Hall, but totals at the end of the report were accurate. The City is still running at a slight deficit, but with the 3rd quarter and final quarter B & O's, we should be able to stabilize. Mr. Boyd also commented on the fact that the Coal Severance amount received is not as much as was anticipated. Concerning General Fund II, Mr. Boyd suggested investing most of it in Certificates of Deposit at intervals of 3-6 and 12 months at \$25,000 each. Mr. Tuttle made the motion to act upon this suggestion, seconded by Mr. Handley. Motion carried 5-0.

COMMITTEE REPORTS:

Streets - Mr. Handley reported that the Lawrenceville hill project has been completed. There is a problem on Fairview Road on Mr. Balch's property, who has been before Council many times. Approximate costs of \$1,000 was announced with 3-4 days required to do the job. Mr. Handley made the motion to fix this problem, seconded by Mr. Tuttle. Motion carried 5-0. Blacktop patching is done and most is still holding up.

Mr. Handley also pointed out that leaf disposal should be started. Mayor Riley didn't think there was anywhere to dispose of them. Mr. Handley said that he knew 2 people wanting leaves for their gardens. There is a problem with leaves blocking sewers during rainstorms.

Fire - No report.

Ordinance - Mr. Morris presented Ordinance #298 on the Building Permit to be put before Council on its 2nd reading. Mr. Tuttle made the motion to have the Ordinance read by Title only. Mr. D'Angelo seconded. Motion carried 5-0. Mr. Morris then read Ordinance #298 by Title only. Mr. Tuttle made the motion to accept Ordinance #298 on its second reading. Mr. DeCapio seconded the motion, which carried 5-0.

Mr. Morris then presented an Ordinance from the Water Dept. raising the Bulk Water Users fee in order to pay for many repairs needed at the Water Plant. Mr. Tuttle made the motion to have Ordinance #282A by Title only. Mr. Handley seconded it which carried 5-0. Mr. Morris read Ordinance #282A by Title. Mr. Tuttle made the motion to accept Ordinance #282A on its First reading, seconded by Mr. Handley. Motion carried 5-0. A public hearing was set for 6:30 PM on November 5, 1990, for public input on the Ordinance before its second reading.

Finance - Mr. DeCapio stressed to Council that they be careful on any expenditures that are made.

Building - Mr. D'Angelo had no report, but Mr. Tuttle mentioned turning the heat on in City Hall. Mayor Riley said it has been turned on, but it is not working properly. The boiler will be checked.

Police - No report.

OLD BUSINESS:

Hours for Halloween were discussed and are set by Ordinance to be on October 31 from 5-7. Those participating in treating are to turn porch lights on.

Mr. Tuttle approached Council on a possible raise for Sonny Galloway. Mr. Handley made the motion to go into Executive Session, seconded by Mr. Tuttle. Motion carried 4-1 with Mr. DeCapio voting no. Executive session was held. Mr. Tuttle made the motion to go back into Regular session, seconded by Mr. Handley. Motion carried 5-0. Mr. Tuttle made the motion to grant Sonny the title of Street Superintendant along with a salary of \$16,000 a year. Mr. Morris seconded the motion. Mr. DeCapio stressed he was not comfortable with this motion because of deficit spending and problems with the budget. He felt that this should wait until next year and be put into the budget at the appropriate time. Motion carried 4-1 with Mr. DeCapio voting no.

Mr. Chaney commended all persons in charge of the Teapot Dedication.

Mr. DeCapio reported that 16 street lights have been changed with 6 more to be done before Thanksgiving. A wrong figure was given earlier and a \$43 charge per month is what the actual cost for these lights will be.

Mr. DeCapio said there is a need for a guardrail on Pyramus Street below the entrance to Fox's Nursing Home.

Mr. DeCapio stated there was a rumor of a new industry looking for riverfront property dealing with Dog Chow and the unloading of grain. He felt this was something Council should look into. Mayor Riley said they would talk to Will.

Mr. Handley announced Sonny's request for one weeks vacation for the week Nov. 19-23. Mr. Tuttle made the motion to grant this vacation, seconded by Mr. Handley. Motion carried 5-0.

Mr. DeCapio left the meeting to go to work at 8:25PM.

NEW BUSINESS:

Mr. Tuttle requested a beeper for Sonny at at cost of approximately \$30 a month. Mr. Handley made the motion to supply Sonny with a beeper, seconded by Mr. Tuttle. Motion carried 4-0.

Mr. Tuttle made the motion to adjourn, seconded by Mr. Handley. Motion carried 4-0.

Meeting adjourned at 8:30PM.

Carla M. Simcox
CARLA SIMCOX
CITY CLERK

A Special Meeting for public input on the Ordinance to raise Bulk Users water rates was called to order by Mayor Sally Riley on Monday, November 5, 1990 at 6:30PM.

Members present included:

City Clerk - Carla Simcox
Councilmen - Bill Tuttle
 Jerry D'Angelo
 Frank DeCapio
 Ken Morris
 Jim Handley
City Solicitor - Jeff Adams

Mayor Riley asked if there were any questions or comments on the Bulk Water Ordinance. Randall Roach and Harry Spence from the Lawrenceville Water Commission were present to air their concerns over the effect the rate increase will have on their customers.

Mayor Riley assured them that they will receive a letter on the Ordinance so they can send it to ask to have their rates increased to compensate for the increase the City will be putting on them.

Discussion on the reasons for the increase and the need for many repairs at the water plant was held.

Mr. Tuttle made the motion to adjourn, seconded by Mr. Handley. Motion carried 5-0.

Meeting adjourned at 6:50PM.



Carla M. Simcox
City Clerk

The meeting of the Common Council of the City of Chester held Monday, November 5, 1990 was called to order at 7:03PM by Mayor Sally Riley.

Mayor Riley led the Pledge of Allegiance followed by a prayer read by Mr. Tuttle.

Members present included:

City Clerk - Carla Simcox
Councilmen - Bill Tuttle
 Jerry D'Angelo
 Frank DeCapio
 Ken Morris
 Jim Handley
City Solicitor - Jeff Adams

The minutes of the Special Meeting on the Ordinance for a Building Permit held at 6:30PM on October 15, 1990 were read by Clerk Simcox. Mr. Tuttle made the motion to accept these minutes as read, seconded by Mr. D'Angelo. Motion carried 5-0.

The minutes for the regular meeting held at 7:00 on October 15, 1990 were read by Clerk Simcox. Mr. Tuttle made the motion to accept these minutes as read, seconded by Mr. D'Angelo. Motion carried 5-0.

PUBLIC PARTICIPATION:

Rod Coen gave an update on the 911 system. It is still not functional in the northern end of the county for the fire departments. He requested an extension for the City's dispatcher. The extension was granted until Dec. 16, 1990. He also reported on leaks in the roof of the fire department. Mr. D'Angelo will get in touch with Mr. Cheavront on the 10 year guarantee for the roof, which is not up yet. Also, the wood retaining wall behind City Hall is collapsing and they are looking into trying to replace it with a block wall.

REMITTANCES:

Remittances totalling \$13,257.91 were accepted into the treasury for proper disbursement on a motion by Mr. Tuttle, seconded by Mr. Handley. Motion carried 5-0.

BILLS:

Bills totalling \$11,469.67 were authorized to be paid on a motion by Mr. Tuttle, seconded by Mr. Handley. Motion carried 5-0.

COMMUNICATIONS:

A thank you note was presented to Council from Fern Winters for fixing her sidewalk and steps. (Copy attached.)

Mayor Riley notified Council of two letters received anonomously that were addressed to the Board of Education concerning Superintendent Charlton and are on file in the Mayor's office for public record..

A letter from Hoop Rhodes from VFW concerning a tree they want to remove in order to enlarge their parking area. Mr. Tuttle made the motion to give the VFW permission to remove the tree at their own expense, seconded by Mr. DeCapio. Motion carried 5-0.

A letter of intent to pay their share of the cost from the City to the Corps of Engineers to study the slippage on River Street and correct it was presented and needed four councilmen's signatures, along with the City Solicitor's. After some hesitation, due to the amount of the City's obligation and where the money would come from, the Councilmen signed the letter when Mr. Adams explained that it would not obligate them in any way to a certain amount.

CLERK'S REPORT:

City Clerk Carla Simcox reported that Sonny Galloway's pay had been changed per council's request from \$597.30 per pay to \$666.67.

The Delinquent Street Fee ad was presented to Council.

Clerk Simcox also reported that three Certificates of Deposit were purchased at 1st National of Chester. A 3 month, 6 month and 12 month certificate at \$25,000 each were purchased using General Fund II funds.

COMMITTEE REPORTS:

Streets - Sonny reported that the job on Fairview Street is done. He also would like to purchase a set of torches which should be under \$100.00. Mr. D'Angelo made the motion to authorize Sonny to purchase the torches, seconded by Mr. Tuttle. Motion carried 5-0. Leaf pick-up will be next week. Residents are asked to place the bags on the curb.

Fire - No report.

Ordinance - Mr. Morris presented Ordinance 282A concerning Bulk Water rate increases for its 2nd reading. Mr. Tuttle made the motion to place Ordinance 282A on its 2nd reading by Title only, seconded by Mr. DeCapio. Motion carried 5-0. Mr. Morris then read Ordinance 282A. Mr. Tuttle motioned to pass Ordinance 282A on its second reading, seconded by Mr. DeCapio. Motion carried 5-0. Mr. Morris then presented Council an Ordinance concerning Failure to appear before court and/or to remit fines and costs. Mr. Tuttle made the motion to place this Ordinance on its 1st reading, seconded by Mr. DeCapio. Motion carried 5-0. Mr. Morris read the Ordinance. Mr. Tuttle made the motion to pass the Ordinance on its 1st reading, seconded by Mr. DeCapio. Motion carried 5-0.

Finance - Mr. DeCapio said he wants to look things over and they still need to watch the spending.

Building - There was a bid from Kell's for 2 new furnaces for \$4980. Mr. D'Angelo made the motion to accept this bid, seconded by Mr. DeCapio. Motion carried 5-0.

Police - A request to raise the crossing guards salary was asked for. Mr. Tuttle made the motion to raise the salary \$2.00 a day from \$8.00 to \$10.00. Mr. Handley seconded the motion which carried 5-0.

Mr. Forte from BHJ was present with requisitions for Council. Requisition No.18 for Panhandle Equipment \$4,929.00 and the City of Chester \$2,460.51 (copy attached) which were already approved by Council was presented for signature only. Requisition No.19, Voucher 258 for Anetakis law firm was presented (copy attached) for \$3,248.50. Mr. DeCapio made the motion to pay this voucher, seconded by Mr. Tuttle. Motion carried 5-0. Requisition No.20, Voucher 259 for Conti was presented. Mr. Tuttle made the motion to pay \$41,000 of the \$113,000 asked, seconded by Mr. Handley. Motion carried 4-1, with Mr. Morris against. Voucher 261 for Vaughn was presented for \$4,584.52. Mr. Tuttle moved to pay this voucher, seconded by Mr. DeCapio. Motion carried 5-0. Voucher 262 for Vaughn for current bills for \$6,141.60 was presented. Mr. Tuttle made the motion to deny this requisition at this time, seconded by Mr. Morris. Motion carried 5-0.

Old Business:

Many complaints and problems dealing with property and Ordinance #286. People are to sign a warrant and the Mayor will not sign any warrants. Council will send letter to give owners 30 days to clean up their property. At the end of 30 days, someone must sign a warrant.

Mayor Riley reported on a business luncheon on the Hancock County Federal Community Reinvestment program. Any suggestions can be given to John Manypenny.

Sonny's beeper is working great!

Mr. Adams wrote a letter to Conrail in regard to their bill for rent. No response has been received.

NEW BUSINESS:

Mayor Riley said she wanted to know for sure if Council wants her to send the letter of intent for the River Street problem, because if they will not commit to it, then she will not send the letter. They told her to send the letter.

A telephone pole needs moved on Dunn Street. Mr. Morris made the motion to send a letter to the Power Company to move the pole. Mr. DeCapio seconded the motion, which carried 5-0.

Mr. DeCapio asked for a gas line to run to Walt Henthorne's trailer. Bids will be taken and then they will decide.

Mr. Morris made the motion to adjourn, seconded by Mr. Handley.
Motion carried.

Meeting adjourned at 8:32PM.

Carla M. Simcox
Carla Simcox
City Clerk

THE STATE OF OHIO, }
Columbiana County, } ss.

Marlene S. Lemley being duly sworn, says that ^she is the
Accountant of The Evening Review,

a newspaper, printed, published and of general cir-
culation in the said County of Columbiana; that the
notice, of which the attached is a copy, was for a
period of once consecutive weeks, published in
said newspaper, commencing on the 26th
day of October A. D. 19 90

Date of last publication October 26th A. D. 19 90

M. S. Lemley

Subscribed by the said M. S. Lemley and by
sworn to before me, this 5th day of November 19 90

LAURA POE, Notary Public
STATE OF OHIO
My Commission Expires Dec. 10, 1992

Laura Poe Blaney
Notary Public

Printer's Fee - \$ 21.65

BM 1-76 KYST

LEGAL NOTICE
Notice to all businesses, resi-
dents and persons doing business
within the city limits of the City of
Chester, West Virginia.
At a meeting of the Common
Council of the City of Chester,
West Virginia held on the 15 day of
Oct., 1990, the Council passed on
first reading an Ordinance concern-
ing changing and/or increasing
certain water rates within Ord-
inance 282-A (amending Ordinance
282).
A certified copy of said ordi-
nance is on file in the Office of
the City Clerk for review by any in-
terested party or person during
regular business hours.
A public meeting will be held be-
fore the Council in the Municipal
Building on the 5 day of Nov-
ember, 1990 at 6:30 o'clock PM, prior to
the final adoption of said ordinance,
at which time any interested per-
son or party may appear before
the Council and be heard by the
Council with regard to said pro-
posed changes. The effective date
of the Ordinance will be forty-five
(45) days after adoption.
Dated this 23 day of Oct., 1990.
Carla Simcox
City Clerk
The Evening Review, October
26, 1990.

The meeting of the Common Council of the City of Chester was called to order at 7:00 PM on October 7, 1996 by Mayor Roy Cashdollar. The meeting was opened with the Pledge of Allegiance.

Present: Mayor Roy Cashdollar, Solicitor Anetakis, Kim Weaver, Councilmen Vinci, Sunday DeCapio, John Stoy and Jim Handley, Clerk Barnhart, Sonny Galloway, Mr. & Mrs. Pittinger and Mrs. Fox

The minutes of the previous meeting were read and the correction made that the house mentioned was not on Plutus Avenue but on Collins Memorial Drive. A motion was then made by Sunday DeCapio to accept the minutes as corrected and the motion was seconded by John Vinci and all voted yes.

Receipts in the amount of \$14,976.77 were presented and Jim Handley moved they be placed in the proper accounts. The motion was seconded by Sunday DeCapio and all voted yes.

Disbursements in the amount of \$12,847.98 were read and Jim Handley moved the bills be paid. The motion was seconded by Sunday DeCapio and all voted yes.

The meeting was then turned over to Kim Weaver who presented Resolutions and amendments. First reading was given on Ordinance entitled "Combined Waterworks and Sewage System Revenue Bonds, Series 1996-A WV SRF Program. Sunday DeCapio moved we accept it on first reading and it was seconded by John Vinci and all voted yes.

Resolution to have Chief Elected Officer Roy Cashdollar sign all contracts, documents, certifications, etc. for the Wastewater collection system in the area known as Lawrenceville. Sunday DeCapio moved that the Mayor be authorized to sign and the motion was seconded by John Vinci and all voted yes.

The next Resolution was an amendment to change the item that shows the land acquisition to be less and the construction costs more and shows that \$79,900 was transferred from the land to the construction in the Block Grant of \$750,000.00. It was moved by Sunday DeCapio to accept this Resolution and it was seconded by John Vinci and all voted yes.

Budget Amendment #1 was then presented showing the change in the Resolution moving the land acquisition money to construction. It was moved by Sunday DeCapio to accept this amendment and was seconded by John Vinci and all voted yes.

Requisition No. 37 was presented for Administration costs from BHJ from May 19 thru June 30, 1996 in the amount of \$4,336.84. Requisition No. 38 from BHJ in the amount of \$1,640.12 for administration costs was presented for July 1 thru 27th and Requisition No. 39 to Wayne Milke for \$6.00 for photocopies was presented. No. 40 for Administration costs from July 28 thru Aug. 24th in the amount of \$1,256.23 and No. 41 for \$4,420.50 for design review along with No. 42 for the legal notice in the amount of \$468.48 for bidding. Sunday DeCapio moved that BHJ be authorized to pay the above bills and the motion was seconded by John Vinci and all voted yes.

Public Participation: Mr. Pittinger stated that the odor had abated some at Congo Terminal but that the dirt and dust was still prevalent. The petition is still being circulated.

Streets: Mention was made of a hole on Collins Memorial Drive that was made by the Gas Company. Sonny Galloway said that the Gas company would return in a few days and fill it in as they are always reliable to check on matters like this. Sonny Galloway will be taking his vacation for two weeks November 25th. It was moved by Jim Handley and seconded by Sunday DeCapio to raise Brian Haun's wages to \$6.00 per hour. All voted yes. Third and Louisiana Avenues is to be made into a three-way stop and it was moved by Sunday DeCapio to move the sign and seconded by Jim Handley and all voted yes.

Building Committee: Permission was given in form of a motion by Jim Handley and seconded by Sunday DeCapio to put a light over the Doc Lyon's plaque on the front of the building.

Old Business:

Solicitor Anetakis said there is nothing in the law requiring business licenses for people renting garages or an apartment.

The letter to be sent to clean up or tear down property was read and it was moved by Jim Handley to send it to those mentioned previously. The motion was seconded by Sunday DeCapio and all voted yes.

New Business: The resignation of Robert May as crossing guard was received. It was moved by Jim Handley and seconded by Sunday DeCapio to accept the resignation and all voted yes. The request for a new guard has been placed in the papers by the Mayor.

The status of the Riverbank project was questioned and Mayor Cashdollar said that he had given the names of the heirs to the attorney and that it was proceeding.

Request was made for a handicap sign on Louisiana Avenue was made by Mr. Fahnert and it has been taken care of.

The meeting adjourned at 7:50.

Respectfully submitted,



Clerk

The meeting of the Common Council of the City of Chester was called to order on October 21, 1996 at 7:00 PM by Mayor Roy Cashdollar.

Present: Mayor Cashdollar, Councilmen Vinci, Sunday DeCapio, Frank Decapio, John Stoy and Jim Handley, Clerk Barnhart, Chief Thorn, Tom Wehner, Brian Handley, Bob Hissam, Tom Wehner and Mrs. Pittinger and Mrs. Fox, Mrs. Huff and J. Davis.

The meeting was opened with the Pledge of Allegiance. Minutes of the previous meeting were read and Sunday DeCapio moved they be accepted. The motion was seconded by Frank Decapio and all voted yes.

Receipts in the amount of \$23,103.90 and 1,655.66 from Coal Severance were presented. Jim Handley moved they be placed in the proper accounts and the motion was seconded by John Vinci and all voted yes.

Disbursements in the amount of \$19,769.41 were presented and \$38.00 for Jail expenses. Jim Handley moved the bills be paid and the motion was seconded by Sunday DeCapio and all voted yes.

Public Participation: Mrs. Pittinger asked if Mr. Hostetter had contacted anyone in regard to the mulch. The Mayor and Councilman Decapio had been in touch with him and he stated that he is working on a plan to take the mulch directly from the barges to the trucks. He also has a street sweeper which he has been using and has been hosing down the street. The fire plug is also in working order in that area. There were complaints about the dust and dirt.

In regard to the stop sign at Third and Louisiana, the situation has been rectified and the signs are up. A petition was presented that had been passed regarding the stop signs in the area. Some discussion was also made on the fact that some of the signs were taken down in winter and put back up in the spring. The police agreed to keep an eye on the area to slow down motorists and arrest those who are violating the stop signs.

Greg Rayburn from the "Messenger" asked about getting legal notices published in his paper as he is eligible to accept them. He was told that he will be considered but that some notices were sent directly by the State to the papers and the city has no control over them.

Tom Wehner asked about road blocks stating that they are dangerous and that last time someone almost was hit at Fifth Street. There should always be adults present if we have them and he suggested that a set of rules would be a good idea for those having road blocks. It was also felt that it might be wise to discontinue road blocks because Carolina Avenue is narrow and when two large trucks pass it is hazardous to all concerned.

Streets: The salt is in for the winter and they hope to do some more black-topping and patching if the weather holds out.

Finance: To please watch expenses

Building: Plans have been made with an electrician to see about a light over Doc Lyons plaque.

Old Business: The second reading on the Ordinance entitled "Combined Waterworks

20B

and Sewage System Rev. Bonds - Series 1996-A WV SRF program" was read regarding Lawrenceville project. It was moved by John Vinci to accept the second reading and the motion was seconded by Sunday DeCapio and all voted yes.

TCI was again mentioned in regard to the franchise which must be given an intent to renew 3 years in advance. No action was taken. A question was asked if they keep the property cleaned up that they have now.

In regard to the Middle Run Project, Mayor Cashdollar contacted the proper authorities and they stated that they have only 4 engineers in their office and they were busy in the Eastern Panhandle due to flooding. As soon as an engineer is available, he will be sent to look over the creek and make his recommendations.

New Business: Thomas Thoman was presented as the new crossing guard for the Sixth Street Crossing. Jim Handley moved that he be accepted as the guard and Frank Decapio seconded the motion and all voted yes.

Jim Handley read a letter from Sayre Graham regarding the Teapot. He would like to have a light pole placed near it so that it could be flood lighted and lighted up at Christmas time. He asked Council for a donation and it was moved by Frank Decapio and seconded by Jim Handley to give \$100 to the project. Mr. Graham said that he would make some needed repairs in the spring on the Teapot.

Mayor Cashdollar mentioned that the next meeting would be the day before the General Election and did we want to have a meeting in the Council Chamber with the machines there and all. It was decided to go ahead with the meeting rather than cancel or postpone it.

The school levy was mentioned and discussed. It was stated that they would not like to see the school leave Chester and that there was ground near the Middle School to add on to it. On a motion by Jim Handley and seconded by John Vinci Council all voted yes to be opposed to the new levy.

Frank Decapio asked about a street light being placed at the northeast end of Jack Owen Playground. He made the motion but it died for lack of a second.

The wife of the owner of the property to be torn on Collins Memorial Drive came to see the Mayor and tell him they had received the letter and that he would not be back until the 22nd. Mayor Cashdollar gave her 30 days from the 22nd to have action taken on the property. Other properties were then discussed that need to be repaired or torn down.

Weeds around the park fence were then discussed and the Clerk is authorized to send the Park Board a letter asking if they could not have these weeds cleaned up.

The meeting was adjourned at 8:00 PM.

Respectfully submitted,


City Clerk

The Common Council of the City of Chester, West Virginia met on November 4th, 1996 at 7:30. The meeting was called to order by Mayor Roy Cashdollar and the Pledge of Allegiance was recited.

Present: Mayor Roy Cashdollar, Solicitor John Anetakis, Councilmen John Vinci, Sunday DeCapio, John Stoy and Jim Handley, Clerk Barnhart Chief John Hissam, Sonny Galloway.

The minutes of the previous meeting were read and Sunday DeCapio moved they be accepted. The motion was seconded by John Vinci and all voted yes.

Receipts in the amount of \$31,288.83 were reported and Jim Handley moved they be placed in the proper accounts. The motion was seconded by Sunday DeCapio and all voted yes. Disbursements in the amount of \$12,305.79 were presented and the motion was made by Jim Handley to pay all bills and was seconded by Sunday DeCapio and all voted yes.

Public Participation: None

Police: It was stated that Chief Thorn was ill.

Streets: Street Commissioner Sonny Galloway stated that 6 new tires were needed on the City Truck. It has been two years since tires were purchased. The cost would be \$836.00 from Rock Springs Parts. It was moved by Jim Handley to purchase the tires and the motion was seconded by John Vinci and all voted yes.

Fire: Chief Hissam stated that the firemen had completed having lights installed at the ramp in the City Park. They are connected to the sewer plant and are on a timer to save electricity. The parking area is now well lit. Over \$6,000 has been spent by the Fire Department in that area. They are thinking of perhaps putting in some benches next summer.

Chief Hissam also reported that new recycling bins have been installed on their property by the West Virginia Waste Authority. The bins will be able to receive aluminum, steel, plastics one and two, cardboard, glass and newspapers. When the bins are full they will come and empty them and return them in a few hours. It is hoped that the citizens will avail themselves of this service.

House: John Stoy stated that the electrician will be here on Monday or Tuesday of next week to install the light over Doc Lyons plaque in the front of the building.

Ordinance: None

Planning: Meeting on November 7th for Hometown Christmas which is moving along.

20C

Old Business: Atorney Anetakis presented a new Ordinance regarding the delapidated property within the City Limits. The new ordinance would send a letter to the property owner giving the property owner 10 days within which to reply, request a hearing or apply for a hearing. Failure to do so would allow the city to proceed and the hearing would be held in City Court. A fine of not less than \$50.00 or more than \$500.00 could be imposed along with 30 days in jail for failure to comply. The new Ordinance would be #330.

On motion of John Vinci it was requested that the Ordinance for the powers of demolition of property unfit for human habitation be submitted for first reading. The motion was seconded by Jim Handley and was placed for first reading.

The Ordinance was then read and John Vinci moved that it be accepted. The motion was seconded by Jim Handley and all voted yes.

Since the Ordinance was deemed an emergency, Jim Handley moved that it be placed for second reading and the motion was seconded by John Vinci and all voted yes. It was then moved by John Vinci and seconded by Jim Handley to approve the Ordinance after it was read the second time. All voted yes and the ordinance will go into affect in 30 days.

At that time the Ordinance for the Acquisition, construction and improvement of Public Waste Water for Lawrenceville and the financing of \$1,500,000 in 1996 SRF Program and Sale of Bonds and Deliverance of Documents was placed for the third time reading by John Vinci and seconded by Jim Handley and all voted yes. The Ordinance was read and on motion of John Vinci and seconded by Jim Handley all voted yes to pass the third reading.

Mayor Cashdollar stated that at this point there was to be a public hearing on the matter. If anyone had objections or questions, they should so state them. No one objected.

It was then moved that the Supplemental Resolution providing permanent maturity date, sales, price and other terms on the bonds (1996) to be delivered to the WV Water Development project was made. John Vinci moved that we place for reading the Supplemental Resolution and the motion was seconded by Sunday DeCapio and all voted yes. The Resolution was read and the motion was made by Sunday DeCapio to accept the resolution and was seconded by Jim Handley and all voted yes.

Mayor Cashdollar stated that as of November 1, 1996 no yard waste such as leaves or twigs are to go into land fills in the State of West Virginia. This will not affect the city in picking up leaves as they have a place to dispose of them.

The Mayor also stated that Senator Blatnik had written several letters regarding the First Street Bridge project to get it moving again. He stated that reports of sub-contractors must be submitted to the State and that nothing further has been reported on the Riverbank project or Middle Run.

It was stated that the sign at the overlook needs to be replaced. The Street Department will take care of this.

The meeting was adjourned at 8:15 PM.

Respectfully submitted,


City Clerk

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Certificate Of Publication

HANCOCK COUNTY COURIER

Published By HANCOCK COURIER PRINTING CO.

NOTICE OF PUBLIC HEARING ON CITY OF CHESTER AND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of Chester to be held on November 4, 1996, at 7:00 p.m. in the Council chambers at the Chester City Hall, 375 Carolina Avenue, Chester, West Virginia, and at such hearing any person interested may appear before Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF CHESTER AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was adopted by the Council of the City of Chester on October 21, 1996.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City of Chester contemplates the issuance of the Bonds described in said Ordinance. The proceeds of the Bonds will be used to provide permanent financing of a

portion of the costs of acquisition and construction of extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the City of Chester. The Bonds are payable solely from revenues to be derived from the ownership and operation of the combined waterworks and sewerage system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of the City Clerk of Chester for review by interested parties during regular office hours.

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

Dated: October 2, 1996

(s) Shirley Barnhart City Clerk

Published: October 24, 31, 1996 Hancock County Courier

STATE OF WEST VIRGINIA, COUNTY OF HANCOCK

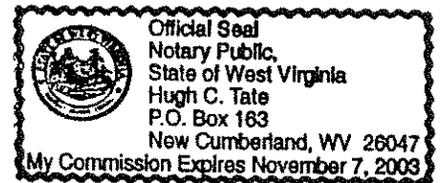
Joyce Train publisher of the HANCOCK COUNTY COURIER, a newspaper published in the CITY OF NEW CUMBERLAND, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:

October 24, 31, 1996 commencing on the 24th day of Oct. 19 96 Given under my hand this 31st day of Oct. 19 96

Sworn to and subscribed before me this 31st day of October 19 96

Hugh C. Tate Notary Public

of, in and for HANCOCK COUNTY, WEST VIRGINIA.



Case: _____
Filed: _____
Fee: _____

PROOF OF PUBLICATION

Newspaper Clipping

THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was adopted by the Council of the City of Chester on October 21, 1996.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds described in said Ordinance. The proceeds of the Bonds will be used to provide permanent financing of a portion of the costs of acquisition and construction of extensions, additional betterments and improvements to the sewerage system of the City of Chester. The Bonds are payable solely from revenues to be derived from the ownership and operation of the combined waterworks and sewerage system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of the City Clerk of the City of Chester for review by interested parties during regular office hours.

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

Dated: October 2, 1996.

S/S Shirley Bamhart
City Clerk

The Review, October 24 & 31, 1996.

The State of Ohio,
Columbiana County,

Jennifer Barborak being duly sworn, says that she is a bookkeeper of The Evening Review, a newspaper, printed, published and of general circulation in the said County of Columbiana; that the notice, of which the attached is a copy, was for a period of 2 days, published in said newspaper, commencing on the 24 day of October 1996, with the last date of publication being October 31 1996.

Jennifer Barborak

Subscribed by the said Jennifer Barborak and by sworn to before me this 12th November 1996.

Marlene Lemley

Notary Public

MARLENE LEMLEY, Notary Public

STATE OF OHIO

My Commission Expires June 26, 1997

Printers Fee: \$142.80

NOTICE OF PUBLIC HEARING ON THE CITY OF CHESTER BOND ORDINANCE public hearing will be held on following-entitled Ordinance at regular meeting of the Council of City of Chester to be held on October 4, 1996, at 7:00 p.m. in council chambers at the Ches-ter Hall, 375 Carolina Avenue, West Virginia, and at hearing any person interested appear before the Council and protest, and all protests objections shall be heard by Council and it shall then take action as it shall deem in the premises upon an Or-dinanced. DANCE AUTHORIZING ACQUISITION AND CON-STRUCTION OF EXTENSIONS, AND BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF CHESTER AND THE FINANCING OF THE SAME BY THE ISSUANCE OF BONDS NOT MORE THAN \$5,000,000 IN AGGREGATE NOMINAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE SERIES 1996 A (WEST VIRGINIA BRIF PROGRAM); PRO-VIDING FOR THE RIGHTS AND INTERESTS OF AND SECURITY OF THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, AUTHORIZING AND CONFIRMING A GREEN PLAN RELATING TO SUCH BONDS; AUTHORIZING

WV MUNICIPAL BOND COMMISSION

812 Quarrier Street
Suite 300
Charleston, WV 25301
(304)558-3971

NEW ISSUE REPORT FORM

Date of Report: December 17, 1996

(See Reverse for Instructions)

City of Chester Combined Waterworks and Sewerage
ISSUE: System Revenue Bonds, Series 1996 A (WV SRF Program)

ADDRESS: 375 Carolina Avenue, Chester, WV 26034

COUNTY: Hancock

PURPOSE: New Money X

OF ISSUE: Refunding Refunds issue(s) dated: _____

ISSUE DATE: December 17, 1996

CLOSING DATE: December 17, 1996

ISSUE AMOUNT: \$ 1,301,239

RATE: 0%

Administrative Fee: 1%

1st DEBT SERVICE DUE: 6/1/98

1st PRINCIPAL DUE: 6/1/98, \$16,265.49

1st DEBT SERVICE AMOUNT: \$16,265.49

PAYING AGENT: Municipal Bond Commission

ISSUERS

BOND COUNSEL: Steptoe & Johnson

Contact Person: Vincent A. Collins, Esq.

Phone: 624-8161

UNDERWRITERS

BOND COUNSEL: Jackson & Kelly

Contact Person: Samme L. Gee, Esq.

Phone: 340-1318

CLOSING BANK: First National Bank of Chester

Contact Person: Robert Gessford

Phone: 387-3500

ESCROW TRUSTEE:

Contact Person: _____

Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact Person: Roy Cashdollar

Position: Mayor

Phone: 387-2820

OTHER:

Contact Person: _____

Function: _____

Phone: _____

DEPOSITS TO MBC AT CLOSE:

By Wire
 X Check

Accrued Interest: \$ _____

Capitalized Interest: \$ _____

X Reserve Account: \$ 65,062

Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By Wire
 Check
 IGT

To Escrow Trustee: \$ _____

To Issuer: \$ _____

To Cons. Invest. Fund: \$ _____

To Other: \$ _____

NOTES:

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS

REQUIRED: _____

TRANSFERS

REQUIRED: _____

CITY OF CHESTER

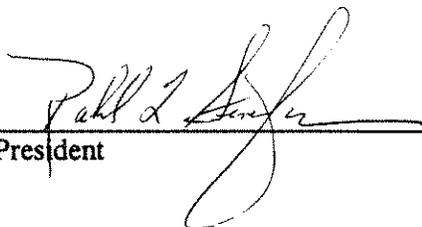
Combined Waterworks and Sewerage System Revenue Bonds,
Series 1996 A
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS DEPOSITORY BANK

First National Bank of Chester, a national banking association in Chester, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Chester (the "Issuer") enacted by the Council of the Issuer on November 4, 1996, and a Supplemental Resolution of the Issuer adopted by the Council of the Issuer on November 4, 1996 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program), dated December 17, 1996, in the principal amount of \$1,301,239 (the "Bonds"), and agrees to perform all duties of Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 17th day of December, 1996.

FIRST NATIONAL BANK OF CHESTER



President

11/18/96
COCJM.P3
146410/94001

CITY OF CHESTER

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1996 A
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Chester Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program), dated December 17, 1996, in the principal amount of \$1,301,239 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 17th day of December, 1996.

ONE VALLEY BANK, NATIONAL
ASSOCIATION



Assistant Vice President

10/30/96
COCJM.Q2
146410/94001

CITY OF CHESTER

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1996 A
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned bond issue of the City of Chester (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered City of Chester Combined Waterworks and Sewerage System Revenue Bond, Series 1996 A (West Virginia SRF Program), of the Issuer, dated December 17, 1996, in the principal amount of \$1,301,239, numbered AR-1, was registered as to principal in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature on this 17th day of December, 1996.

ONE VALLEY BANK, NATIONAL
ASSOCIATION


Assistant Vice President

10/30/96
COCJM.R2
146410/94001

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 17th day of December, 1996, by and between the CITY OF CHESTER, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$1,301,239 principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted November 4, 1996, and a Supplemental Resolution of the Issuer duly adopted November 4, 1996 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all 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 exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: City of Chester
375 Carolina Avenue
Chester, West Virginia 26034
Attention: Mayor

REGISTRAR: One Valley Bank, National Association
Post Office Box 1793
One Valley Square
Charleston, West Virginia 25326
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

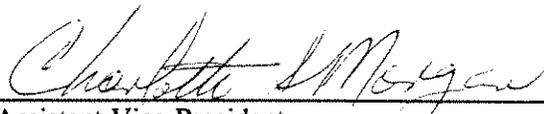
IN WITNESS WHEREOF, the CITY OF CHESTER and ONE VALLEY BANK, NATIONAL ASSOCIATION, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first written above.

CITY OF CHESTER



Mayor

ONE VALLEY BANK, NATIONAL ASSOCIATION



Assistant Vice President

10/31/96
COCJM.S2
146410/94001

EXHIBIT A

Included in transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

ORDINANCE NO. _____

CITY OF CHESTER

Combined Waterworks and Sewerage
System Revenue Bond,
Series 1976

BOND ORDINANCE

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ORDINANCE NO. _____

CITY OF CHESTER

ORDINANCE AUTHORIZING THE ISSUANCE OF \$1,879,000 COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND, SERIES 1976, OF THE CITY OF CHESTER TO FINANCE IMPROVEMENTS FOR ITS EXISTING WATERWORKS; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING FOR RATES FOR THE SERVICES OF THE WATERWORKS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

BE IT ORDAINED AND ENACTED BY THE COMMON COUNCIL OF THE CITY OF CHESTER:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

Section 1.01. Authority for This Ordinance. This Ordinance is enacted pursuant to the provisions of Article 20, Chapter 8 of the West Virginia Code and other applicable provisions of law.

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

(A) The City of Chester (the "City"), in the County of Hancock, State of West Virginia, is now served by a combined waterworks and sewerage system (the "System") owned and operated by the City, duly heretofore established by the City. The inhabitants of the City and surrounding area served by the System urgently require that the System be improved as herein provided in order that adequate provision may be made for reliably and economically supplying sufficient quantities of potable water to users in the service area of the System.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the said inhabitants, and, accordingly, it is hereby ordered that the City cause to be constructed and acquired additions and improvements for the existing waterworks of the City consisting of renewals and replacements of the distribution lines, metering of all customers, a new pumping station, water storage tanks and a new water treatment plant with all necessary appurtenant facilities (such additions and improvements being collectively called the "Project"), particular described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Recorder.

(C) It is necessary for the City to issue its revenue bond in the principal amount of \$1,879,000 to finance the costs of acquisition and construction of the Project in the manner hereinafter provided.

(D) The estimated maximum cost of the acquisition and construction of the Project is \$1,879,000, all of which will be obtained from the proceeds of sale of the Bond herein authorized.

(E) The costs of such acquisition and construction of the Project shall be deemed to include, without being limited to, the construction and acquisition of the additions and improvements referred to above; the acquisition of any necessary additional property, real or personal, or interest therein; interest on the 1976 Bond during and for six months after the estimated completion of such construction to the extent that revenues of the System (hereinafter defined) are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby.

(F) The period of usefulness of the System after completion of the Project is not less than forty years.

(G) There is outstanding a water and sewer revenue bond issue of the City, designated "Water and Sewer Revenue Bonds Series 1964," dated August 1, 1964 (the "Series 1964 Bonds"), in the original principal amount of \$357,000, which will rank on a parity with the 1976 Bond as to liens and source of and security for payment and in all other respects.

(H) The Series 1964 Bonds were authorized and issued pursuant to an ordinance of the City enacted September 1, 1964, (the "1964 Ordinance"). The 1964 Ordinance provides in Subsection 2 of Section 9 thereof that prior to the issuance of additional bonds as a parity with the Series 1964 Bonds:

(a) There shall have been procured and filed with the City Clerk a statement by an independent certified public accountant not in the regular employ of the City reciting the opinion, based upon necessary investigation, that the net income and revenues of the combined waterworks and sewerage system of the City for twelve consecutive months out of the eighteen months preceding the issuance of such additional parity bonds were equal to at least 1.35 times the maximum amount that will become due in any succeeding calendar year for both principal and interest on the bonds then outstanding and the bonds then proposed to be issued.

"Net income and revenues" as used above shall mean the gross income and revenues of the System less operating expenses, which shall include salaries, wages, cost of maintenance and operation, materials and supplies, pumping costs and insurance, as well as all other items that are normally and regularly so included under recognized accounting practices, exclusive of allowances for depreciation.

Such "net income and revenues" may be adjusted for the purposes of the computations referred to above to reflect any revision in the schedule of rates or charges being imposed at the time of the issuance of any such additional parity bonds and also to reflect any increase in such net income and revenues by reason of the extensions and improvements to the System, the cost of which is to be paid through the issuance of such additional parity bonds.

The adjustment referred to above as to increase in such net income and revenues shall only be made of contracts for the immediate construction or acquisition of such extensions and improvements have been or will be entered into prior to the issuance of such additional parity bonds.

All such adjustments referred to above shall be based upon written certification of an independent consulting engineer or firm of consulting engineers of national reputation in the field of waterworks and sanitary engineering and licensed in West Virginia.

The interest payment dates for all such additional parity bonds shall be semiannually on April 1 and October 1 of each year, and the principal maturities thereof shall be on April 1 of the year in which any such principal is scheduled to become due.

All the foregoing provisions will be met prior to issuance of the 1976 Bond. Accordingly, the 1976 Bond will be on a parity as to liens, pledges and source of and security for payment, and in all other respects, with the Series 1964 Bonds outstanding.

The City is in full compliance with all provisions, requirements and covenants contained in the 1964 Ordinance and will be in such compliance on the date of issuance of the 1976 Bond.

The Waterworks Revenue Bonds of the City dated October 1, 1946, referred to in the 1964 Ordinance have been paid in full and none of such bonds remains outstanding.

Section 1.03. Ordinances to Constitute Contract. In consideration of the acceptance of the Bond authorized to be issued hereunder by the Holder from time to time, this Ordinance and the 1964 Ordinance, hereinafter defined, shall be deemed to be and shall constitute together a contract between the City and such Bondholder, and the covenants and agreements herein and in the 1964 Ordinance set forth to be performed by the City shall be for the equal benefit, protection and security of the legal holders of the Bonds.

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

"Act" means Article 20, Chapter 8 of the West Virginia Code

"Bond" means the \$1,679,000 Combined Waterworks and Sewerage System Revenue Bond, Series 1976, originally authorized to be issued pursuant to this Ordinance; and also includes any additional bonds hereafter issued on a parity with the 1976 Bond within the terms, restrictions and conditions contained in this Ordinance.

"Bonds" means the 1976 Bond and the Series 1964 Bond and any additional parity bonds.

"1976 Bond" means the Bond hereby authorized to be issued initially.

"City" means the City of Chester, in Hancock County, West Virginia, and where appropriate, also means the Common Council thereof and the Water-Sewerage Board of the City created to control and manage the System by Ordinance enacted concurrently with the 1964 Ordinance and hereby recognized as continuing and to continue so long as any Series 1964 Bonds are outstanding.

"City Clerk" means the Clerk of the City.

"Consulting Engineer" means Cerrone and Vaughn, Consulting Engineers, Wheeling, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the the City as Consulting Engineer for the System.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Government" means United States of America, acting by and through the United States Department of Agriculture, Farmers Home Administration.

"Herein" means in this Ordinance.

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

"Mayor" means the Mayor of the City.

"Net Revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of operating expenses as defined below.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the City relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices, but such term shall not include depreciation charged to the System or debt service on the Bonds.

"1964 Ordinance" means the ordinance of the City providing for issuance of the Series 1964 Bond, enacted September 1, 1964.

"Original Purchaser" means the purchaser, directly from the City, of any series of Bonds issued pursuant hereto, or any part any such series.

"Project" shall have the meaning stated above in Section 1.02(B).

"Reserve Requirement" means twice the maximum annual aggregate amount of interest and principal which will fall due on the Bonds outstanding.

"Revenues" or "gross revenues" means all rates, rents, fees, charges or other income received by the City, or accrued to the City, or to The Water-Sewerage Board of the City, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Series 1964 Bonds" means the Water and Sewer Revenue Bonds, Series 1964, dated August 1, 1964, described in Section 1.02(C) above.

"System" means the existing combined waterworks and sewerage system of the City as expanded by the Project, and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the combined waterworks and sewerage system; and shall also include any and all additions, extensions, improvements, properties, or other facilities at any time acquired or constructed for the combined waterworks and sewerage system after completion of the Project.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUANCE OF 1976 BOND

Section 2.01. Authorization of 1976 Bond. Subject and pursuant to the provisions hereof, a Bond of the City to be known as "Combined Waterworks and Sewerage System Revenue Bond, Series 1976" is hereby authorized to be issued in the aggregate principal amount of not exceeding One Million Eight Hundred Seventy-Nine Thousand Dollars (\$1,879,000) for the purpose of financing the costs of the construction and acquisition of the Project.

Section 2.02. Description of 1976 Bond. The 1976 Bond shall be issued in negotiable form, without coupons, and shall be dated on the date of delivery thereof. The 1976 Bond shall bear interest from date at the rate of five per centum (5%) per annum, payable semiannually each April 1 and October 1.

The minimum price for the 1976 Bond shall be the par value thereof.

Prepayments of principal of the 1976 Bond may be made at any time without penalty in inverse order of annual principal maturities.

The principal amount of the 1976 Bond shall be payable in years and amounts stated below at the National Finance Office of the Government through the State Sinking Fund Commission of West Virginia, on April 1 of each year:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1980	\$ 18,000	1993	\$ 33,000	2006	\$ 62,000
1981	18,000	1994	35,000	2007	65,000
1982	19,000	1995	36,000	2008	68,000
1983	20,000	1996	38,000	2009	72,000
1984	22,000	1997	40,000	2010	75,000
1985	22,000	1998	42,000	2011	79,000
1986	23,000	1999	44,000	2012	83,000
1987	25,000	2000	46,000	2013	87,000
1988	26,000	2001	49,000	2014	92,000
1989	27,000	2002	51,000	2015	96,000
1990	28,000	2003	54,000	2016	101,000
1991	30,000	2004	56,000	2017	106,000
1992	32,000	2005	59,000		

Section 2.03. Execution of 1976 Bond. The 1976 Bond shall be executed in the name of the City by the Mayor and the corporate seal of the City shall be affixed thereto and attested by the City Clerk. The 1976 Bond may be signed and sealed on behalf of the City by such person as at the actual time of the execution thereof shall hold the proper office in the City, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 2.04. Negotiability. The 1976 Bond shall be and have all the qualities and incidents of a negotiable instrument under the laws of the State of West Virginia.

Section 2.05. Bond Mutilated, Destroyed, Stolen or Lost. In case the 1976 Bond shall become mutilated or destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Bond of like tenor as the 1976 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the City proof of his ownership thereof and complying with such other reasonable regulations and conditions as the City may require. If any such 1976 Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 2.06. 1976 Bond Secured by Pledge of Revenues. The payment of the debt service of the 1976 Bond shall be secured forthwith by a lien on the revenues derived from the System. The

revenues derived from the System in an amount sufficient to pay the principal of land interest on the 1976 Bond and the Series 1964 Bond, and to make the payments as hereinafter and in the 1964 Ordinance provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due as herein provided.

Section 2.07. Form of 1976 Bond. Subject to the provision hereof, the text of the 1976 Bond shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted by this Ordinance or any subsequent ordinance or resolution enacted or adopted prior to the issuance thereof:

(Form of Bond)

COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BOND
SERIES 1976

CITY OF CHESTER

\$1,879,000

Date: _____

FOR VALUE RECEIVED, the CITY OF CHESTER (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (herein called the "Government") at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, through The State Sinking Fund Commission of West Virginia, Charleston, West Virginia, the principal sum of One Million Eight Hundred Seventy-Nine Thousand Dollars (\$1,879,000), plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum, payable semiannually each April 1 and October 1. The principal amount hereof shall be paid in annual installments on April 1 in years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1980	\$ 18,000	1993	\$ 33,000	2006	\$ 62,000
1981	18,000	1994	35,000	2007	65,000
1982	19,000	1995	36,000	2008	68,000
1983	20,000	1996	38,000	2009	72,000
1984	22,000	1997	40,000	2010	75,000
1985	22,000	1998	42,000	2011	79,000
1986	23,000	1999	44,000	2012	83,000
1987	25,000	2000	46,000	2013	87,000
1988	26,000	2001	49,000	2014	92,000
1989	27,000	2002	51,000	2015	96,000
1990	28,000	2003	54,000	2016	101,000
1991	30,000	2004	56,000	2017	106,000
1992	32,000	2005	59,000		

The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

Each payment received hereon shall be applied first to the interest then due hereon and next to the principal hereof

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

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government, as collection agent for the holder, through The State Sinking Fund Commission of West Virginia.

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions for the combined waterworks and sewerage system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System prior to any payment from such revenues of the reasonable current costs of operation and maintenance of the System. This Bond does not in any

manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation. A statutory mortgage lien exists in favor of the holder of this Bond.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including among others, Article 20 of Chapter 8 of the West Virginia Code (herein called the "Act"), and with an Ordinance of the City duly enacted.

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

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

This Bond is on a parity as to liens, pledges and source of and security for payment, and in all other respects, with the Series 1964 Bonds of the City defined in the aforesaid Ordinance.

[CORPORATE SEAL]

CITY OF CHESTER
(Name of Borrower)

(Signature of Executive Official)

ATTEST:

Mayor
(Title of Executive Official)

(Signature of Attesting Official)

City Clerk
(Title of Attesting Official)

Municipal Building
(Post Office Box No. or Street Address)

Chester, West Virginia 26034
(City, State and Zip Code)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$		(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	

TOTAL \$ _____

Pay to the Order of _____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

(Title)

ARTICLE III
1976 BOND PROCEEDS; REVENUES AND
APPLICATION THEREOF

Section 3.01. 1976 Bond Proceeds; Project Construction Account. All moneys received from the sale of the 1976 Bond and all moneys received under any construction loan shall be deposited on receipt by the City in Hancock County Fed. Savings & Loan Assoc., Chester West Virginia, a member of Federal Savings & Loan Insurance Corporation (FSLIC), in a special account hereby now established and designated as "City of Chester 1976 Waterworks Construction Account" (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FSLIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the City solely for the purposes provided herein.

Until completion of construction of the Project, the City will pay from the Project Construction Account such sums as shall be from time to time required to pay the interest becoming due on the 1976 Bond.

If the City shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the City may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by the United States of America, which shall mature not later than eighteen months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

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

Section 3.02. Covenants as to Revenues and Funds.

A. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund established by the 1964 Ordinance and hereby continued, a sum sufficient to pay the entire principal of the Bonds remaining unpaid together with interest accrued thereon, the City further covenants with the holders of the Bonds that it will make the payments and deposits and transfers of funds in accordance with the provisions of the 1964 Ordinance and this Ordinance for the 1976 Bond and the Series 1964 Bonds as hereinafter stated. The gross revenues of the System shall be deposited in the "Water and Sewer Revenue Fund" (the "Revenue Fund") established by the 1964 Ordinance, now on deposit with said Bank and hereby continued. Moneys in the Revenue Fund shall be used only as hereinafter provided and in the order and priority set forth below.

B. The City shall first, each month, from the Revenue Fund, pay and remit to The State Sinking Fund Commission of West Virginia (the "Sinking Fund Commission") for deposit into the "Water and Sewer Revenue Bond, Series 1964," and Interest Sinking Fund (the "Sinking Fund") established by the 1964 Ordinance and hereby continued, the sum of \$1,549, the monthly amount (changed from quarterly amount of \$4,646) required by the 1964 Ordinance on account of the Series 1964 Bonds, and interest only on the 1976

Bond for the first 24 months after the issuance of the 1976 Bond and thereafter, the sum of \$11,072 until there has been accumulated in the Sinking Fund, together with moneys heretofore accumulated therein on account of the Series 1964 Bonds, a sum, in addition to the amounts required for then current payments of principal of and interest on the Bonds, equal to the Reserve Requirement. After the Reserve Requirement has been accumulated in The Sinking Fund, and so long as it is maintained therein, monthly payments into The Sinking Fund on account of the 1976 Bond may be reduced to not less than \$9,226. In the event that the Reserve Requirement is at any time not maintained in the Sinking Fund, the City shall resume monthly payments of \$11,072 on account of the 1976 Bond and shall make monthly payments of \$1,859 on account of the Series 1964 Bonds, until the Reserve Requirement has again been accumulated in the Sinking Fund.

Moneys in the Sinking Fund shall be used solely and only and are hereby pledged exclusively for the purpose of paying the interest on and the principal of the Bonds.

C. The City shall next, each month, transfer and deposit from the Revenue Fund into the "Depreciation Fund;"

established by the 1964 Ordinance and now on deposit with said Bank, and hereby continued, 10% of the gross revenues collected in each month, less the above provided payments into the Sinking Fund for such month, until the amount in the Depreciation Fund is in the sum of not less than \$280,000, and thereafter, when such sum falls below \$280,000, such payments into the Depreciation Fund shall be resumed.

D. The City shall next, each month, transfer and deposit from the Revenue Fund into the "Operation and Maintenance Fund," established by the 1964 Ordinance and now on deposit with said Bank, and hereby continued, one-third of the amount determined to be necessary and sufficient to pay the reasonable and current expenses of operating and maintaining the System for the then current quarter; provided, that further deposits into the Operation and Maintenance Fund may be made in like manner, but only if and to the extent it may be found to be necessary to pay expenses actually accrued and payable.

E. When all the transfers and payments above provided have been made, any balance remaining in the Revenue Fund in excess of estimated amounts to be transferred and paid into the Sinking Fund, the Depreciation Fund and the Operation and Maintenance Fund during the succeeding six months shall be deemed and considered surplus revenues, and all or any part of such surplus revenues may be paid into the Sinking Fund or may be used for extensions and improvements to the System, but shall not be available for any other purpose.

Surplus revenues deposited in the Sinking Fund, so long as the Reserve Requirement is maintained in the Sinking Fund, may be used by the City to prepay principal installments of the 1976 Bond as herein provided or, with the written consent of the Government obtained in advance, to purchase any available Series 1964 Bonds at a discount.

All moneys in the Revenue Fund, the Depreciation Fund and the Operation and Maintenance Fund shall constitute trust funds in favor of the bondholders and until used as herein provided the bondholders shall have a lien thereon for further securing payment of the Bonds and the interest thereon but the aforesaid Bank shall not be a trustee as to such funds. The moneys in excess of the sum insured by FSLIC in such funds shall at all times be secured to the full extent thereof in excess of such insured sum in a manner lawful for securing deposits of state and municipal funds under the laws of the State of West Virginia.

If on any payment date the revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on such subsequent payment dates.

The City shall direct the said Bank to keep moneys in the Depreciation Fund invested and reinvested to the fullest extent practicable in direct obligations of or obligations the payment of the principal of and interest on which are guaranteed by the United States of America and having maturities not exceeding two years. Earnings upon moneys in the Depreciation Fund shall be credited to that Fund.

ARTICLE IV
GENERAL COVENANTS

Section 4.01. General Statement. So long as the Bonds shall be outstanding and unpaid, the covenants and agreements contained herein and in the 1964 Ordinance as hereby amended shall be and constitute valid and legally binding covenants between the City and the Bondholders.

Section 4.02. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of without the prior written consent of the Government. Such consent will specify the use of the proceeds of any such disposition.

Section 4.03. Covenant Against Encumbrances. The City will not issue any obligations whatsoever payable from the revenues of the System without the prior written consent of the Government.

Section 4.04. Issuance of Additional Parity Bonds. No additional parity Bonds payable out of the revenues of the System shall be issued after the issuance of the 1976 Bond pursuant hereto, except upon prior written consent of the Government.

Section 4.05. Insurance and Bonds. The City hereby covenants and agrees that, so long as the Series 1976 Bond remains outstanding, it will, as an expense of operation and maintenance of the System, procure, carry and maintain insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, on all above-ground structures of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the City will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The City will itself, or will require that each contractor

dealing directly with the City ("prime contractor"), obtain and maintain builder's risk insurance to protect the interests of the City during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than \$500,000 for persons injured or killed in one accident to protect the City from claims for bodily injury and/or death, and not less than \$200,000 from claims for damage to property of others which may arise from the City's operation of the System, such insurance to be procured at the commencement of construction of the Project.

(c) Vehicular Public Liability Insurance, in the event the City owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the City is operated for the benefit of the City, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the City from claims for bodily injury and/or death, and not less than \$200,000 from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle.

(d) Workmen's Compensation Coverage for all Employees of the City Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(E) Fidelity Bonds will be provided as to every member of the Council and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the City in an amount at least equal to the total funds in the custody of any such person at any one time, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned.

(f) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 1976 Bond is outstanding, the City will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the City, and during such construction will require each prime contractor to carry insurance, of such types and in such amounts as the Government may specify, with insurance carriers or bonding companies acceptable to the Government.

Section 4.06. Provisions of Certain Sections of 1964 Ordinance Apply. Sections 6, 7, 8, 9, 10, 11, 12, 13 and 14 of the 1964 Ordinance, except as herein modified, amended or supplemented, shall continue to apply so long as any Bonds are outstanding.

Section 4.07. Initial Connections. The Bond will not be issued until there are not less than 1322 bona fide customers connected with the waterworks of the System.

Section 4.08. Arbitrage Covenant. The proceeds of the 1976 Bond will not be invested in such a way as to violate the operating rules in the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended.

Section 4.09. Statutory Mortgage Lien. A statutory mortgage lien upon the System is granted and created by the Act in favor of the Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges;

Rules. A. The initial schedule of rates and charges for the services and facilities of the System shall be as follows:

SCHEDULE NO. 1

AVAILABILITY OF SERVICE

Available for all domestic and commercial use.

RATE

First	10,000 gallons used per month	\$2.10	per 1,000 gallons
Next	40,000 gallons used per month	1.90	per 1,000 gallons
Next	75,000 gallons used per month	1.60	per 1,000 gallons
Next	375,000 gallons used per month	.95	per 1,000 gallons
All Over	500,000 gallons used per month	.58	per 1,000 gallons

MINIMUM CHARGE

The above schedule is subject to a minimum charge of six and 30/100 dollars (\$6.30) per month.

PROMPT PAYMENT DISCOUNT

The above schedule, including minimum charge, is subject to a ten percent (10%) penalty if account is not paid in full within twenty (20) days of date of bill.

FAILURE TO PAY

If any bill is not paid within thirty (30) days after date, water service to the Customer will be discontinued. Water Service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

MULTIPLE OCCUPANCY

On apartment buildings, or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum monthly charge herein established for a five-eighths inch meter. Motels and hotels shall pay according to the size of meter installed.

TRAILER COURTS

House trailer courts shall be provided with a master meter. No bill shall be rendered for less than six dollars (\$6.00) multiplied by the number of units situated on the court site at the time the meter is read or the actual charge for the size meter installed, whichever is greater. House trailer (as used hereinabove) shall include both mobile and immobile units.

House trailers, either mobile or immobile, located on sites other than a park or court, shall be billed in the same manner as any other family or business unit.

SCHEDULE NO. 2

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for industrial service.

RATE

First	10,000 gallons used per month	\$2.10	per 1,000 galls
Next	40,000 gallons used per month	1.90	per 1,000 galls
Next	75,000 gallons used per month	1.60	per 1,000 galls
Next	375,000 gallons used per month	.95	per 1,000 galls
All Over	500,000 gallons used per month	.53	per 1,000 galls

MINIMUM CHARGE

No bill will be rendered for less than the following amounts, according to the size of the meter installed, to-wit:

5/8 inch meter	\$ 6.30	per month
1 inch meter	16.10	per month
1-1/2 inch meter	36.30	per month
2 inch meter	64.50	per month
3 inch meter	145.15	per month
4 inch meter	258.05	per month
6 inch meter	580.60	per month

PROMPT PAYMENT DISCOUNT

The above schedule including minimum charge, is subject to a ten percent (10%) penalty if account is not paid in full within twenty (20) days of date of bill.

FAILURE TO PAY

If any bill is not paid within thirty (30) days after date, water service to the Customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

SCHEDULE NO. 3

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for public fire protection.

RATE

Seventy Dollars (\$70.00) per hydrant per annum.

PROMPT PAYMENT DISCOUNT OR DELAYED PAYMENT PENALTY

None.

SCHEDULE NO. 4

Applicable in entire territory.

AVAILABILITY OF SERVICE

Available for private fire protection.

RATE

Each Hydrant	\$100.00 per year
Sprinkler Service and inside hose connections	
1 1/2 inch connection	114.00 per year
2 inch connection	192.00 per year
4 inch connection	286.00 per year
6 inch connection	500.00 per year
8 inch connection	800.00 per year

PROMPT PAYMENT DISCOUNT OR DELAYED PAYMENT PENALTY

None

SCHEDULE NO. 5

CONNECTION CHARGE

Prior to Award of Construction Contract - \$50.00

Subsequent to Award of Construction Contract - There shall be a charge for connection to the system of one hundred dollars (\$100.00), or actual cost of installation, including materials and labor, whichever is greater. A deposit of \$250.00 will be required before the connection is made.

RECONNECTION CHARGE

\$5.00

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

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

D. No allowance or adjustment in any bill for use of the services and facilities of the System shall be made for any leakage occurring on the customer's side of any water meter.

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

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

G. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the City shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide net revenues to meet its obligations hereunder, but not less than 135% of the average annual debt service on the Bonds so long as the Series 1964 Bonds are outstanding, and thereafter not less than 110%.

H. The City will not accept payment of a water or a sewer bill separately, when the customer concerned owes for both water and sewer services. For non-payment of charges for water or sewer services, or both, the City, after notice of discontinuance in accordance with the applicable Public Service Commission rules and regulations, will shut off water service and lock the meter, and will restore service only upon payment of all water and sewer charges and accrued penalties.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Modification or Amendment. No material modification or amendment of this Ordinance, or of any ordinance amendatory hereof or supplemental hereto, may be made without the consent in writing of the Government.

Section 6.02. Award of 1976 Bond. The 1976 Bond is hereby awarded to the Government.

Section 6.03. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions of this Ordinance should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of all the other provisions hereof or the Bonds or coupons appertaining thereto.

Section 6.04. Conflicting Provisions Repealed. All ordinances, resolutions and orders, or parts thereof, in conflict

with the provisions hereof are, to the extent of such conflicts, hereby repealed, including provisions of the 1964 Ordinance but not the Series 1964 Bond. It is hereby determined that the changes in the procedures prescribed in the the 1964 Ordinance contemplated hereby are advantageous to the holders of the Series 1964 Bonds and in no way detrimental to the interests or security of such holders. The provisions of this section shall not apply to the form FmHA 442-47 Loan Resolution (Public Bodies) adopted by the City.

Section 6.05. 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 6.06. Effective Time. This Ordinance shall take effect following public hearing hereon in accordance with the Act.

Section 6.07. Statutory Notice and Public Hearing. Upon enactment hereof, an abstract of this Ordinance determined by the Council to contain sufficient information of the contents of this Ordinance, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with a least six full days intervening between each publication, in The Panhandle Press, a newspaper published and of general circulation in the City, together with a notice stating that this Ordinance has been enacted and that a certified copy of this Ordinance is on file with the Council in the office of the City Clerk for review by interested persons during office hours of the City Clerk, and that the City contemplates the issuance of the 1976 Bond, and that any person interested may appear before the Council upon a date

certain, not less than ten days subsequent to the date of the second publication of the said Ordinance and notice, and present protests. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Passed on First Reading November 15, 1977

Passed on Second and
Final Reading December 13, 1977

Effective following public hearing held on the date of Second and Final Reading stated above.

Frank DeCaprio
Mayor

John Fred Morris
City Clerk

1

2



10/30/96 76
FRANCESCA FAN FAX 1-804-624-8183

GE Capital

October 30, 1996

Mr. Roy Cashdollar, Mayor
City of Chester
375 Carolina Avenue
Chester, West Virginia 26034

General Electric Capital Corporation
2000 West Loop South, Suite 1200
Houston, TX 77027
PO Box 420250, Houston, TX 77242-0250
713 964 4197

SUBJECT: CASE NO. #5931
APPROVAL OF YOUR REQUEST TO BORROW AN ADDITIONAL \$1,301,239.00
ON A JUNIOR LIEN BASIS FROM THE WEST VIRGINIA DIVISION OF
ENVIRONMENTAL PROTECTION

Dear Mr. Cashdollar:

Your request for prior written consent pursuant to your loan documents to borrow an additional \$1,301,239.00 ("the new loan") from THE WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION has been approved; subject to compliance with the terms of this letter. The instruments evidencing and securing the new loan must expressly provide that (a) the debt and lien evidenced thereby are junior and subordinate in all respects to the lien(s) securing the debt outstanding to the Community Program Loan Trust 1987A ("the Trust"), and (b) in the event of a default under such new loan and prior to the holder thereof taking any action to foreclose any security interest or lien securing the new loan, such holder will provide written notification to the Trust c/o GE Capital Corporation at 2000 West Loop South, Suite 1300, Houston, Texas 77027, or any other address that GE Capital Corporation provides, said notice containing a description of the event of default and of the actions intended to be taken as a result of such default. You must also provide us a copy of the executed closing documents within thirty (30) days after loan closing.

Any variance from the above specified conditions will negate this consent unless same are approved by us in advance in writing. Should you have any questions regarding this letter please contact me at 1-800-456-1443, ext. 4365.

Sincerely,

Karen Stafford
Relationship Manager

cc Mr. Jim Byrnes, Vice President
State Street Bank & Trust Company
Corporate Trust Department
P.O. Box 778
Boston, MA 02102

adappvl

CITY OF CHESTER
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 1988 A AND SERIES 1988 B
and
SEWERAGE SYSTEM
INTERIM CONSTRUCTION FINANCING

BOND AND NOTES ORDINANCE

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07/05/88
CHECO2-B

CITY OF CHESTER

ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE CITY OF CHESTER AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 A, NOT MORE THAN \$800,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B, AND NOT MORE THAN \$2,000,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

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 adopted pursuant to the provisions of Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

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

B. The Issuer now owns and operates a combined waterworks and sewerage treatment, collection and transportation system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additions, betterments and improvements for such existing combined waterworks and sewerage facilities of the Issuer consisting of additional sewerage facilities (the "Project") which constitute properties for the treatment and collection of liquid or solid wastes, sewage or industrial wastes (the existing combined system, the Project and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of \$4,217,299, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and the Prior Bonds and all Sinking Fund, Reserve Account and other payments provided for herein and in the Prior Ordinance, all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds in the total aggregate principal amount of not more than \$2,600,000 in two series, being the Series 1988 A Bonds in the aggregate principal amount of not more than \$1,800,000, and the Series 1988 B Bonds in the aggregate principal amount of not more than \$800,000 (collectively, the "Bonds"), and (at the option of the Issuer) contemporaneously therewith, or as soon as practicable thereafter, to issue its combined waterworks and sewerage system grant anticipation notes, and/or a note or notes evidencing a line of credit, or any combination of the foregoing (collectively, the "Notes") in the aggregate principal amount of not more than \$2,000,000 to temporarily finance costs of construction and acquisition of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Notes during the term thereof and upon the Bonds prior to and during construction or acquisition and for not more than 6 months after completion of construction of the Project; amounts which may be deposited in the

Reserve Accounts; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, including, with respect to the Notes, any fees for the providing of a letter of credit, as hereinafter defined, and any costs of obtaining insurance thereon; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or Notes or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Original Bonds (as hereinafter defined) be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement to be entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, as shall be approved by supplemental resolution.

G. There are outstanding certain obligations of the Issuer which will rank prior to the Bonds and the Notes (to the extent the Notes may be payable in whole or in part from the Gross Revenues) as to lien and source of and security for payment, being (i) the Combined Waterworks and Sewerage System Revenue Bonds, Series 1976, dated December 16, 1977, issued in the original aggregate principal amount of \$1,879,000, of which \$1,686,000 remains outstanding as of the date of enactment of this Ordinance (the "1976 Bonds"), and (ii) the Water and Sewer Revenue Bonds, Series 1964, dated August 1, 1964, issued in the original aggregate principal amount of \$357,000, of which \$211,000 remains outstanding as of the date of enactment of this Ordinance (the "1964 Bonds"). The 1964 Bonds and the 1976 Bonds are collectively referred to herein as the "Prior Bonds." The Series 1988 A Bonds shall be junior and subordinate to the Prior Bonds and the Series 1988 B Bonds shall be junior and subordinate to both the Prior Bonds and the Series 1988 A Bonds as set forth herein.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will have expired prior to the issuance of the Bonds or any of the Notes.

I. Pursuant to the Act, the Issuer has heretofore established a "Water-Sewerage Board" and the Water-Sewerage Board has petitioned the Council to issue the Bonds and Notes, as needed for the purposes set forth herein.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and System, and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(C) of the Code and all other entities benefiting thereby reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt obligations during the calendar year in which the Notes or the Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds and the Notes by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders and such Noteholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds and Notes, respectively, 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 and between any one Note and any other Note, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means Chapter 8, Article 20 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer or any acting Mayor duly appointed by the Governing Body.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

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

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

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

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

"Bonds" means the Original Bonds, and any bonds on a parity therewith authorized to be issued hereunder.

"City Clerk" or "Recorder" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Authority.

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

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

"Consulting Engineers" means Vaughn Consultants, Inc., St. Clairsville, Ohio, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the cost of construction and acquisition of the Project.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

"Eligible Costs" means Costs of the Project which are reimbursable in full on a dollar-for-dollar basis from EPA Grant Receipts, the total of which are equal in amount to the EPA Grant.

"EPA" means the United States Environmental Protection Agency and any successor to the functions of the EPA.

"EPA Grant" means the grant from the EPA pursuant to the commitment therefor.

"Excess Investment Earnings" means an amount equal to the sum of:

(A) The excess of

(i) The aggregate amount earned from the Closing Date on all Nonpurpose Investments in which Gross Proceeds of the Series 1988 A Bonds are invested [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings], over

(ii) The amount that would have been earned if the Yield on such Nonpurpose Investments [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings] had been equal to the Yield on the Series 1988 A Bonds, plus

(B) Any income attributable to the excess described in clause (A) of this definition of Excess Investment Earnings.

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

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

"Governing Body" means the council of the Issuer, as may hereafter be constituted, and includes the Water-Sewerage Board.

"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.

"Grant Agreement" means a written commitment for the payment of the EPA Grant or any of the Other Grants, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer; provided that, "EPA Grant Agreement" means only the Grant Agreement relating to the EPA Grant and "Other Grant Agreements" means only those Grant Agreements relating to the Other Grants.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant after the date of issuance of any grant anticipation notes; provided that "EPA Grant Receipts" means only Grant Receipts on account of the EPA Grant, and "Other Grant Receipts" means only Grant Receipts on account of any or all of the Other Grants.

"Grants" means, collectively, the EPA Grant and the Other Grants, as hereinafter defined.

"Gross Proceeds" means the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Series 1988 A Bonds, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series 1988 A Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such

as interest and dividends, resulting from the investment of any original proceeds (as referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series 1988 A Bonds;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior bonds and which are deemed to become proceeds of the Series 1988 A Bonds ratably as original proceeds of the Series 1988 A Bonds, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds (as referenced in clauses (i) through (iii) above) of the Series 1988 A Bonds, which are held in any fund to the extent that the Issuer reasonably expects to use such other fund to pay Debt Service;

(v) Amounts in the Reserve Accounts and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged as security for payment of Debt Service on the Series 1988 A Bonds by the Issuer;

(vii) Amounts, other than as specified in this definition, used to pay Debt Service on the Series 1988 A Bonds; and

(viii) Amounts received as a result of investing amounts described in this definition.

"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, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

"Indenture" or "Trust Indenture" means the Trust Indenture which may be entered into between the Issuer and the Trustee relating to the Notes and all supplements or amendments thereto.

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes.

"Issuer" means the City of Chester, in Hancock County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement, to be entered into between the Authority and the Issuer providing for the purchase of the Original Bonds from the Issuer by the Authority, the forms of which shall be approved, and the execution and delivery by the Issuer authorized and directed by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1988 A Bonds, plus accrued interest and premium, if any, less original

issue discount, if any, and less proceeds deposited in the 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 1988 A 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 Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

"Noteholder," "Holder of the Notes" or any similar term means the person, whenever used herein with respect to an outstanding Note or Notes, in whose name such Note is registered.

"Notes" means collectively, the not more than \$2,000,000 in aggregate principal amount of Combined Waterworks and Sewerage System grant anticipation notes or notes evidencing a line of credit originally authorized hereby, and unless the context clearly indicates otherwise, the terms "Notes" includes any refunding Notes of the Issuer.

"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, Registrar, Paying Agent and the Trustee (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 or Notes, 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.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than \$1,800,000 in aggregate principal amount of Series 1988 A Bonds and the not more than \$800,000 in aggregate principal amount of Series 1988 B

Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted and authorized by this Bond Legislation.

"Original Notes Purchaser" means, in the event Notes are issued, the original purchaser of such Notes, as shall be named in a resolution supplemental hereto, and, in the event a note or notes evidencing a line of credit are issued, such bank or banks as shall be named in a resolution supplemental hereto.

"Other Grants" means any grant other than the EPA Grant hereafter received by the Issuer to aid in financing any Costs.

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

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

"Paying Agent" means the bank or banks or other entity designated as such for the Bonds and/or the Notes in the Indenture or in the Supplemental Resolution or such entity or authority as may be designated by the Issuer.

"Prior Bonds" means, collectively, the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1976, dated December 16, 1977, originally issued in the aggregate principal amount of \$1,879,000 of which \$1,686,000 is currently Outstanding and Water and Sewer Revenue Bonds, Series 1964, dated August 1, 1964, originally issued in the aggregate principal amount of \$357,000, of which \$211,000 is currently Outstanding.

"Prior Ordinance" means the ordinance of the Issuer enacted September 1, 1964, as supplemented and amended by an ordinance enacted December 13, 1977, authorizing issuance of the Prior Bonds.

"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.

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"Project" means the acquisition and construction of certain additions, betterments and improvements for the sewerage facilities portion of the Issuer's existing combined waterworks and sewerage system consisting of the upgrading of its sewage treatment plant, interceptor sewers, pump stations and transportation and collection lines and all necessary appurtenances.

"Purchase Price," for the purpose of computation of the Yield of the Series 1988 A 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 1988 A 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 1988 A Bonds of each maturity is sold or, if the Series 1988 A Bonds are privately placed, the price paid by the first buyer of the Series 1988 A 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 1988 A Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 1988 A 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 or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or

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

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments 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.

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

"Registrar" means as appropriate, either the Bond Registrar or the Notes Registrar or both.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01 hereof.

"Revenue Fund" means the Revenue Fund described in Section 5.01 hereof.

"Series 1988 A Bonds" or "Series A Bonds" means the not more than \$1,800,000 in aggregate principal amount of Combined

Waterworks and Sewerage System Revenue Bonds, Series 1988 A, of the Issuer.

"Series 1988 A Bonds Reserve Account" means the Series 1988 A Bonds Reserve Account established in the Series 1988 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1988 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1988 A Bonds in the then current or any succeeding year.

"Series 1988 A Bonds Sinking Fund" means the Series 1988 A Sinking Fund established by Section 5.02 hereof.

"Series 1988 B Bonds" or "Series B Bonds" means the not more than \$800,000 in aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B, of the Issuer.

"Series 1988 B Bonds Reserve Account" means the Series 1988 B Bonds Reserve Account established in the Series 1988 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1988 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1988 B Bonds in the then current or any succeeding year.

"Series 1988 B Bonds Sinking Fund" means the Series 1988 B Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

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

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Prior Bonds, the Bonds or any other obligations of the Issuer, including the Depreciation Fund, the Operation and Maintenance Fund, the Renewal and Replacement Fund and the Reserve

Accounts, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project.

"System" means the complete combined waterworks and sewerage system owned by the Issuer, and any improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever, and includes the Project.

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

"Trustee" means the banking institution designated as trustee for the Noteholders under the Indenture, if any, its successors and assigns.

"Water-Sewerage Board" means the Water-Sewerage Board of the City of Chester, established by ordinance of the Issuer enacted September 1, 1964.

"Yield" means that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Series 1988 A Bonds, produces an amount equal to the Purchase Price of such Nonpurpose Investment or the Bonds, all computed as prescribed in applicable Regulations.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF CONSTRUCTION
AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project, at an estimated cost of \$4,217,299, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Notes and the Bonds hereby authorized shall be applied as provided in the Indenture, if any, a Supplemental Resolution and Article VI hereof, respectively.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND
SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1988 A Bonds, funding a reserve account for each series of Original Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any of such purposes, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than \$2,600,000. Said Bonds shall be issued in two series, to be designated respectively, "Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 A," in the aggregate principal amount of not more than \$1,800,000, and "Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B," in the aggregate principal amount of not more than \$800,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds), and capitalization of interest, if any, shall be deposited in the Bond Construction Trust Fund established by Section 5.01 hereof.

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

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds of each series shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding

and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. 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 Issuer 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 Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, 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 of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost.
In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond

shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided and amounts, if any, in the respective Reserve Accounts. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues, Junior and Subordinate to Prior Bonds. The payment of the debt service of all the Series 1988 A Bonds shall be secured forthwith equally and ratably with each other, by a lien on the Gross Revenues junior and subordinate to the lien on Gross Revenues in favor of the Holders of the Prior Bonds. The payment of the debt service of all the Series 1988 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Gross Revenues derived from the System, but junior and subordinate to the lien on such Gross Revenues in favor of the Holders of the Prior Bonds and the Series 1988 A Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Funds, the Reserve Accounts therein and the Renewal and Replacement Fund hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.09. Form of Original Bonds. The text of the Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Series 1988 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHESTER
SEWER REVENUE BOND, SERIES 1988 A

No. AR- _____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CHESTER, a municipal corporation and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____

(\$ _____), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning October 1, 1988. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing combined waterworks and sewerage facilities of the Issuer (the "Project"); (ii) to pay interest on the bonds of this series (the "Bonds") during the construction of the Project and for approximately _____ months thereafter; (iii) to fund a reserve account for the Bonds; and (iv) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on _____, 1988 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued concurrently with the Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B, of the Issuer (the "Series 1988 B Bonds"), issued in the aggregate principal amount of \$283,463, which Series 1988 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the Bonds.

~~THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE ISSUER'S OUTSTANDING WATER AND SEWER REVENUE BONDS, SERIES 1964, DATED AUGUST 1, 1964, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$357,000 AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1976, DATED DECEMBER 16, 1977, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,879,000 (COLLECTIVELY, THE "PRIOR BONDS").~~

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Gross Revenues all payments then due and owing on account of the Prior Bonds, moneys in the Reserve Account (the "Series 1988 A Bonds Reserve Account") created under the Bond Legislation for the Bonds, and unexpended proceeds of the Bonds and the Series 1988 B 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 which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a

corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the moneys in the Series 1988 A Bonds Reserve Account and unexpended proceeds of this Bond and the Series 1988 B Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, the Series 1988 B Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds or the Series 1988 B Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 1988 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1988 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1988 B Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and

there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF CHESTER has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its City Clerk, and has caused this Bond to be dated _____, 1988.

[SEAL]

Mayor

ATTEST:

City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

[Form of Series 1988 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CHESTER
SEWER REVENUE BOND, SERIES 1988 B

No. BR-_____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CHESTER, a municipal corporation and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____

(\$ _____), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing combined waterworks and sewerage facilities of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental

Resolution, duly enacted and adopted, respectively, by the Issuer on _____, 1988 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 A, OF THE ISSUER (THE "SERIES 1988 A BONDS"), ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,133,851 AND DESCRIBED IN THE BOND LEGISLATION.

THIS BOND IS ALSO JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE ISSUER'S OUTSTANDING WATER AND SEWER REVENUE BONDS, SERIES 1964, DATED AUGUST 1, 1964, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$357,000 AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1976, DATED DECEMBER 16, 1977, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,879,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Gross Revenues all payments then due and owing on account of the Prior Bonds and the Series 1988 A Bonds and by all moneys in the Reserve Account (the "Series 1988 B Bonds Reserve Account") created under the Bond Legislation for the Bonds, 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 which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Gross Revenues, the moneys in the Series 1988 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year

equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest, if any, on the Bonds, the Series 1988 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1988 A Bonds or the Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 1988 B Bonds Reserve Account and the reserve account established for the Series 1988 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest which will become due on the Bonds and the Series 1988 A Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations, including the Prior Bonds, is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1988 A Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond,

together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

IN WITNESS WHEREOF, the CITY OF CHESTER has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 1988.

[SEAL]

Mayor

ATTEST:

City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1988 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

Section 3.10. Sale of Original Bonds; Ratification of Execution of Loan Agreement with Authority. The Original Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form approved by the Supplemental Resolution and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved.

ARTICLE IV

INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts, the Issuer may issue and sell its Notes in an aggregate principal amount not to exceed \$2,000,000. The Notes may be in the form of grant anticipation notes or as evidence of a line of credit from a commercial bank or other lender, or any combination of the foregoing, at the discretion of the Issuer, and as shall be set forth in a resolution or resolutions supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture or Supplemental Resolution, as applicable.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes, if issued, shall be issued in fully registered form, in the denominations, with such terms and secured in the manner set forth in the Indenture, if provided for, (which Indenture in the form to be executed and delivered by the Issuer shall be approved by a Supplemental Resolution), or Supplemental Resolution, if no Indenture is used.

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from the Grant Receipts, Surplus Revenues, letter of credit proceeds, if any, and other sources described in the Indenture or Supplemental Resolution relating to such Notes. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture and the Supplemental Resolution relating to such Notes.

Section 4.04. Letters of Credit. As additional security for any Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed \$1,000,000 in the aggregate. In the event of a draw under

any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of letter of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created (or continued if previously established or continued by the Prior Ordinance) with and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund (established by Prior Ordinance as the "Water and Sewer Revenue Fund");
- (2) Depreciation Fund (established by the Prior Ordinance);
- (3) Operation and Maintenance Fund (established by the Prior Ordinance);
- (4) Renewal and Replacement Fund; and
- (5) Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established (or continued if previously established or continued by the Prior Ordinance) with the Commission:

- (1) The Sinking Fund established for the Prior Bonds (herein called the "Prior Bonds Sinking Fund");
 - (a) The Reserve Account established for the Prior Bonds in the Prior Bonds Sinking Fund (herein called the "Prior Bonds Reserve Account);
- (2) Series 1988 A Bonds Sinking Fund;
 - (a) Within the Series 1988 A Bonds Sinking Fund, the Series 1988 A Bonds Reserve Account;
- (3) Series 1988 B Bonds Sinking Fund; and
 - (a) Within the Series 1988 B Bonds Sinking Fund, the Series 1988 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The Issuer shall first, on the first day of each month, remit to the Commission for deposit into the Prior Bonds Sinking Fund such sums as will be sufficient to pay the interest and principal which will mature and become due on the next interest and principal payment date on all the Prior Bonds Outstanding, all in accordance with the Prior Ordinance.

(2) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next on the first day of each month, remit to the Commission for deposit in the Prior Bonds Sinking Fund the monthly amount required to replenish the Prior Bonds Sinking Fund so as to maintain the reserve requirement therein, as set forth in the Prior Ordinance, provided, however, that no further payments need be made into the Prior Bonds Reserve Account for the purpose of maintaining the reserve requirement therein when there shall have been deposited therein and so long as there shall remain on deposit therein an amount equal to two times the maximum annual aggregate amount of interest and principal which will fall due on the Prior Bonds, all in accordance with the Prior Ordinance.

(3) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, remit to the Depository Bank for deposit in the depreciation fund established by the Prior Ordinance (the "Depreciation Fund"), 10% of the Gross Revenues collected each month, less the above-provided payments into the Prior Bonds Sinking Fund for each month, until the amount in the Depreciation Fund is in the sum of not less than \$280,000, and thereafter, when such sum falls below \$280,000, such payments into the Depreciation Fund shall be resumed.

(4) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1988 A Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for

deposit in the Series 1988 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1988 A 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 1988 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(5) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1988 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1988 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1988 A Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1988 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(6) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1988 A Bonds, if not fully funded upon issuance of the Series 1988 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1988 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1988 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1988 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1988 A Bonds Reserve Requirement.

(7) From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the month succeeding the first full calendar month after completion of construction of the Project, transfer to the Renewal and Replacement Fund a sum equal to 2 1/2% of the Net Revenues each month, exclusive of any payments for account of the Series 1988 A

Bonds Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1988 A Bonds Reserve Account [except to the extent such deficiency exists because the required payments into such account has not, as of the date of determination of a deficiency, funded such account to the maximum extent required by Subsection 5.03(A)(6)] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(8) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1988 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1988 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1988 B Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1988 B Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(9) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1988 B Bonds, if not fully funded upon issuance of the Series 1988 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1988 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1988 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1988 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1988 B Bonds Reserve Requirement.

(10) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, remit to the Depository Bank for deposit in

the Operation and Maintenance Fund, 1/3rd of the amount determined to be necessary and sufficient to pay the reasonable and current expenses of operating and maintaining the System for the then current quarter; provided, that further deposits into the Operation and Maintenance Fund may be made in like manner, but only if and to the extent it may be found to be necessary to pay expenses actually accrued and payable.

Moneys in the Series 1988 A Bonds Sinking Fund and the Series 1988 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the respective series of Bonds as the same shall become due. Moneys in the Series 1988 A Bonds Reserve Account and the Series 1988 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the respective series of Bonds, as the same shall come due, when other moneys in the attendant Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the several Sinking Funds and Reserve Accounts shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payments, if any, due on the respective series of bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 1988 A Bonds Reserve Account which result in a reduction in the balance of the Series 1988 A Bonds Reserve Account to below the Series 1988 A Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments to the Prior Bonds Sinking Fund, the Depreciation Fund and the Series 1988 A Bonds Sinking Fund for payment of debt service on the Prior Bonds and Series 1988 A Bonds have been made in full.

Any withdrawals from the Series 1988 B Bonds Reserve Account which result in a reduction in the balance of the Series 1988 B Bonds Reserve Account to below the Series 1988 B Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments to the Prior Bonds

Sinking Fund, the Depreciation Fund, the Series 1988 A Bonds Sinking Fund, the Series 1988 A Bonds Reserve Account, the Renewal and Replacement Fund and the Series 1988 B Bonds Sinking Fund have been made in full.

As and when additional Bonds ranking on a parity with the 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 maturity and to accumulate a balance in the appropriate Reserve Account in an amount equal to the maximum provided and required to be paid into the concomitant Sinking Fund in any year for account of the Bonds of such series, including such additional Bonds which by their terms are payable from such Sinking Fund.

The Issuer shall not be required to make any further payments into the Series 1988 A Bonds Sinking Fund, or the Series 1988 B Bonds Sinking Fund or into the Reserve Accounts therein when the aggregate amount of funds in said respective Sinking Funds and Reserve Accounts are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created hereunder, and all amounts required for said Sinking Funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

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

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Sinking Funds, including the Reserve Accounts therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the respective Bonds

and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

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 said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Funds, including the Prior Bonds Sinking Fund and the several Reserve Accounts therein and the sinking funds established for the Prior Bonds, and the Depreciation Fund and Renewal and Replacement Fund 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, subject however, to the restrictions thereon set forth in the Prior Ordinance.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the 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 the Depository Bank's charges and the Paying Agent fees then due.

D. The moneys 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 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.

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

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

H. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System, provided that,

in the event Notes are issued, Tap Fees may, with the written consent of the Authority, be deposited otherwise.

ARTICLE VI

BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Original Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1988 A Bonds, there shall first be deposited with the Commission in the Series 1988 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1988 A Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1988 A Bonds, there shall be deposited with the Commission in the Series 1988 A Bonds Reserve Account and from the proceeds of the Series 1988 B Bonds, there shall be deposited with the Commission in the Series 1988 B Reserve Account the respective sums, if any, set forth in the Supplemental Resolution for funding of the Reserve Accounts.

C. Next, from the proceeds of the Series 1988 A Bonds, there shall first be credited to the Bond Construction Trust Fund and then paid, any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment.

D. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Series 1988 A Bonds, and thereafter for the Series 1988 B Bonds. In the event that Notes are issued, the disposition of funds in the Bonds Construction Trust Fund may be modified from that set forth herein, with the written consent of the Authority.

Section 6.02. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund, except for the costs of issuance of the Original Bonds which shall be made upon request of the Issuer, shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

(A) That none of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) That each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) That each of such costs has been otherwise properly incurred; and

(D) That payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund to the Series 1988 A Bonds Reserve Account, and when fully funded to the Series 1988 B Bonds Reserve Account, and when both Reserve Accounts are fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys

in full, first to the next ensuing interest payments, if any, due on the respective Series of Bonds and thereafter to the next ensuing principal payments due thereon. Notwithstanding the foregoing, if the Authority tenders any of its Series 1988 B Bonds to the Issuer pursuant to the provisions of the Supplemental Loan Agreement, such moneys shall be applied to the purchase of such Series 1988 B Bonds.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds or the interest thereon is Outstanding and unpaid.

Until the payment in full of the principal of and interest on the Notes when due, and to the extent they do not materially adversely affect Bondholders, the covenants, agreements and provisions contained in this Bond Legislation shall, where applicable, also inure to the benefit of the Holders of the Notes and the Trustee therefor and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by the Trustee or any Holder or Holders of said Notes as prescribed in the Indenture; provided, that Section 7.04 and Section 7.09 shall not be applied to the Notes.

Section 7.02. Bonds and Notes not to be Indebtedness of the Issuer. Neither the Bonds nor the Notes shall be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds or Notes, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or Notes or the interest thereon.

Section 7.03. Bonds Secured by Subordinate Pledge of Gross Revenues. The payment of the debt service of the Series 1988 A Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Gross Revenues derived from the operation of the System junior and subordinate to the lien in favor of the Holders of the Prior Bonds and payment of the debt service of the Series 1988 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Gross Revenues, junior and subordinate to the lien on said Gross Revenues in favor of the Holders of both the Prior Bonds and the Series 1988 A Bonds. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Bonds and to

make the payments into the Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the ordinance of the Issuer enacted April 18, 1988.

Section 7.05. Sale of the System. Except as otherwise required by State 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 and Notes, if any, Outstanding, or to effectively defease this Ordinance in accordance with Section 10.01 hereof and, if entered into and not previously defeased, the Indenture in accordance with Section 8.01 thereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System. With respect to the Notes, such proceeds in an amount sufficient to pay the Notes in full shall be applied to the payment of the Notes, either at maturity or, if allowable under the Supplemental Resolution or Indenture, prior thereto.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the

Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine 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 resolution 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 Issuer to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase of the 1976 Bonds in accordance with the Prior Ordinance prices not greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and in Section 7.07B, so long as any of the Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Series 1988 B Bonds only may be issued as provided for in Section 7.07 hereof. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1988 A Bonds and the Series 1988 B Bonds; provided, that no such subordinate obligations shall be issued

unless all payments required to be made into the Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

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

Section 7.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, 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 1988 B Bonds. No Parity Bonds shall be issued which shall be payable out of the revenues of the System on a parity with the Series 1988 A Bonds, unless the Series 1988 B Bonds are no longer outstanding.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided 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, 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 on the following:

- (1) The Prior Bonds and 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 (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the 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 Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

All covenants and other provisions of this Bond Legislation (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 revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

All Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1988 A Bonds and the Series 1988 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1988 A Bonds or the Series 1988 B Bonds.

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

B. Notwithstanding the foregoing, or any provision of Section 7.06 to the contrary, additional Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of bonds on a parity with the Bonds.

Section 7.08. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds or of a Note or Notes issued pursuant to this Bond Legislation or the Trustee shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Consulting Engineers, the Trustee and the Authority, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Bonds or Notes, as the case may be, requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the Indenture with respect to said Bonds or Notes, as the case may be, and the status of all said funds and accounts.

(C) The amount of any Bonds, Notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds or Notes, as the case may be, and shall submit said report to the Trustee and the Authority, or any other original purchaser of the Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation.

Section 7.09. Rates. 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 City Clerk, which copies will be open to inspection by all interested parties. 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 Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in

effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance 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 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts and reserve accounts for obligations prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds.

Section 7.10. Operating Budget and Audit. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Trustee and the Authority and to any Holder of any Bonds or Notes, as the case may be, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her 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 Trustee and to any Holder of any Bonds or Notes, as the case may be, or anyone acting for and in behalf of such Holder of any Bonds or Notes, as the case may be.

In addition, the Issuer shall annually cause the records of the System to be audited by an independent certified public accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the

Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement.

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules of the Issuer, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of the System until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department,

agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds or the Notes remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project in the full insurable value thereof, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$100,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such

payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

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

B. The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project. Such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.15. 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 Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

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

by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.16. Completion of Project. The Issuer will complete the Project and operate and maintain the System in good condition.

Section 7.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1988 A 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 1988 A Bonds during the term thereof is, under the terms of the Series 1988 A 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 Issuer, 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 1988 A Bonds are used for a Private Business Use, and (B) in excess of 5% of the principal or 5% of the interest due on the Series 1988 A Bonds during the term thereof is, under the terms of the Series 1988 A 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 Issuer, 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 1988 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1988 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1988 A Bonds 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 Issuer 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 1988 A Bonds to be

"federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1988 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Series 1988 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions (including those determined by the Authority) which would adversely affect such exclusion.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holders of the 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 Bonds and shall be for the equal benefit of all Holders of each respective series of Bonds, provided however, that the statutory mortgage lien in favor of the Holders of the Series 1988 A Bonds shall be senior to the statutory mortgage lien in favor of the Holders of the Series 1988 B Bonds, and provided however, that such statutory mortgage lien shall be junior and subordinate to the statutory mortgage lien in favor of the holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

Section 8.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the Issuer's reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations, 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 Bonds) so that the interest on the 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 8.03. Rebate of Excess Investment Earnings to the United States. In accordance with Section 148(f)(4)(C) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Bonds are issued will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(C) of the Code and the Regulations promulgated thereunder. For purposes of this Section 8.03 and for purposes of applying Section 148(f)(4)(C) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(C) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(C) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer shall take the following actions:

A. CREATION OF FUNDS. There are hereby created, to be held by the Depository Bank as separate funds distinct from all other funds and accounts held by the Depository Bank under this Bond Legislation, the Earnings Fund and the Rebate Fund. All interest earnings and profits on amounts in all funds and accounts established under this Bond Legislation, other than (i) interest earnings and profits on any funds referenced in Subsection C(5) of this Section if such earnings in any Bond Year are less than \$100,000, (ii) interest earnings and profits on amounts in funds and accounts which do not constitute Gross Proceeds, and (iii) interest earnings and profits on the Rebate Fund shall, upon receipt by the Depository Bank, be deposited in the Earnings Fund. In addition, all interest earnings and profits on Gross Proceeds in funds held by the Issuer shall, upon receipt, be paid to the Depository Bank for

deposit in the Earnings Fund. Annually, on or before the 30th day following the end of each Bond Year or on the preceding business day in the event that such last day is not a business day, or such earlier date as may be required under the Code, the Depository Bank shall transfer from the Earnings Fund to the Rebate Fund for purposes of ultimate payment to the United States an amount equal to Excess Investment Earnings, all as more particularly described in this Section. Following the transfer referenced in the preceding sentence, the Depository Bank shall transfer all amounts remaining in the Earnings Fund to be used for the payment of Debt Service on the next interest payment date and for such purpose, Debt Service due from the Issuer on such date shall be credited by an amount equal to the amount so transferred.

B. DUTIES OF ISSUER IN GENERAL. The Issuer shall calculate Excess Investment Earnings in accordance with Subsection C and shall assure payment of an amount equal to Excess Investment Earnings to the United States in accordance with Subsections D and E.

C. CALCULATION OF EXCESS INVESTMENT EARNINGS. Within 30 days following the last day of the first Bond Year, the Issuer shall calculate, and shall provide written notice to the Authority and Depository Bank of, the Excess Investment Earnings referenced in clause (A) of the definition of Excess Investment Earnings. Thereafter, within 15 days following the last day of each Bond Year and within 15 days following the date of the retirement of the Bond, the Issuer shall calculate, and shall provide written notice to the Authority and Depository Bank of, the amount of Excess Investment Earnings. Said calculations shall be made or caused to be made by the Issuer in accordance with the following:

(1) Except as provided in (2), in determining the amount described in clause A(i) of the definition of Excess Investment Earnings, the aggregate amount earned on Nonpurpose Investments shall include (i) all income realized under federal income tax accounting principles (whether or not the person earning such income is subject to federal income tax) with respect to such Nonpurpose Investments and with respect to the reinvestment of investment receipts from such Nonpurpose Investments (without regard to the transaction costs incurred in acquiring, carrying, selling or redeeming such Nonpurpose Investments), including, but not limited to, gain or loss realized on the disposition of such Nonpurpose Investments (without regard to when such gains are taken into account under Section 453 of the Code relating to taxable year of inclusion of gross income), and income under Section 1272 of the Code (relating to original issue discount) and

(ii) any unrealized gain or loss as of the date of retirement of the Bonds in the event that any Nonpurpose Investment is retained after such date.

(2) In determining the amount described in clause (A) of the definition of Excess Investment Earnings, Investment Property shall be treated as acquired for its fair market value at the time it becomes a Nonpurpose Investment, so that gain or loss on the disposition of such Investment Property shall be computed with reference to such fair market value as its adjusted basis.

(3) In determining the amount described in clause (A)(ii) of the definition of Excess Investment Earnings, the Yield on the Bonds shall be determined based on the actual Yield of the Bonds during the period between the Closing Date of the Bonds and the date the computation is made (with adjustments for original issue discount or premium).

(4) In determining the amount described in clause (B) of the definition of Excess Investment Earnings, all income attributable to the excess described in clause (A) of said definition must be taken into account, whether or not that income exceeds the Yield of the Bond, and no amount may be treated as "negative arbitrage."

(5) In determining the amount of Excess Investment Earnings, there shall be excluded any amount earned on any fund or account which is used primarily to achieve a proper matching of revenues and Debt Service within each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1 year's earnings on such fund or account or 1/12th of annual Debt Service as well as amounts earned on said earnings if the gross earnings on such fund or account for the Bond Year is less than \$100,000.

D. PAYMENT TO THE UNITED STATES. The Issuer shall direct the Depository Bank to pay from the Rebate Fund an amount equal to Excess Investment Earnings to the United States in installments with the first payment to be made not later than 30 days after the end of the 5th Bond Year and with subsequent payments to be made not later than 5 years after the preceding payment was due. The Issuer shall assure that each such installment is in an amount equal to at least 90% of the Excess Investment Earnings with respect to the Gross Proceeds as of the close of the

computation period. Not later than 60 days after the retirement of the Bonds, the Issuer shall direct the Depository Bank to pay from the Rebate Fund to the United States 100% of the theretofore unpaid Excess Investment Earnings in the Rebate Fund. In the event that there are any amounts remaining in the Rebate Fund following the payment required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States at the address prescribed by the Regulations as the same may be in 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 by this Subsection D, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor.

E. FURTHER OBLIGATIONS OF ISSUER. The Issuer shall assure that Excess Investment Earnings are not paid or disbursed except as required in this Section. To that end the Issuer shall assure that investment transactions are on an arm's length basis and that Nonpurpose Investments are acquired at their fair market value. In the event that Nonpurpose Investments consist of certificates of deposit or investment contracts, investment in such Nonpurpose Investments shall be made in accordance with the procedures described in applicable Regulations as from time to time in effect. The Depository Bank shall keep the moneys in the Earnings Fund and Rebate Fund invested and reinvested to the fullest extent practicable in Government Obligations with maturities consonant with the required use thereof and investment profits and earnings shall be credited to the account of such fund on which earned.

F. MAINTENANCE OF RECORDS. The Issuer shall keep, and retain for a period of 6 years following the retirement of the Bonds, records of the determinations made pursuant to this Section 8.03.

G. INDEPENDENT CONSULTANTS. In order to provide for the administration of this Section 8.03, the Issuer, the Authority and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate.

H. FURTHER AGREEMENT. Notwithstanding the foregoing, the Issuer further covenants to comply with all Regulations from time to time in effect and applicable to the Bonds, as may be necessary in order to fully comply with Section 148(f) of the Code.

I. REPORTING TO AUTHORITY. The Issuer shall furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations or a certificate to the effect that the Issuer is not subject to arbitrage rebate for such fiscal year, and, at any time, any additional information relating thereto as may be requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Notes:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Notes; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes set forth in this Bond Legislation, any supplemental resolution, the Indenture or in the Notes, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Note; or

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

B. Each of the following events shall constitute an "Event of Default" with respect to any series of Bonds:

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

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note

or Bond, as the case may be, may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Notes or Bonds, as the case may be, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Notes or Bonds, as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Notes or Bonds, or the rights of such Registered Owners, provided however, that no remedy herein stated may be exercised by a Noteholder in a manner which adversely affects any remedy available to the Bondholders, and provided further, that all rights and remedies of the Holders of the Series 1988 B Bonds shall be subject to those of the Holders of the Series 1988 A Bonds.

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

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for Reserve, Sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1988 A Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1988 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1988 A Bonds only, the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1988 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1988 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1988 A 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 1988 A 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 Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1988 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1988 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or

its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.02. Defeasance of Series 1988 B Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1988 B Bonds, the principal due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1988 B Bonds only, the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1988 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1988 B Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date the principal installments of such Series 1988 B 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 1988 B 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 Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of said Series 1988 B Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of said Series 1988 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.03. Defeasance of Notes. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Notes, the principal of and interest due or to become due thereon, at the times and in the manner set forth in the Indenture, then with respect to the Notes only, this Bond Legislation, the Indenture, if any, and the pledges of Grant Receipts and other moneys and securities pledged thereby, and all covenants, agreements and other obligations of the Issuer to the Holders of the Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. No material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Notes or Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Notes, the Prior Bonds, the Series 1988 A Bonds or the Series 1988 B Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or any Note or Notes or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds or Notes respectively, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder or Noteholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Bonds and the Notes from gross income of the holders thereof.

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

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

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

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

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

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation 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 Intelligencer, a qualified newspaper of general circulation in the City of Chester, there being no newspaper published therein, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bonds and Notes, and that any person interested may appear before the City Council upon a date certain, not less than ten days subsequent to the date of the first publication of this Bond Legislation and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At

such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading - May 2, 1988

Passed on Second Reading - June 9, 1988

Passed on Final Reading
Following Public
Hearing - June 21, 1988

Ray Cashdollar
Mayor

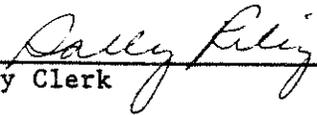
Sally Kelly
City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF CHESTER on the 21st day of June, 1988.

Dated: July 6, 1988.

[SEAL]



City Clerk

07/05/88
CHECO2/3-A/A

CITY OF CHESTER

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1988 A and Series 1988 B

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 A AND SERIES 1988 B OF THE CITY OF CHESTER; AUTHORIZING, APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS

WHEREAS, the city council (the "Governing Body") of the City of Chester (the "Issuer"), has duly and officially enacted a bond ordinance, effective June 21, 1988 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE CITY OF CHESTER AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 A, NOT MORE THAN \$800,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B, AND NOT MORE THAN \$2,000,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND

RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount not to exceed \$2,600,000, to be issued in two series, the Series 1988 A Bonds to be in an aggregate principal amount of not more than \$1,800,000 (the "Series 1988 A Bonds") and the Series 1988 B Bonds to be in an aggregate principal amount of not more than \$800,000 (the "Series 1988 B Bonds"), and has preliminarily authorized the execution and delivery of a loan agreement relating to the Series 1988 A Bonds dated June 24, 1988, and a supplemental loan agreement relating to the Series 1988 B Bonds, also dated June 24, 1988 (sometimes collectively referred to herein as the "Loan Agreement"), by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 8, Article 20 of the West Virginia Code, 1931, as amended (the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

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

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued:

(A) The Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$1,133,851. The Series 1988 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2028, shall bear interest at the rate of 9.0% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1988, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1988 A Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached to the Series 1988 A Bonds and to the Loan Agreement and incorporated therein by reference.

(B) The Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of \$283,463. The Series 1988 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2028, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1988 B Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached to the Series 1988 B Bonds and to the Supplemental Loan Agreement and incorporated therein by reference.

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

Section 3. The Issuer does hereby approve, accept and ratify the Loan Agreement, copies of which are incorporated herein by reference, and the execution and delivery by the Mayor of the

Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby ratified and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and One Valley Bank, National Association, in substantially the form attached hereto, and the execution and delivery by the Mayor of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds.

Section 6. The Issuer does hereby appoint First National Bank of Chester, Chester, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. Series 1988 A Bonds proceeds in the amount of \$161,863 shall be deposited in the Series 1988 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1988 A Bonds proceeds in the amount of \$105,723 shall be deposited in the Series 1988 A Bonds Reserve Account and Series 1988 B Bonds proceeds in the amount of \$7,279 shall be deposited in the Series 1988 B Bonds Reserve Account.

Section 9. The balance of the proceeds of the Bonds shall be deposited in or credited to the Bond Construction Trust Fund for payment of Costs of the Project, including costs of issuance of the Bonds and repayment of any borrowings previously incurred for the Project.

Section 10. The Issuer hereby determines to pay, on the date of delivery of the Bonds and receipt of proceeds thereof, all borrowings of the Issuer heretofore incurred for the purpose of temporarily financing a portion of the Costs of the Project, including, but not limited to, all borrowings from West Virginia Water Development Authority.

Section 11. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the

end that the Bonds may be delivered on or about July 6, 1988, to the Authority pursuant to the Loan Agreement.

Section 12. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance in the West Virginia "Consolidated Fund," and therefore the Issuer hereby directs the Depository Bank and the Paying Agent to take such actions as may be necessary to cause such moneys to be invested in the Consolidated Fund, until further directed in writing by the Issuer.

Section 14. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. They will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 15. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt obligations during the calendar year 1988, being the calendar year in which the Bonds are to be issued.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 5th day of July, 1988.

CITY OF CHESTER



Mayor

07/05/88
CHEC01-K



STATE OF WEST VIRGINIA
WATER DEVELOPMENT AUTHORITY

1201 DUNBAR AVENUE
DUNBAR, WV 25064

Telephone (304) 558-3612
Telecopier (304) 558-0299

December 17, 1996

CITY OF CHESTER
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 1996A (WEST VIRGINIA SRF PROGRAM)

The undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, the registered owner of the entire outstanding aggregate principal amount of the Series 1988 A Bonds and the Series 1988 B Bonds, hereinafter defined and described, hereby consents to the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 1996 A (West Virginia SRF Program) (the "Bonds"), in the original aggregate principal amount of \$1,301,239, by the City of Chester (the "Issuer"), under the terms of the ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 A (the "Series 1988 A Bonds"), and senior and prior, with respect to liens, pledge and source of and security for payment, to the issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B (the "Series 1988 B Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Daniel B. Yankosky
Its Authorized Representative



1A-82
Revised 4/95

STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
1201 GREENBRIER STREET
CHARLESTON, WV 25311

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

WATER POLLUTION CONTROL PERMIT

Permit No. WV0021768

Issue Date: November 27, 1995

Subject: Sewage Facilities

Effective Date: December 27, 1995

Expiration Date: November 26, 2000

Supersedes: WV/NPDES Permit No.
WV0021768 issued on May 30, 1990

Location:	Chester (City)	Hancock (County)	Ohio (Drainage Basin)
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Outlet Sites:	Latitude:	40° 36' 53"	North
	Longitude:	80° 33' 57"	West

To whom it may concern:

This is to certify that City of Chester
375 Carolina Avenue
Chester, WV 26034

is hereby granted a NPDES Water Pollution Control Permit to operate and maintain an existing 0.45 million gallons per day (MGD) sewage collection and treatment system consisting of existing approximately 33 miles collection system of eight(8) inch, 10 inch, and 12 inch diameter gravity sewer lines, 150 manholes, 20 cleanouts, five(5) lift stations, approximately 9,000 linear feet of six(6) inch diameter force main, bar screens, one(1) sequencing batch reactor (SBR) sewage treatment plant with two(2) 246,795 gallon each aeration tanks, ultra-violet disinfection, one(1) 40' x 12' - 43,230 gallon aerobic digester & sludge holding tank, two(2) 16' 4" x 26' 4" each vacuum filter beds, and all necessary appurtenances.

Facilities are designed to serve approximately 4,500 persons of the City of Chester and discharge treated wastewater to the Ohio River (at river mile point 43).

(Continued on Page 2)

This permit is subject to the following terms and conditions:

Bureau of Public Health Permit No. 2337.

The information submitted on and with Permit Application No. WV0021768 dated the 26th day of March 1995 is all hereby made terms and conditions of this permit with like effect as if such information was set forth herein, with other conditions set forth in Sections A, B, C, D, E, F, and G.

The validity of this permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning December 27, 1995 and lasting through midnight, November 26, 2000 the permittee is authorized to discharge from outlet number(s): 001-Discharge from sewage treatment facilities

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>		<u>Monitoring Requirements</u>	
	<u>(Quantity) lbs/day</u>	<u>Other Units (Specify)</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>
<u>Flow</u>		0.45 MGD	Continuous	Measured
Biochemical Oxygen Demand (5-Day)	113.0	30.0 mg/l	1/Month	*
Total Suspended Solids (TSS)	113.0	30.0 mg/l	1/Month	*
Total Kjeldahl Nitrogen (TKN)	68.0	18.0 mg/l	1/Month	*
Fecal Coliform		200 Counts per 100ml	1/Month	Grab

* 1 sample from each batch in a continual 24 hour period 1/Month

The pH shall not be less than 6.0 standard units and not greater than 9.0 standard units and shall be monitored by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD₅ samples shall be collected at a location immediately preceding disinfection. Other effluent samples shall be collected at or as near as possible to the point of discharge.

Discharge shall not cause violation of Title 46, Series 1, Section 3 of the West Virginia Administrative Rules issued pursuant to Chapter 22B, Article 3.

5. SCHEDULE OF COMPLIANCE

1. The permittee shall achieve compliance with the provisions for waste treatment and the discharge limitations specified in this permit in accordance with the following schedule:

Effective date of permit

2. Reports of compliance or noncompliance with, and progress reports on the interim and final requirements contained in the above compliance schedule, shall be submitted no later than 14 days following each schedule date.

PERMIT CONDITIONS

1. Duty to Comply

- (a) The permittee must comply with all conditions of this permit. Permit noncompliance constitutes a violation of the CWA and State Act and is grounds for enforcement action; for permit modification, revocation and reissuance, suspension or revocation; or for denial of a permit renewal application.
- (b) The permittee shall comply with all effluent standards or prohibitions established under Section 307(a) of the CWA for toxic pollutants within the time provided in the regulations that establish these standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.

2. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit at least 180 days prior to expiration of the permit.

3. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit, which has a reasonable likelihood of adversely affecting human health or the environment.

4. Permit Actions

This permit may be modified, revoked and reissued, suspended, or revoked for cause. The filing of a request by the permittee for permit modification, revocation and reissuance, or revocation, or a notification of planned changes or anticipated noncompliance, does not stay any permit conditions.

5. Property Rights

This permit does not convey any property rights of any sort or any exclusive privilege.

6. Signatory Requirements

All applications, reports, or information submitted to the Chief shall be signed and certified as required in title 47, Series 10, Section 4.6 of the West Virginia Legislative Rules.

7. Transfers

This permit is not transferable to any person, except after notice to the Chief. The Chief may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary.

8. Duty to Provide Information

The permittee shall furnish to the Chief, within a reasonable specified time, any information which the Chief may request to determine whether cause exists for modifying, revoking and reissuing, suspending, or revoking this permit, or to determine compliance with this permit. The permittee shall also furnish to the Chief, upon request, copies of records required to be kept by this permit.

9. Other Information

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Chief, it shall promptly submit such facts or information.

10. Inspection and Entry

The permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

- a) Enter upon the permittee's premises in which an effluent source or activity is located, or where records must be kept under the conditions of this permit;
- b) Have access to and copy at reasonable times, any records that must be kept under the conditions of this permit;
- c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
- d) Sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the State Act, any substances or parameters at any locations.

11. Permit Modification

This permit may be modified, suspended, or revoked in whole or in part during its term in accordance with the provisions of Chapter 22-11-12 of the Code of West Virginia.

12. Water Quality

The effluent or effluents covered by this permit are to be of such quality so as not to cause violation of applicable water quality standards adopted by the Environmental Quality Board.

13. Outlet Markers

A permanent marker at the establishment shall be posted in accordance with Title 47, Series 11, Section 9 of the West Virginia Legislative Rules promulgated pursuant to Chapter 22, Article 11.

14. Liabilities

- a) Any person who violates a permit condition implementing sections 301, 302, 306, 307, 308, 318, or 405 of the Clean Water Act is subject to a civil penalty not to exceed \$10,000 per day of such violation. Any person who willfully or negligently violates permit conditions implementing sections 301, 302, 306, 307, or 308 of the Clean Water Act is subject to a fine of not less than \$2,500 nor more than \$25,000 per day of violation, or by imprisonment for not more than 1 year, or both.
- b) Any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit shall, upon conviction, be punished by a fine of not more than \$10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
- c) Any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance shall, upon conviction, be punished by a fine of not more than \$10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
- d) Nothing in C.14.a), b) and c) shall be construed to limit or prohibit any other authority the Chief may have under the State Water Pollution Control Act, Chapter 22, Article 11.

OPERATION AND MAINTENANCE

1. Proper Operation and Maintenance

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of the permit. Proper operation and maintenance also includes adequate laboratory controls, and appropriate quality assurance procedures. Unless otherwise required by Federal or State law, this provision requires the operation of back-up auxiliary facilities or similar systems which are installed by the permittee only when the operation is necessary to achieve compliance with the conditions of the permit. For domestic waste treatment facilities, waste treatment operators as classified by the WV Bureau of Public Health Regulations, authorized under Chapter 16, Article 1, Public Health Laws, Code of West Virginia, will be required except that in circumstances where the domestic waste treatment facility is receiving any type of industrial waste, the Chief may require a more highly skilled operator.

2. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

3. Bypass

a) Definitions

- (1) "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility; and
- (2) "severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

b) Bypass not exceeding limitations. The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions of D.3.c) and D.3.d) of this permit.

- c) (1) If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten (10) days before the date of the bypass;
- (2) If the permittee does not know in advance of the need for bypass, notice shall be submitted as required in F.2.b) of this permit.

d) Prohibition of bypass

- (1) Bypass is permitted only under the following conditions, and the Chief may take enforcement action against a permittee for bypass, unless:
 - (A) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
 - (B) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventative maintenance; and
 - (C) The permittee submitted notices as required under D.3.c) of this permit.
- (2) The Chief may approve an anticipated bypass, after considering its adverse effects, if the Chief determines that it will meet the three conditions listed in D.3.d)(1) of this permit.

4. Upset

a) Definition. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventative maintenance, or careless or improper operation.

b) Effect of an upset. An upset constitutes an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitations if the requirements of D.4.c) are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

c) Conditions necessary for a demonstration of upset. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

- (1) An upset occurred and that the permittee can identify the cause(s) of the upset;
- (2) The permitted facility was at the time being properly operated;
- (3) The permittee submitted notice of the upset as required in F.2.b) of this permit.
- (4) The permittee complied with any remedial measures required under C.3. of this permit.

d) Burden of proof. In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

5. Removed Substances

Where removed substances are not otherwise covered by the terms and conditions of this permit or other existing permit by the Chief, any solids, sludges, filter backwash or other pollutants (removed in the course of treatment or control of wastewaters) and which are intended for disposal within the State, shall be disposed of only in a manner and a site subject to the approval by the Chief. If such substances are intended for disposal outside the State or for reuse, i.e., as a material used for making another product, which in turn has another use, the permittee shall notify the Chief in writing of the proposed disposal or use of such substances, the identity of the prospective disposer or users, and the intended place of disposal or use, as appropriate.

MONITORING AND REPORTING

1. Representative Sampling

Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

2. Reporting

- a) Permittee shall submit each month according to the enclosed format, a Discharge Monitoring Report(DMR) indicating in terms of concentration, and/or quantities, the values of the constituents listed in Part A analytically determined to be in the plant effluent(s).
- b) The required DMRs should be received no later than 20 days following the end of the reporting period and be addressed to:

Chief
Office of Water Resources
1201 Greenbrier Street
Charleston, WV 25311-1088
Attention: Municipal Branch

- c) Enter reported average and maximum values under "Quantity" and "Concentration" in the units specified for each parameter, as appropriate.
- d) Specify the number of analyzed samples that exceed the allowable permit conditions in the columns labeled "N.E"(i.e., number exceeding).
- e) Specify frequency of analysis for each parameter as no. analyses/specified period (e.g. "3/month is equivalent to 3 analyses performed every calendar month.) if continuous, enter "Cont.". The frequency listed on format is the minimum required.

3. Test Procedures

Samples shall be taken, preserved and analyzed in accordance with the latest edition of 40 CFR Part 136, unless other test procedures have been specified elsewhere in this permit.

4. Recording of Results

For each measurement or sample taken pursuant to the permit, the permittee shall record the following information.

- a) The date, exact place, and time of sampling or measurement;
- b) The date(s) analyses were performed;
- c) The individual(s) who performed the sampling or measurement;
- d) The individual(s) who performed the analyses; if a commercial laboratory is used, the name and address of the laboratory;
- e) The analytical techniques or methods used, and
- f) The results of such analyses.

Information not required by the DMR form is not to be submitted to this agency, but is to be retained as required in E.6.

5. Additional Monitoring by Permittee

If the permittee monitors any pollutant at any monitoring point specified in this permit more frequently than required by this permit, using approved test procedures or others as specified in this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the Discharge Monitoring Report Form. Such increased frequency shall also be indicated. Calculations for all limitations which require averaging of measurements shall utilize an arithmetic mean unless otherwise specified in the permit.

6. Records Retention

The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for the permit, for a period of at least three(3) years from the date of the sample, measurement, report or application. This period may be extended by request of the Chief at any time.

7. Definitions

- a) "Daily discharge" means the discharge of a pollutant measured during a calendar day or within any specified period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the daily discharge is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the daily discharge is calculated as the average measurement of the pollutant over the day.
- b) "Average monthly discharge limitation" means the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month.
- c) "Maximum daily discharge limitation" means the highest allowable daily discharge.
- d) "Composite Sample" is a combination of individual samples obtained at regular intervals over a time period. Either the volume of each individual sample is proportional to discharge flow rates or the sampling interval(for constant volume samples) is proportional to the flow rates over the time period used to produce the composites. The maximum time period between individual samples shall be two hours.
- e) "Grab Sample" is an individual sample collected in less than 15 minutes.
- f) "i-s" -immersion stabilization - a calibrated device is immersed in the effluent stream until the reading is stabilized.
- g) The "daily average temperature" means the arithmetic average of temperature measurements made on an hourly basis, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar month, or during the operating month if flows are of shorter duration.
- h) The "daily maximum temperature" means the highest arithmetic average of the temperatures observed for any two(2) consecutive hours during a 24-hour day, or during the operating day if flows are of shorter duration.
- i) The "daily average fecal coliform" bacteria is the geometric average of all samples collected during the month.
- j) "Measured Flow" means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or for which a relationship to absolute volume has been obtained.
- k) "Estimate" means to be based on a technical evaluation of the sources contributing to the discharge including, but not limited to pump capabilities, water meters and batch discharge volumes.
- l) "Noncontact cooling water" means the water that is contained in a leak-free system, i.e. no contact with any gas, liquid, or solid other than the container for transport; the water shall have no net poundage addition of any pollutant over intake water levels, exclusive of approved anti-fouling agents.

OTHER REPORTING

1. Reporting Spills and Accidental Discharges

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee for any responsibilities, liabilities, or penalties established pursuant to Title 47, Series 11, Section 2 of the West Virginia Legislative Rules promulgated pursuant to Chapter 22, Article 11. Attached is a copy of the West Virginia Spill Alert System for use in complying with Title 47, Series 11, Section 2 of the rules as they pertain to the reporting of spills and accidental discharges.

2. Immediate Reporting

- a) The permittee shall report any noncompliance which may endanger health or the environment immediately after becoming aware of the circumstances by using the Agency's designated spill alert telephone number. A written submission shall be provided within five(5) days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.
- b) The following shall also be reported immediately:
 - (1) Any unanticipated bypass which exceeds any effluent limitation in the permit;
 - (2) Any upset which exceeds any effluent limitation in the permit; and
 - (3) Violation of a maximum daily discharge limitation for any of the pollutants listed by the Chief in the permit to be reported immediately. This list shall include any toxic pollutant or hazardous substance, or any pollutant specifically identified as the method to control a toxic pollutant or hazardous substance.
- c) The Chief may waive the written report on a case-by-case basis if the oral report has been received in accordance with the above.
- d) Compliance with the requirements of F.2. of this section, shall not relieve a person of compliance with Title 47, Series 11, Section 2.

3. Reporting Requirements

- a) Planned changes. The permittee shall give notice to the Chief of any planned physical alterations or additions to the permitted facility which may affect the nature or quantity of the discharge. Notice is required when:
 - (1) The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in Section 13.7.b of Series 10, Title 47; or
 - (2) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. The notification applies to pollutants which are subject neither to effluent limitations in the permit, nor to notification requirements under F.2. of this section.
- b) Anticipated noncompliance. The permittee shall give advance notice to the Chief of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.
- c) In addition to the above reporting requirements, all existing manufacturing, commercial, and silvicultural discharges must notify the Chief in writing as soon as they know or have reason to believe:
 - (1) That any activity has occurred or will occur which would result in the discharge on a routine or frequent basis, or any toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
 - (A) One hundred micrograms per liter (100 ug/l);
 - (B) Two hundred micrograms per liter (200 ug/l) for acrolein and acrylonitrile; five hundred micrograms per liter (500 ug/l) for 2,4-dinitro phenol; and for 2-methyl 4,6-dinitrophenol; and one milligram per liter (1 mg/l) for antimony;
 - (C) Five(5) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.9 of Series 10, Title 47;
 - (D) The level established by the Chief in accordance with Section 6.3.g. of Series 10, Title 47;
 - (2) That any activity has occurred or will occur which would result in any discharge (on a non-routine or infrequent basis) of a toxic which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
 - (A) Five hundred micrograms per liter (500 ug/l);
 - (B) One milligram per liter (1 mg/l) for antimony;
 - (C) Ten(10) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.7. of Series 10, Title 47;
 - (D) The level established by the Chief in accordance with Section 6.3.g. of Series 10, Title 47;
 - (3) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not report in the permit application under Section 4.4.b.9 of Series 10, Title 47 and which will result in the discharges on a routine or frequent basis of that toxic pollutant at levels which exceed five times the detection limit for that pollutant under approved analytical procedure.
 - (4) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Series 10, Title 47 and which will result in the discharges on a non-routine or infrequent basis of that toxic pollutant at levels which exceed ten times the detection limit for that pollutant under approved analytical procedure.

4. Other Noncompliance

The permittee shall report all instances of noncompliance not reported under the above paragraphs at the time monitoring reports are submitted. The reports shall contain the information listed in F.2.a).

OTHER REQUIREMENTS

1. The herein-described treatment works, structures, electrical and mechanical equipment shall be adequately protected from physical damage by the maximum expected one hundred(100) year flood level and operability be maintained during the twenty-five(25) year flood level.
2. The entire sewage treatment facility shall be adequately protected by fencing.
3. Continuous maintenance and operation of the listed sewage treatment facility shall be performed by or supervised by a certified operator possessing at least a class II certificate for Waste Water Treatment Plant Operators, issued by the State of West Virginia.
4. The arithmetic mean of values for effluent samples collected in a period of seven(7) consecutive days shall not exceed 45.0 mg/l for BOD₅ and TSS and 27.0 mg/l for TKN.
5. The arithmetic mean of the effluent values of the BOD and TSS discharged during a period of 30 consecutive days shall not exceed 15 percent of the respective arithmetic mean of the influent values for these parameters during the same time period except as specifically authorized by the permitting authority.
6. The permittee shall not accept any new non-domestic discharges without first obtaining approval from the Chief of the Office of Water Resources as provided in Title 47, Series 10, Section 14 of the Legislative Rules.
7. The permittee submitted an application, dated the 11th day of September 1995, to incorporate the statutory requirements relative to their sludge management program. This application is currently undergoing the completeness review. Whereupon, the review is concluded and approval is granted by the Chief, the permittee shall have fulfilled the requirements of Section D.5 of this Permit with respect to the sludge generated by the wastewater treatment facilities permitted herein. Said approval shall be afforded in accordance with the provisions of Title 47, Series 38D of the Legislative Rules, accordingly.

The herein-described activity is to be extended, modified, added to, made, enlarged, acquired, constructed or installed, and operated, used and maintained strictly in accordance with the terms and conditions of this permit; with the plans and specifications submitted with Permit Application No. WV0021768, dated the 26th day of March, 1995; with the plan of maintenance and method of operation thereof submitted with such application(s); and with any applicable rules and regulations promulgated by the Environmental Quality Board and the director of the Division of Environmental Protection.

Failure to comply with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0021768, dated the 26th day of March, 1995, and with the plan of maintenance and method of operation thereof submitted with such application(s) shall constitute grounds for the revocation or suspension of this permit and for the invocation of all the enforcement procedures set forth in Article 11, Chapter 22 of the Code of West Virginia.

This permit is issued in accordance with the provisions of Article 11, Chapter 22 of the Code of West Virginia and is transferable under the terms of Section 11 of said article.

By: Barbara S. Taylor
Chief

BST/bgl



DIVISION OF ENVIRONMENTAL PROTECTION

1201 Greenbrier Street
Charleston, WV 25311-1088LAIDLEY ELI McCOY, Ph.D.
DIRECTORSTON CAPERTON
GOVERNOR

NOTICE TO PERMITTEES

The 1989 regular session of the West Virginia legislature revised the Water Pollution Control Act, Chapter 20, Article 5A of the West Virginia Code by adding Section 6a (Now, Chapter 27, Article 11, Section 10). This section of the Code requires all holders of a State water pollution control permit or a national pollutant discharge elimination system permit to be assessed an annual permit fee, based upon regulations promulgated by the Director of the Division of Natural Resources. The Director promulgated regulations to this effect and the current regulations have an effective date of July 1, 1993. The regulations establish an annual permit fee based upon the relative potential to degrade the waters of the State which, in most instances, relate to volume of discharge. However, for sewage facilities, the annual permit fee is based upon the number of customers served by the facility. You may contact the Secretary of State's Office, State Capitol Building, Charleston, West Virginia 25305, to obtain a copy of the regulations. The reference is Title 47, Legislative Rules of Department of Natural Resources, Series 26 Water Pollution Control Permit Fee Schedule.

Based upon the volume of discharge for which your facility is currently permitted or operating at, the number of customers served by your facility or for the category you fall within, pursuant to Section 7 of Title 47, Series 26, your annual permit fee is \$500.00. This fee is due no later than the anniversary date of permit issuance in each year of the term of the permit or in the case of coverage under a general permit, the fee is due no later than the anniversary date of your coverage under the general permit. You will be invoiced by this agency at the appropriate time for the fee. Failure to submit the annual fee within one hundred and eighty(180) days of the due date will render your permit void.

**EMERGENCY RESPONSE SPILL ALERT SYSTEM
WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION**

REQUIREMENTS:

Title 47, Series 11, Section 2 of the West Virginia Legislative Rules, Environmental Protection, Water Resources - Waste Management, Effective July 1, 1994.

RESPONSIBILITY FOR REPORTING:

Each and every person who may cause or be responsible for any spill or accidental discharge of pollutants into the waters of the State shall give immediate notification to the Office of Water Resources' Emergency Notification Number, 1-800-642-3074. Such notification shall set forth insofar as possible and as soon thereafter as practical the time and place of such spill or discharge, type or types and quantity or quantities of the material or materials therein, action or actions taken to stop such spill or discharge and to minimize the polluting effect thereof, the measure or measures taken or to be taken in order to prevent a recurrence of any such spill or discharge and such additional information as may be requested by the Office of Water Resources. This also applies to spills to the waters of the State resulting from accidents to common carriers by highway, rail and water.

It shall be the responsibility of each industrial establishment or other entity discharging directly to a stream to have available the following information pertaining to those substances that are employed or handled in its operation in sufficiently large amounts as to constitute a hazard in case of an accidental spill or discharge into a public stream:

- (1) Potential toxicity in water to man, animals and aquatic life;
- (2) Details on analytical procedures for the quantitative estimation of such substances in water and
- (3) Suggestions on safeguards or other precautionary measures to nullify the toxic effects of a substance once it has gotten into a stream.

Failure to furnish such information as required by Section 14, Article 11, Chapter 22, Code of West Virginia may be punishable under Section 24, Article 11, Chapter 22, and/or Section 22, Article 11, Chapter 22, Code of West Virginia.

It shall be the responsibility of any person who causes or contributes in any way to the spill or accidental discharge of any pollutant or pollutants into State waters to immediately take any and all measures necessary to contain such spill or discharge. It shall further be the responsibility of such person to take any and all measures necessary to clean-up, remove and otherwise render such spill or discharge harmless to the waters of the State.

When the Chief determines it necessary for the effective containment and abatement of spills and accidental discharges, the Chief may require the person or persons responsible for such spill or discharge to monitor affected waters in a manner prescribed by the Chief until the possibility of any adverse effect on the waters of the State no longer exists.

VOLUNTARY REPORTING BY LAW OFFICERS, U. S. COAST GUARD, LOCK MASTERS AND OTHERS:

In cases involving river and highway accidents where the responsible party may or may not be available to report the incident, law officers, U. S. Coast Guard, Lock Masters and other interested person(s) should make the report.

WHO TO CONTACT:

Notify the following number: 1-800-642-3074.

INFORMATION NEEDED:

- | | |
|--|---------------------------------------|
| - Source of spill or discharge | - Personnel at the scene |
| - Location of incident | - Actions initiated |
| - Time of incident | - Shipper/Manufacturer identification |
| - Material spilled or discharged | - Railcar/Truck identification number |
| - Amount spilled or discharged | - Container type |
| - Toxicity of material spilled or discharged | |

RIGHT OF APPEAL

Notice is hereby given of your right to appeal the terms and conditions of this permit which you are aggrieved by to the Environmental Quality Board by filing a NOTICE OF APPEAL on the form prescribed by the Board for this purpose, with the Board, in accordance with the provisions of Chapter 22, Article 11, Section 21 of the Code of West Virginia within thirty(30) days after the date of receipt of the above permit.



DIVISION OF ENVIRONMENTAL PROTECTION

1201 Greenbrier Street
Charleston, WV 25311-1088

GASTON CAPERION
GOVERNOR

LAIDLEY ELI McCOY, Ph.D.
DIRECTOR

August 8, 1996

Honorable Ken Morris
Mayor, City of Chester
375 Carolina Avenue
Chester, WV 26034

RE: WV/NPDES Water Pollution Control
Permit No. WV0021768

Dear Mayor Morris:

This letter serves as Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0021768 issued the 27th day of November 1995.

After review and consideration of the information submitted with Permit Modification Application No. WV0021768-A dated the 21st day of March 1996 and the associated plans and specifications, the subject permit is hereby modified to include the following:

The acquisition, construction, installation, operation, and maintenance of a sewage collection line extension which will serve the Lawrenceville area. This extension consists of 19,800 linear feet of six (6) inch gravity sewer line, 950 linear feet of eight (8) inch gravity sewer line, 102 manholes, nine (9) lift stations, 3,300 linear feet of two (2) inch force main, and all other appurtenances.

The wastewater treatment units shall be constructed in accordance with the plans, specifications and reports as approved by the Construction Assistance Branch on the 10th day of January 1996. A further description of these documents is presented as follows:

Plans, Specifications, and Reports:

Prepared by: Gills, Guard, & Johnson, Inc.
Willoughby, OH 44094

Title: City of Chester; Hancock County, WV;
Lawrenceville Sewer Project
Contract 94-LSSP

Honorable Ken Morris
Page 2
August 8, 1996

All other terms and conditions of the subject permit shall remain in effect and unchanged.

Sincerely,

OFFICE OF WATER RESOURCES



Barbara S. Taylor
Chief

BST:rb



STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

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JB
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B. H. J. PLANNING COMMISSION

GASTON CAPERTON
GOVERNOR

October 12, 1993

The Honorable Kenneth Morris
Mayor
City of Chester
375 Carolina Avenue
Chester, West Virginia 26034

Dear Mayor Morris:

Thank you for your application to the Small Cities Block Grant Program for fiscal year 1993.

I am pleased to approve your request in the amount of \$750,000. These funds will enable you to extend the City of Chester's sewer system to 170 new customers in the Lawrenceville area.

In order to most effectively use the limited dollars available, I hereby commit \$275,000 from our fiscal year 1993 allocation which will be immediately available to you. The remaining \$475,000 necessary to complete this project will be evaluated and committed in the coming fiscal year. I encourage you to expedite this project and reach its completion as quickly as possible with this funding strategy in mind. The West Virginia Development Office, Community Development staff, will contact you to complete the necessary contracts in order to proceed with your project.

It is with pleasure that I am able to work with you to make this project a reality.

Sincerely,

Gaston Caperton
Gaston Caperton
Governor

GC:dls

NOV 12 1993

NOV 12 1993

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STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

GASTON CAPERTON
GOVERNOR

November 18, 1994

The Honorable Kenneth Morris
Mayor
City of Chester
375 Carolina Avenue
Chester, West Virginia 26034

Dear Mayor Morris:

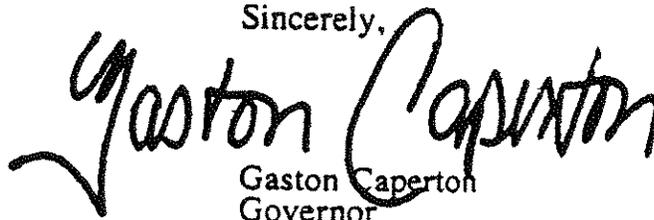
On October 12, 1993, the city of Chester was awarded a Small Cities Block Grant (SCBG) in the amount of \$750,000 for the extension of sewer service to the Lawrenceville area.

In order to most effectively utilize the limited dollars available and to time the obligation of funds closer to when they are actually needed, \$275,000 was committed from the FY1993 allocation with an additional commitment to evaluate progress and provide the remaining \$475,000 from future funding.

In order to not delay the completion of this project, I am pleased to approve the remaining \$475,000. It is extremely important that the final design be completed and the project be under construction as soon as possible. I encourage you to monitor the progress of this project closely to achieve that purpose.

The Community Development staff will be contacting you to assist in the changes necessary to amend your SCBG contract. If you have any questions, please do not hesitate to contact Mrs. Debbie Legg at (304) 558-4010.

Sincerely,



Gaston Caperton
Governor

GC:lls



DIVISION OF ENVIRONMENTAL PROTECTION
617 Broad Street
Charleston, WV 25301-1251

GASTON CAPERTON
GOVERNOR

LAIDLEY ELI McCOY, Ph.D.
DIRECTOR

TO: Whom It May Concern
DATE: October 22, 1996
SUBJECT: City of Chester
AC-540265-03-1
Design Advance Grant

Based upon receipt of bids, the City of Chester's design advance is calculated to be \$52,923. In March 1995, the City received a payment of \$17,090. When contracts are awarded a final payment of \$35,833 will be made.

Should you need any additional information, please feel free to contact Gale Burdette of my staff at (304) 558-0637 or TTY/TDD 1 800 982-8772 (558-4144).

A handwritten signature in cursive script, reading "Rosalie Brodersen".

Rosalie Brodersen, Branch Leader
Management Branch
Construction Assistance

RB/gbk