

**ALPINE LAKE PUBLIC UTILITIES COMPANY**

**SEWER REVENUE NOTE, SERIES 2008 A  
(UNITED STATES DEPARTMENT OF AGRICULTURE)**

**DATE OF CLOSING: JANUARY 10, 2008**

**BONDS TRANSCRIPT**

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**ALPINE LAKE PUBLIC UTILITIES COMPANY**

**Sewer Revenue Note, Series 2008 A  
(United States Department of Agriculture)**

**NOTE TRANSCRIPT**

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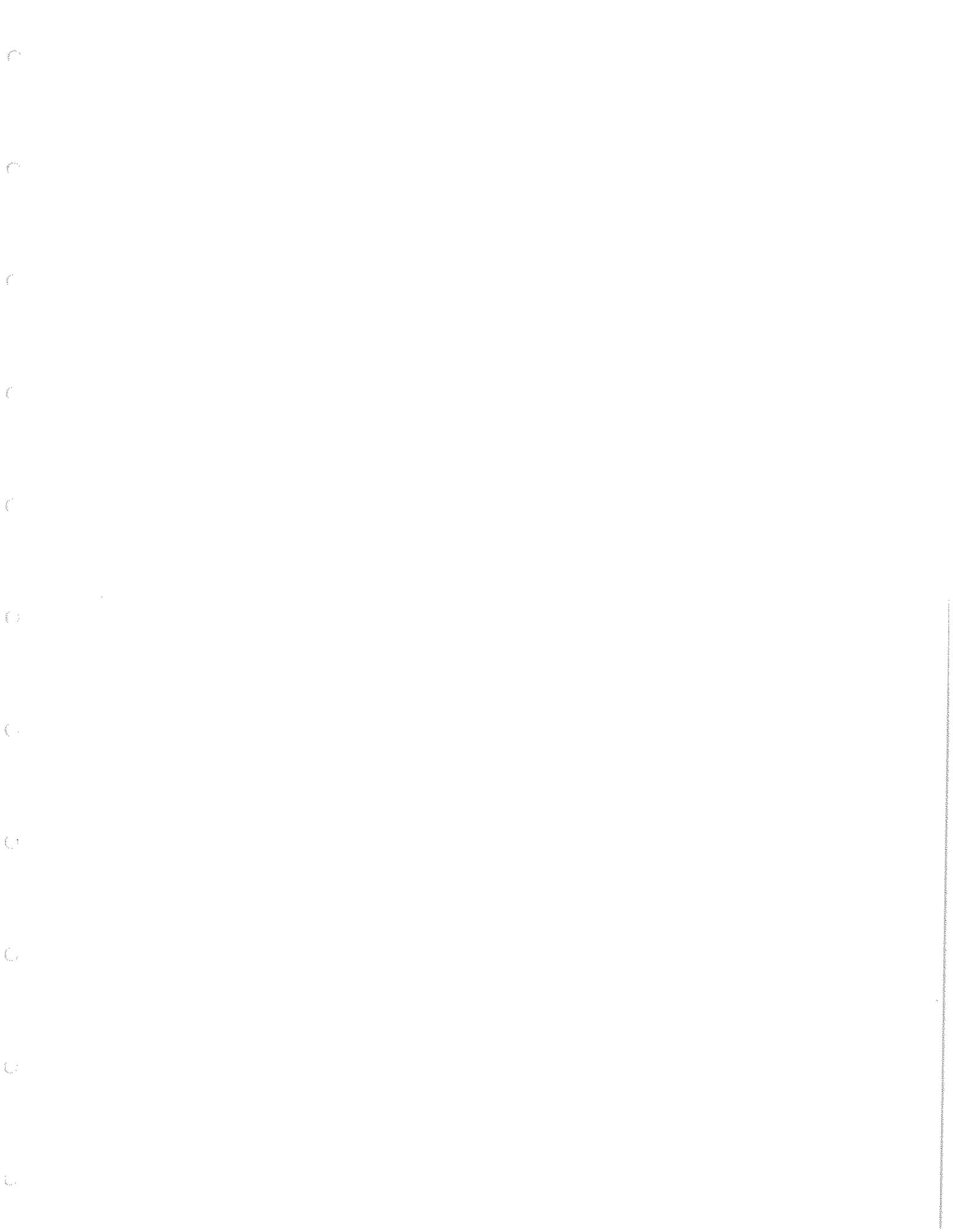
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**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALPINE LAKE PUBLIC UTILITIES COMPANY AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,500,000 FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING AND CONSTRUCTING IMPROVEMENTS AND ADDITIONS TO THE ORGANIZATION'S EXISTING SEWER SYSTEM TREATMENT AND DISTRIBUTION SYSTEM, PROVIDING FOR THE COLLECTION, HANDLING, AND DISPOSITION OF REVENUES THEREFROM, AND AUTHORIZING MAKINGS OF PROMISSORY NOTE(S), SECURITY INSTRUMENTS, AND PLEDGES OF REVENUES TO EVIDENCE AND SECURE THE PAYMENT OF SAID INDEBTEDNESS AND FOR RELATED PURPOSES.**

**WHEREAS**, the Alpine Lake Public Utilities Company (hereinafter referred to as the "Organization"), was organized under W. Va. Code Chapter 31E, Article 1 et seq. for the purpose of providing a sewer treatment and distribution system for the Alpine Lake Resort (hereinafter referred to as the "Facility") to serve the Members of the said Organization; and

**WHEREAS**, a meeting of the Board of Directors (the "Board") of the said Organization was held on the 8th day of January, 2008, pursuant to a proper notice thereof to consider plans for the acquisition and construction of improvements to the Facility and methods of financing the Facility improvements; and, as shown by the minutes of said meeting, of the five (5) Board members of record of the organization there were present and voting four (4) of said members, and by a recorded majority vote, improvements to the existing Facility and the financing thereof was authorized; and,

**WHEREAS**, the proposed Facility improvements are to be constructed and equipped in accordance with plans, and specifications prepared by Greenhorne & O'Mara, Inc., consulting engineers, and in order to finance the Facility improvements, the Board is authorized and empowered, in their discretion, for and in the name of the

Organization, to enter into a loan transaction with the United States of America; acting through the United States Department of Agriculture (hereinafter referred to as the "Government"), for the financing of the improvements to the Facility; to cause the execution and delivery of a promissory note or notes or other evidence of indebtedness (hereinafter referred to as the "Notes"), and appropriate security instruments to secure any loan or loans made or insured by the Government; to execute a Loan Agreement in connection with such a loan or loans; to comply with any requirements, terms or conditions prescribed by the Government or by Government regulations; and to execute construction contracts or any other contracts or enter into agreements and, without limitation, to take any and all other action as may be necessary, incidental or appropriate to finance, acquire, construct, complete, and/or equip the improvements to the Facility for and on behalf of the Organization.

**NOW, THEREFORE,** it is hereby resolved by the Board as follows:

Section 1. (Determination of Board). That it is necessary to defray a portion of the costs of financing the Facility improvements by obtaining loans made or insured by the Government in accordance with applicable provisions of the Consolidated Farm and Rural Development Act, it being determined that the Organization is unable to obtain sufficient credit elsewhere to finance the Facility improvements, taking into consideration prevailing private and cooperative rates and terms currently available;

Section 2. (Terms of Loan). That the Organization borrow not to exceed \$3,500,000 and issue as evidence thereof one or more installment promissory note or notes in the form prescribed by the Government for the full principal amount of each loan. The note or notes shall be signed by the President and Treasurer, attested by the Secretary and have the corporate seal of the Organization affixed thereto, and shall bear interest from its date, which shall be the date of delivery at a rate not to exceed 4.25 percent per annum; the principal and interest shall be paid over a period of 40 years in accordance with the payment schedule set forth in the promissory note, until the principal and interest are fully paid except the final payment of the entire indebtedness, if not sooner paid, shall be due and payable 40 years from the date of the note. Each payment shall be applied first to the payment of the accrued interest and second to the payment of the principal. Prepayments of any installment may be made in any amount at any time at the option of the Organization.

Section 3. (Assignment and Pledge of Revenue). The indebtedness hereby authorized to be incurred, together with the interest thereon, shall be payable from the gross income and revenue to be derived from the operation of the Facility, a sufficient portion of which, to pay the principal and interest as and when the same shall become due, is hereby assigned, and pledged and shall be set aside for that purpose and this assignment and pledge shall extend to and include any assessments that may be levied pursuant to Section 5 (d) hereof.

Section 4. (Protection and Disposition of Funds). The treasurer of the Organization shall be the custodian of all funds of the Organization. Funds may be deposited in institutions insured by the State and Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.

The treasurer is hereby directed to establish the following accounts into which the current funds of the Organization, note proceeds, the revenues from the Facility and any other income shall be deposited, which accounts shall be continually maintained, except as otherwise provided, so long as the indebtedness hereby authorized remains unpaid:

(a) Construction Account

The proceeds of the borrowing hereby authorized not disbursed contemporaneously with the loan closing for incurred Facility costs, together with all tap and connection fees related to the Facility improvements, shall be deposited in the Construction Account which shall be established as required by the Government. Withdrawals from the construction account shall be made only on checks signed by the President and/or the Treasurer of the Organization as authorized by the Board from time to time, and with prior concurrence of the Government. At the option of the Government, the construction account may be established as a "supervised bank account". Amounts in the supervised bank account exceeding \$100,000 shall be secured by the depository bank in advance in accordance with U.S. Treasury Department Circular No. 176. Withdrawals from a supervised bank account shall be made only on checks signed by the President and/or Treasurer of the Organization and countersigned by an authorized official of the Department of Agriculture. The Organization's share of any insurance or liquidated damages and other monies paid by defaulting contractors or their sureties will be deposited in the Construction Account to assure completion of the Facility. When all construction costs have been paid in full, any balance remaining in the Construction Account may be applied on the loans or used for other authorized purposes that have been approved by the Government and the Construction Account shall be closed.

(b) General Account

As soon as the facility becomes revenue producing, all funds received shall be set aside in an account to be designated as the General Account, and disbursements and transfers from this account shall be in the following priority: Debt Service, Operations and Maintenance, transfers to Reserve Accounts, and transfers to Renewal and Replacement Fund. Monies deposited in the General Account shall be used only in the manner and order as follows:

- (1) Borrowers making monthly USDA Debt Service Payments shall use the General Account for making such payments plus

operating and maintenance expenses. Also, funds will be transferred from this account to the Series 2008 A Note Reserve Account and to the Renewal and Replacement Fund in accordance with (d) and (e) below. An amount equal to 1/6 of the budgeted monthly operating expenses of the Organization shall be retained in the General Account each month as working capital.

- (2) Borrowers making other than monthly USDA Debt Service Payments shall use the General Account to pay operating and maintenance expenses. Other transfers from this account will be made in the following order: (i) Transfers to the Debt Service Account will be made in accordance with (c) below, (ii) Transfers to the Reserve Account will be made in accordance with (d) below, and (iii) transfers to the Renewal and Replacement Fund will be made in accordance with (e) below.

(c) Debt Service Account

For borrowers on other than monthly debt service payments, transfers, in proportion to income availability, shall be made from the General Account and set aside in an account designated as the Debt Service Account, in sufficient amounts which will accumulate for the next installment on the note.

(d) Reserve Accounts

From the remaining funds in the General Account, after transfers and payments required in (b)(1) or (b)(2) and (c), there shall be set aside into account(s) designated as the Series 2008 A Note Reserve Account and the sum of 10% of the monthly payment amount each month with respect to the note, until the amount accumulated therein is equal to the annual debt service on each respective note. With the prior written approval of the Government, funds may be withdrawn and used for such things as loan installments, emergency maintenance, extensions to facilities and replacement of short-lived assets, subject to conditions established by the Government.

(e) Renewal and Replacement Fund

From the remaining funds in the General Account, there shall be set aside into an account designated as the Renewal and Replacement Fund the sum of 2 1/2% of the gross revenues each month. Such funds may be used to make debt service payments, replace funds withdrawn from the Reserve Account, and for replacements, repairs, improvements or extensions to the System.

(f) Whenever there shall accumulate in the General Account amounts in excess of those required in subsections (b)(1) and (2), (c), (d), and (e) such

excess will be used by the Organization to make prepayments on the loans or retained in the General Account.

(g) The accounts required in subsections (b)(1) and (2), (c), (d), and (e) may be established and maintained as bookkeeping accounts or as separate bank accounts at the election of the Organization, unless otherwise directed by the Government.

Section 5. (Other Covenants and Agreements of the Organization). The Organization covenants and agrees that so long as the indebtedness hereby authorized remains unpaid;

(a) It will indemnify the Government for any payments made or losses suffered by the Government.

(b) It will comply with applicable State laws and regulations and continually operate and maintain the Facility in good condition.

(c) It will impose and collect such rates and charges that gross revenues will be sufficient at all times to provide for payment of the operation and maintenance thereof; the installment payments on the notes; and the maintenance of the various funds herein created. All service rendered by or use of the Facility shall be subject to the full rates prescribed in the rules and regulations of the Organization; no free service by or use of the Facility will be permitted.

(d) It will cause to be levied and collected such assessments as may be necessary to operate and maintain the Facility in good condition and meet installment payments on the notes when the same become due if, for any reason, gross revenues are insufficient.

(e) It will establish and maintain such books and records relating to the operation of the system and its financial affairs, and will provide for the annual audit thereof, in such manner as may be required by the Government; will provide the Government without its request a copy of each such audit; and will make and forward to the Government such additional information and reports as it may from time to time require.

(f) It will provide the Government, at all reasonable times, access to all books and records relating to the Facility and access to the property of the Facility so that the Government may ascertain that the Organization is complying with the provisions hereof and with the provisions of other instruments incident to the making or insuring of the loan.

(g) It will maintain at least such insurance and fidelity bond coverage as may be required by the Government.

(h) It will not borrow any money from any source or enter into any contract or agreement or incur any other liabilities in connection with making extensions or improvements to the Facility, exclusive of normal maintenance, without obtaining the prior written consent of the Government.

(i) It will not cause or permit any voluntary dissolution of its organization, or merge or consolidate with any other organization, without obtaining the prior written consent of the Government. It will not dispose of or transfer title to the Facility or any part thereof, including lands and interest in lands, by sale, security instrument, lease or other encumbrance, without obtaining the prior written consent of the Government. Revenue in excess of the amount required to maintain the accounts described by Section 4 herein will not be distributed or transferred to any other organization or legal entity.

(j) It will not modify or amend the Articles of Incorporation or the Bylaws of the Organization without the written consent of the Government.

(k) It will provide adequate service to all persons within the service area who can feasibly and legally be served and will obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the organization or public body.

(l) All present and future contract rights, accounts receivable, and general intangibles arising in connection with the facility are pledged as security for the loan.

(m) It will comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing adverse environmental impacts of the facility's construction or operation.

Section 6. (Security Instruments). In order to secure the payment of the principal and interest of the Series 2008 A Note, the President, Treasurer, and Secretary of the Organization are hereby authorized and directed to execute and deliver good and sufficient lien instruments, where necessary, encumbering the properties and assets both real and personal constituting said Facility, as completed or as the same may be thereafter extended, including an assignment and pledge of revenues and such other instruments as may be prescribed by the Government.

Section 7. (Refinancing). If at any time it shall appear to the Government that the Organization is able to refinance the amount of the indebtedness then outstanding, in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources at reasonable rates and terms for loans for similar purposes and periods of time, the Organization will, upon request of the

Government, apply for and accept such loan in sufficient amount to repay the Government and will take such actions as may be required in connection with such loan.

Section 8. ("Equal Employment Opportunity under Construction Contracts and Nondiscrimination"). The President and the Secretary be and they are hereby authorized and directed to execute for and on behalf of the Organization, Form RD 400-1, "Equal Opportunity Agreement", and Form RD 400-4, "Assurance Agreement".

Section 9. In the case of a grant, the Organization hereby accepts the grant under the terms as offered by the Government and that the President, Secretary, and Treasurer of the Organization are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant and the Organization hereby resolves to operate the facility under the terms as offered in said grant agreement(s).

Section 10. Default under the provisions of this agreement or any instrument incident to the making or issuing of the loans may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Organization, and default under any such instrument may be construed by the Government to constitute default hereunder.

Section 11. (Resolution a Contract). The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instruments, shall constitute a contract between the Organization and the Government or assignee so long as the notes hereby authorized remain unpaid.

Section 12. (Approval of Sewer Rates). The Organization hereby approves and adopts as the sewer rates and charges to be charged by it for the use of its sewer system improvement project, the sewer rates and charges set forth in that certain Commission Order entered May 29, 2007, by the West Virginia Public Service Commission. The Organization covenants to increase its sewer rates and charges from time to time, after first obtaining the approval of the West Virginia Public Service Commission, as necessary to provide sufficient gross revenues to the Organization to make debt service payments on the Series 2008 A Note, and to make the payments into the funds and accounts as described in Section 4 hereof.

Section 13. (Approval of Contracts). The board of directors of the Organization hereby approves the execution and delivery by the appropriate officers of the Organization of all construction contracts and agreements, and all other documents and instruments necessary to construct the Facility improvements, to finance the same pursuant to the loans herein described from the Government, and to secure repayment of said loans from the Government.

Section 14. (Notice of Award). If not heretofore provided by the board of directors of the Organization, the board of directors hereby gives notice of award and notice to proceed to the contractors who provided the low bids for the Facility improvements as reflected in the bid tabulation provided to the Government.

Section 15. This resolution shall take effect and be in force from and after the 8th day of January, 2008, being the date of its enactment.

The vote was: Yeas 5 Nays 0 Absent 0

Alpine Lake Public Utilities Company

(SEAL)

By *Ann Nilson*  
Title: President

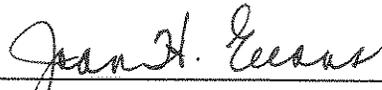
By *Jessith Kay*  
Title: Treasurer

Attest: *Jean H. Evans*  
Title Secretary

CERTIFICATION

I, the undersigned, as secretary of the Board of Directors of Alpine Lake Public Utilities Company, hereby certify that a quorum of the Board of Directors of such Organization or Corporation were present at a meeting hereof duly called and held on the 8th day of January, 2008; that the foregoing resolution was adopted at such meeting by the vote shown above, and that said resolution has not been rescinded or amended in any way.

Dated, this 10th day of January, 2008.

  
\_\_\_\_\_  
Secretary of Board of Directors

012210.00002



**USDA RURAL DEVELOPMENT**

**LOAN AGREEMENT**

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## LOAN AGREEMENT

### RECITALS

Alpine Lake Public Utilities Company is a non-profit corporation organized and existing under the laws of the State of West Virginia (the "Borrower"). The Borrower has determined that it is necessary and desirable to borrow money from Rural Development of the U.S. Department of Agriculture in order to finance a project duly authorized by resolutions of Borrower's governing body.

NOW, THEREFORE, in consideration of the loan being extended to it by the Government (as hereinafter defined), the Borrower hereby agrees to the following:

### DEFINITIONS

The terms defined in this part shall have the following meanings when used in this Loan Agreement unless a different meaning clearly appears from the context.

**"Annual Budget"** means the budget which the borrower is obliged to establish each year under Section 4.3 of this Loan Agreement.

**"Board"** means the Borrower's governing body which is its board of directors.

**"Borrower"** means Alpine Lake Public Utilities Company being a non-profit corporation organized and existing under the laws of the State of West Virginia for the purpose of operating a sewer treatment and distribution facility, and includes its successors and assigns.

**"Construction"** means construction, reconstruction, acquisition, equipment, installation and renovation.

**"Construction Account"** means the bank account required to be established under Paragraph A of Section 4 of the Loan Resolution.

**"Costs of Project"** means the costs described in Section 3.2 of this Loan Agreement.

**"Encumbered Property"** means the property and rights in property, real or personal, at any time mortgaged or pledged by the Borrower to the Government, either under this Loan Agreement, the Loan Resolution, or the Mortgage as security for the performance of the Borrower's obligations under the Loan Instruments.

**"Equipment"** means the equipment pledged under Article Two of this Loan Agreement as security for the performance of the Borrower's obligations under the Loan Instruments, as more fully described on the Financing Statement.

**"Event of Default"** means any of the events described in Section 9.1 of this Loan Agreement.

**"Facility"** means the existing complete sewer system improvement project of the Borrower, together with any future improvements thereto, and where a location or site of operations contains or includes more than one building, unit, plant, installation or structure, the entire location, including all personal property and fixtures located thereat, shall be deemed to be the Facility.

**"Financing Statements"** means one or more financing statements as defined in the Uniform Commercial Code of the State of West Virginia. It also includes all future continuation statements and financing statements supplemental thereto.

**"General Account"** means the account required to be established by Section 4(b) of the Loan Resolution.

**"Government"** means the United States of America, acting through the Rural Development, U.S. Department of Agriculture.

**"Loans"** means the loan by the Government to the Borrower in the amount of \$3,500,000, represented by the Series 2008 A Note, pursuant to the provisions of the Consolidated Farm and Rural Development Act, and any subsequent loans to the Borrower by the Government.

**"Loan Agreement"** means this Agreement being executed and delivered by the Borrower to the Government as a security agreement under the Uniform Commercial Code to secure, in part, the performance of the Borrower's obligations under the Loan Instruments, and also includes future loan agreements amendatory thereof or supplemental thereto.

**"Loan Instruments"** collectively means the Loan Agreement, the Loan Resolution, the Mortgage, the Financing Statement, and the Notes, including future amendments thereof or supplements thereto.

**"Loan Repayment"** means the loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equally amortized monthly installments, at an interest rate of 4.25%, which provides for a monthly payment of \$15,505.00. Borrower has the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process, which allows for the payment to be electronically debited from Borrower's account on the day payment is due. Borrower must establish and fund monthly a debt service reserve account, which equals 10% of the monthly payment each month until Borrower has accumulated the equivalent of one annual installment on the loan.

**"Loan Resolution"** means the resolution of the Board adopted on RUS Bulletin 1780-28 on January 8, 2008, authorizing the construction of the Project, the acceptance of the Loans, and the making of promissory notes, security instruments and pledges of revenue to evidence and secure the Borrower's obligation to repay the Loans, and executed and delivered by the Borrower to the Government as a security agreement under the Uniform Commercial Code. The term also includes any future resolutions modifying, amending, or supplementing the Loan Resolution other than the Supplemental Resolution.

**"Mortgage"** means the Credit Line Deed of Trust, Fixture Filing, and Security Agreement by the Borrower dated January 10, 2008, securing, among other things, the payments required under the Notes, being in the form required by the Government and also being in substantially the form approved by the Loan Resolution.

**"Note"** means the Borrower's Series 2008 A Note executed and delivered to the Government on Form RD 440-22 in the aggregate principal amount of \$3,500,000, dated January 10, 2008, and payable in equal monthly installments of principal and interest with a final maturity date approximately 40 years from the date hereof.

**"Plans and Specifications"** means the plans and specifications, including drawings, prepared for the Project by Greenhome & O'Mara, Inc., consulting engineers, together with supporting documentation, as the same may be implemented and detailed from time to time and as the same may be revised from time to time, with the approval of the Government, prior to the completion of the Project.

**"Project"** means the Construction of certain additions and improvements to the Borrower's existing Sewer System in Preston County, West Virginia: the construction of a new 150,000-gallon per day wastewater treatment plant with a 150,000-gallon flow equalization basin, upgrades or replacement of the Borrower's

six (6) existing sewage pumping stations, and construction of a new office facility to serve administrative and billing staff, as well as field crew facilities and other "unspecified" appurtenances, to be constructed in accordance with the Plans and Specifications prepared by the consulting engineers.

**"Renewal and Replacement Fund"** means the Renewal and Replacement Fund required to be established under Section 4(e) of the Loan Resolution

**"Reserve Accounts"** means the Series 2008 A Note Reserve Account required to be established under Section 4(d) of the Loan Resolution.

**"Security Agreement"** collectively means the Mortgage to the extent that it encumbers personal property and fixtures; the Loan Resolution to the extent that it pledges all of the Borrower's revenues, contract rights, accounts receivable, and general intangibles arising in connection with the Facility; and this Loan Agreement.

**"Series 2008 A Note"** means the Series 2008 A Note on Form 440-22, dated the date hereof, executed by Borrower and made payable to the order of the Government, in the original aggregate principal amount of \$3,500,000.

## ARTICLE I

### TERMS OF THE LOANS AND DETAILS OF THE NOTES

#### Section 1.1. General:

Concurrently with the execution and delivery of this Loan Agreement, the Borrower's President, Treasurer, and Secretary shall execute and deliver the Borrower's Series 2008 A Note on Form RD 440-22:

A. The Series 2008 A Note shall be in the aggregate principal amount of \$3,500,000, shall be dated the date of its delivery and shall bear interest from the date of delivery at the rate of 4.25% per annum on the unpaid principal balance. Interest only shall be payable monthly on the Note commencing 28 days following delivery thereof and continuing on the same day of the month thereafter for 24 consecutive months. Thereafter, \$15,505, covering principal and interest shall be paid on the corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of the Series 2008 A Note.

Payment on the Note shall be applied first to interest and then to principal and they shall continue unabated until the final payment of the entire indebtedness which, if not paid sooner, shall be due and payable 40 years from the date of delivery of the Note. However, prepayment is mandatory under certain conditions as set forth in the Loan Resolution.

## ARTICLE II

### ENCUMBRANCE OF REAL AND PERSONAL PROPERTY

#### Section 2.1. Mortgage of Real Property:

Contemporaneously with the execution and delivery of this Loan Agreement, the President and Secretary shall execute and deliver the Mortgage in substantially the form approved by the Loan Resolution.

#### Section 2.2. Security Interest in Tangible Personal Property and Fixtures:

The pledge of personal property and fixtures contained in the Mortgage is hereby incorporated by reference as an integral part of this Loan Agreement as if fully set forth herein. In addition, all of Borrower's supplies, furniture, fixtures, equipment, machinery, motor vehicles, and all other tangible assets of every nature or description, including additions, substitutions, and replacements, are hereby pledged and set aside and a security interest is granted by the Borrower therein in favor of the Government and any uninsured holder of the Note.

#### Section 2.3. Pledge of Specific Equipment:

Without limiting the generality of the preceding Section 2.2 or the generality of the description of Encumbered Property contained in the Mortgage, any specific items or types of Equipment listed on the Financing Statement, including any additions, substitutions or replacements therefor, are specifically pledged as security to the Government and any uninsured holder of the Note.

#### Section 2.4. Assignment and Pledge of Sewer Revenues, Accounts and Other Intangibles:

The Loans, together with interest, shall be repaid in the first instance from the gross income and revenues of Borrower derived from or in any way related to the Facility. By execution of the Loan Resolution and this Loan Agreement, such income and revenues are assigned, pledged, and set aside in favor of the Government and any uninsured holder of the Note. Notwithstanding that this Loan Agreement is a present assignment of income and revenues, it is understood and agreed that the Borrower has permission to collect the same and manage the Facility the same as if this assignment had not been given, and only so long as Borrower does not suffer or permit an Event of Default under any of the Loan Instruments--but this permission terminates automatically on the occurrence of an Event of Default. In addition, all gross receipts, gifts, pledges, contract rights, accounts and general intangibles of

Borrower in any way relating or useful to the Facility are hereby pledged as further security.

Section 2.5 Purpose of Pledge:

The pledge of collateral under Sections 2.2, 2.3 and 2.4 of this Loan Agreement shall secure (i) payment of the Series 2008 A Note, together with interest thereon, in accordance with their terms, including any extensions or renewals thereof, whenever the Note is held by either the Government or by an uninsured holder; (ii) repayment, with interest, of any payments, advances and expenditures made by the Government pursuant to the terms of this or any other Loan Instrument; (iii) performance of every covenant and agreement of the Borrower's contained in this or any other Loan Instrument; and (iv) all future advances, whether obligatory, protective, or voluntary, made to the Borrower by the Government from time to time.

Section 2.6 Proceeds of Collateral:

The pledge of collateral under Section 2.2, 2.3, and 2.4 of this Loan Agreement shall also include the proceeds thereof; however, disposition of Encumbered Property is not authorized by this Article.

Section 2.7 Relationship of Notes, Mortgage, Loan Agreement, and Loan Resolution:

The Note, Mortgage, Loan Agreement and Loan Resolution, including any amendments, modifications, replacements and supplements, are collectively referred to as the "Loan Instruments." In case of any discrepancies or inconsistencies among the Loan Instruments, the Note shall control the Mortgage; the Mortgage shall control the Loan Agreement; and the Loan Agreement shall control the Loan Resolution. For purposes of the Uniform Commercial Code, this Loan Agreement, the Loan Resolution and the Mortgage collectively constitute one security agreement between the Government and the Borrower.

## ARTICLE III

### USE OF LOAN PROCEEDS

Section 3.1. General:

The proceeds of the Loan, together with all other funds received by Borrower at any time from any source for the Construction of the Project, shall only be used to finance the costs of Construction of the Project and such moneys shall be-subject to the provisions and restrictions set forth in this Article.

Section 3.2. Costs of Project:

For the purposes of this Loan Agreement, the Costs of the Project shall include, without intending to limit or restrict any proper definition of such costs under any applicable Government regulations, laws or sound accounting practices, the following:

- 3.2.1. Construction of the Project, including land, easements, and other interests in land or improvements thereon.
- 3.2.2. Obligations incurred for labor, materials, machinery, and equipment as payable to contractors, builders, and materialmen in connection with the Construction of any part of the Project.
- 3.2.3. Taxes and other governmental charges levied or assessed upon the Project during Construction, or any property acquired therefor, the premiums on insurance, if any, in connection with the Project during Construction.
- 3.2.4. Interest on the construction loan(s) during the construction of the Project, as the same becomes due, but in no event shall the proceeds of the Loan be used to pay more than three years interest thereon after its delivery.
- 3.2.5. Fees and expenses of architects and engineers for estimates, surveys, and other preliminary investigations, preparation of Plans and Specifications, and supervision of Construction; as well as for the performance of all other duties of architects and engineers in relation to the Construction of the Project.
- 3.2.6. Expenses of administration, supervision, and inspection properly chargeable to the Project, legal expenses and fees, financing charges,

costs of audits, costs of preparing, issuing and selling the Note, abstracts and reports on titles to real estate, and all other items of expenses not specified elsewhere in this section incident to the acquisition, construction, financing, and placing of the Project in operation, including, without limitation, initial operating expenses of the Project for a period not to exceed one year.

## ARTICLE IV

### REVENUES AND SPECIAL ACCOUNTS

Section 4.1. Covenant to Fix Sufficient Rates and Charges:

Borrower covenants that so long as any portion of the Note remains unpaid, Borrower will fix, charge and collect such rates, fees, rents and other charges for the use of the Facility and its services, subject to the approval of the WV Public Service Commission, as are necessary to produce in each fiscal year an amount which, when added to any other sources of revenue made available to Borrower for use in connection with the Facility, will be equal to the aggregate amount required to pay all operating expenses which shall accrue or become payable during the then current fiscal year and the amounts required by Section 4.5 hereof to be paid during the then current fiscal year into the various funds and accounts established in connection with the Note.

Section 4.2. Enforcement of Charges:

So long as any portion of the Note remains unpaid, Borrower shall enforce all rates, fees, rents, or charges for the use of and for the services furnished by the Facility as the same shall become due and payable.

Section 4.3. Annual Budget:

Borrower covenants that prior to the end of each fiscal year it will adopt an Annual Budget for the ensuing fiscal year.

- 4.3.1. The Annual Budget shall show in reasonable detail the growth of revenues estimated to be derived from, and the operating expenses estimated to be incurred in connection with, the ownership and operation of the Facility during the ensuing fiscal year as well as any planned capital additions. No expenditures for operating expenses of the Facility shall be made in any fiscal year in excess of the amount provided therefor in the Annual Budget, as it may be amended from time to time, without the consent of the Government. A copy of the Annual Budget shall be mailed to the Government and also to any uninsured holder of the Note who may so request. In addition to the foregoing, Borrower will submit to the Government additional financial and managerial information as may be required under published regulations of the Rural Development as they may be amended from time to time.

- 4.3.2. If any Annual Budget has not been adopted within the time required by subsection 4.3.1. above, the last previously adopted Annual Budget shall be deemed to provide for, regulate, and control expenditures until the Annual Budget for the ensuing fiscal year is adopted.
- 4.3.3. Borrower may at any time prior to or during a fiscal year amend its Annual Budget. Copies of all amendments shall be mailed to the Government, and to any uninsured holder of the Note who so request, whenever they aggregate 5% or more of the Annual Budget for operating expenses. Thereafter, any subsequent amendments aggregating 5% or more shall be mailed to the Government and to any uninsured holder of the Note who may so request.

Section 4.4. Construction Account:

In the event that Construction of the Project has not been completed by the date of this instrument, then any Loan proceeds not disbursed contemporaneously with Loan closing shall be deposited in the Construction Account in accordance with Section 4 of the Loan Resolution; provided, however, the Construction Account need not be a supervised bank account unless the Government, in its discretion, so requests.

Section 4.5. General Account

As soon as the Facility becomes revenue producing, all funds received shall be set aside in an account to be designated as the General Account, and disbursements and transfers from this account shall be in the following priority: Debt Service, Operations and Maintenance, transfers to Reserve Accounts, and transfers to Renewal and Replacement Fund. Monies deposited in the General Account shall be used only in the manner and order as follows:

- (1) Borrowers making monthly USDA Debt Service Payments shall use the General Account for making such payments plus operating and maintenance expenses. Also, funds will be transferred from this account to the Reserve Accounts and Renewal and Replacement Fund in accordance with Sections 4.5.2 and 4.5.3 below. An amount equal to 1/6 of the budgeted monthly operating expenses of the Organization shall be retained in the General Account each month as working capital.

(2) Borrowers making other than monthly USDA Debt Service Payments shall use the General Account to pay operating and maintenance expenses. Other transfers from this account will be made in the following order: (i) Transfers to the Debt Service Account will be made in accordance with Section 4.5.1 below, (ii) Transfers to the Reserve Accounts will be made in accordance with Section 4.5.2 below, and (iii) transfers to the Renewal and Replacement Fund will be made in accordance with Section 4.5.3 below.

4.5.1. Debt Service Account. For borrowers on other than monthly debt service payments, transfers, in proportion to income availability, shall be made from the General Account and set aside in an account designated as the Debt Service Account, in sufficient amounts which will accumulate for the next installment on the Note.

4.5.2. Reserve Accounts. From the remaining funds in the General Account, after transfers and payments required in Section 4.5(1) or (2) and Section 4.5.1, there shall be set aside into accounts designated as the Series 2008 A Note Reserve Account the sum of 10% of the monthly payment amount each month to be used to pay debt service on the Note when funds are not otherwise available therefore and for emergency maintenance, extensions to facilities and replacement of short-lived assets, subject to conditions established by the Government.

4.5.3. Renewal and Replacement Fund. From the remaining funds in the General Account, there shall be set aside into an account designated as the Renewal and Replacement Fund the sum of 2 1/2% of the gross revenues each month. Such funds may be used to make debt service payments, replace funds withdrawn from the Reserve Account, and for replacements, repairs, improvements or extensions to the System.

4.5.4. Whenever there shall accumulate in the General Account amounts in excess of those required in subsections 4.5(1) and (2), 4.5.1, 4.5.2, and 4.5.3, such excess will be used by the organization to make prepayments on the Loan or retained in the General Account.

4.5.5. The accounts required in subsections 4.5(1) and (2), 4.5.1, 4.5.2, and 4.5.3 may be established and maintained as bookkeeping accounts or as separate bank accounts at the election of the Borrower, unless otherwise directed by the Government.

## ARTICLE V

### SECURITY FOR DEPOSITS AND INVESTMENTS OF ACCOUNTS

#### Section 5.1. Security for Deposits:

The Treasurer of Borrower shall be the custodian of all funds of Borrower and all funds shall be deposited in a bank or trust company which is a member of the Federal Deposit Insurance Corporation (FDIC) and is located in the same state as the Project. Any accounts not secured by the Federal Deposit Insurance Corporation or invested as provided in Sections 5.2 or 5.3, shall be secured by government obligations for the benefit of Borrower, the Government, and any uninsured holder of the Note.

#### Section 5.2. Investment of Funds and Accounts:

Moneys on deposit to the credit of the General Account or Renewal and Replacement Fund may be retained uninvested as trust funds and shall be either deposited (but only after security be given) by the Treasurer in interest-bearing deposit accounts (which may be represented by certificates of deposit) in one or more national or state banks having a combined capital and surplus of not less than \$2,000,000, or invested by the Treasurer in direct obligations of or obligations guaranteed by the United States of America. Investments and certificates of deposit shall mature in such amounts and on such dates as may be necessary to provide moneys to meet the payments required under this Loan Agreement. Moneys on deposit with the West Virginia Municipal Bond Commission in the Series 2008 A Notes Reserve Account shall be invested by said Commission in the West Virginia Consolidated Fund. Investments purchased with moneys of a particular account shall be considered a part of that account and income thereon and any profit (or loss) on the sale thereof shall be credited to (or charged against) the account.

#### Section 5.3. Commingling:

The moneys in the Construction Account, the General Account, and the Renewal and Replacement Fund shall not be commingled with each other or with any other moneys of Borrower not subject to the lien of this instrument, nor shall any such moneys be commingled with moneys of any other corporation, firm, association, entity, or individual.

## ARTICLE VI

### PARTICULAR COVENANTS OF BORROWER

#### Section 6.1. General:

Borrower hereby particularly covenants and agrees with the Government and uninsured holder of the Notes that the provisions set forth in the following sections of this Article shall become a part of the contract with the Government and any uninsured holder of the Notes.

#### Section 6.2. Payment of Note:

Borrower shall pay the principal of and interest on the Note in accordance with their respective terms.

#### Section 6.3. Construction of Project:

Borrower, if it has not done so already, shall obtain all approvals, permits, and consents required by law as a condition precedent to the construction, development, and/or operation of all parts of the Facility and shall complete the Construction of the Project in a sound and economical manner in conformity with the Plans and Specifications approved by the Government. Plan and Specifications may not be revised or deviated from in any significant way without first obtaining the Government's prior written consent. Borrower shall construct the Project in conformity with all applicable requirements of governmental authorities and do all acts and all things necessary and reasonable in order that it may begin to collect revenues from the Project at the earliest practicable time.

#### Section 6.4. Operation and Maintenance:

Borrower shall establish and enforce reasonable rules and regulations governing the use and services of the Facility; maintain and operate the Facility in an efficient and economical manner and pursuant to the Annual Budget; maintain the Facility in good repair and sound operating condition; and make all necessary repairs, replacements, and renewals. Borrower shall not change the primary usage or character of the Facility from that set forth in its Loan application without the prior written consent of the Government. All compensation, salaries, fees and wages paid by Borrower in connection with the operation, maintenance, and use of the Facility shall be reasonable. Borrower shall comply with all valid acts, rules, regulations, licenses, orders, and directions of any legislative, executive, administrative, or judicial body applicable to the Facility or Borrower including, without limitation,

any requirements of any third party payers which may affect Borrower's qualifications or rights to receive payments from such entities.

Section 6.5. Competition:

Borrower shall not operate or consent to the operation of any service in competition with the Facility.

Section 6.6. Sale or Encumbrance:

Neither the Facility, nor any nonexpendable part thereof, shall be sold, leased, encumbered, or otherwise disposed of unless the payment received therefore by the Borrower shall be sufficient to repay the Note in full. Provided further, however, that Borrower may sell or otherwise dispose of any property constituting a part of the Facility that is no longer needed or useable, but any proceeds not used to replace property sold or otherwise disposed of shall be deposited in the Reserve Accounts. Alternatively, the proceeds may be used by Borrower to prepay a portion of the Note to the extent the balance maintained in the Reserve Accounts equals that which is required by this Agreement. Notwithstanding the above, for so long as the Note is held or insured by the Government, any sale, lease, encumbrance, or other disposition of the Facility or any nonexpendable part hereof, must be first consented to in writing by an authorized representative of the Government.

Section 6.7. Creation of Liens:

Borrower shall not create or allow any lien or charge upon the Facility or any part hereof or any lien or charge upon the revenues or other assets pledged herein ranking equally with or prior to the lien or charge of the Loan Instruments. Borrower shall pay or cause to be discharged materials, or supplies within sixty days after the same shall accrue and governmental charges when the same become due. Nothing contained in this section shall require Borrower to pay, discharge or make provisions for any lien or charge so long as the validity thereof shall be contested in good faith by appropriate legal proceedings which are diligently prosecuted. Borrower may incur parity debt after first obtaining the prior written consent of the Government.

Section 6.8. Title to Lands:

Borrower shall make no contract requiring payment for labor or to contractors, builders, or materialmen on account of the Construction of any part of the Facility unless that part is located on lands to which title in fee simple or over which perpetual easement, in either case sufficient for the purposes of the Facility, has been acquired by Borrower.

Section 6.9. Insurance: Borrower shall maintain insurance as follows:

- 6.9.1. (Fire and Extended Coverage) Borrower shall keep insured under standard fire and extended coverage insurance policies all insurable portions of the Facility against loss of fire, tornado, wind storm, or other casualty to such extent as may be necessary to provide for a full recovery of 100% of the full insurable value of the property damaged or one and one-half times the outstanding principal balance of the Note, whichever is less. All proceeds of insurance shall be applied promptly to the repair or replacement of the property damaged or destroyed or towards prepayment of the Notes. Policies shall, to the extent available at a reasonable premium, provide insurance for loss of Facility income resulting from any insurable property loss to the Facility.
- 6.9.2. (Public Liability) Borrower shall carry public liability insurance, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System. Such insurance is to be procured not later than the date of delivery of the Notes.
- 6.9.3. (Vehicular Public Liability) If Borrower at any time owns or operates any vehicles in connection with the operation of the Facility, it shall carry vehicular public liability insurance with limits of not less than \$300,000.00 for one person and \$500,000.00 for more than one person involved in one accident to protect the Borrower from claims for bodily injury and/or death, and not less than \$200,000.00 to protect Borrower against claims for damage to property of others which may arise from the ownership or operation of vehicles.
- 6.9.4. (Workmen's Compensation) Borrower shall carry such workmen's compensation insurance as is required by applicable state law.
- 6.9.5. (Flood Insurance) Flood insurance is to be procured, to the extent available at reasonable cost to the Borrower; however, if the Facility is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.
- 6.9.6. (Builder's Risk) In the event that Construction is to be undertaken at the Facility, then Borrower shall see that any construction

contractors for the Facility carry "all risk" type builder's risk insurance in an amount not less than the contract price totaled in the bid for work performed. The policy shall cover not less than the losses due to fire, explosion, hail, lightning, vandalism, malicious mischief, wind, collapse, riot, aircraft, and smoke during the contract time and until the work is accepted by Borrower. The policy shall name as the insured at least the contractor and Borrower.

- 6.9.7. (Miscellaneous) All policies of insurance shall be accompanied by receipts showing payment of premiums in full and shall be deposited in the office of Borrower maintained in the state in which the Facility is located. In addition, certificates of insurance and copies of such policies shall be furnished to the Government. Notwithstanding the foregoing, all policies of insurance required by subsection 6.9.1 shall contain a standard mortgagee's interest endorsement clause in form and substance satisfactory to the Government, and, if the Government so requests, the originals of those policies and endorsements required by subsection 6.9.1 shall be delivered to it for safekeeping.

Section 6.10. Fidelity Bonds:

Borrower shall carry fidelity bonds on all of its officers and employees who may handle funds appertaining to the Facility. During construction of the Project, any individual's bond shall be in an amount not less than \$300,000. Following completion of construction, such fidelity bonds shall be in an amount at least equal to one annual installment on the Notes. All bonds shall be executed with a surety company approved by the Government. The "United States of America, acting through the Rural Utilities Service, United States Department of Agriculture" shall be named as co-obligee on all bonds so long as the Government is the holder or insurer of the Notes. Bonds shall not be reduced or terminated without the prior written consent of the Government.

Section 6.11. Records and Reports:

Borrower shall keep proper books of records and accounts, separate from any of its other records and accounts, showing complete and correct entries of all transactions relating to the Facility. The Government and any uninsured holder of the Note shall have the right at all reasonable times to inspect the Facility and also to inspect and copy all records, accounts, and data relating thereto. Borrower shall also cause an annual audit of its books and accounts to be made by an independent certified public accountant at the end of each fiscal year. No later than ninety days after the end of each fiscal year, certified copies of the annual audit report, and auditor's opinion, reflecting in reasonable detail the financial condition and record of

operation of the Facility, including specifically the rates charged, the number of persons served, and the fees collected for new accounts, shall be filed in the office of Borrower and shall be mailed to the Government without request or to any uninsured holder of the Note who so requests.

Section 6.12. Corporate Existence to be Maintained:

Borrower will not cause or permit any voluntary dissolution of its organization or consolidate with any other organization without obtaining prior written consent of the Government and of any uninsured holder of the Note.

Section 6.13. Compliance with Laws:

The Borrower will comply with all applicable statutes, regulations, orders and restrictions of the United States of America, the state in which the Facility is located, municipalities of such state, and agencies and instrumentality's of the foregoing, with respect to the conduct of its operations and activities and the ownership of its Facility, except such as are being contested in good faith.

## ARTICLE VII

### **SPECIAL COVENANTS IN FAVOR OF THE GOVERNMENT**

#### Section 7.1. General:

For so long as the Government is the holder or insurer of the Notes, Borrower makes the covenants set forth in the following sections of this Article as additional covenants in favor of the Government.

#### Section 7.2. Indemnification:

Borrower will indemnify the Government for any payments made or losses suffered by the Government involving the Facility.

#### Section 7.3. Government Accounting Requirements:

Borrower will establish and maintain books and records relating to the operation of the Facility and its financial affairs. All accounting will be on the accrual method. Borrower will provide for the annual audit of all books and records as required by the Government, and provide the Government, without request, a copy of each audit. Borrower will also make and forward to the Government additional information and reports, as the Government may from time to time reasonably require, including all reports and information required under published regulations of the Rural Development as they may be amended from time to time.

#### Section 7.4. Government's Right to Access:

Borrower will provide the Government, at all reasonable times, access to all books and records relating to the Facility and or its operations in general. Borrower will also provide access to the Facility itself so that the Government may ascertain whether Borrower is complying with the provisions of all Loan Instruments.

#### Section 7.5. Limitations on Further Borrowing :

Borrower will not borrow any money from any source for any reason or enter into any contract, agreement, or lease, or incur any other liability in connection with making extensions or improvements to the Facility, exclusive of normal maintenance, without obtaining the prior written consent of the Government.

#### Section 7.6. Limitations on Modification of Organic Corporate Documents:

Borrower will not modify or amend its Articles of Incorporation or By-laws without the prior written consent of the Government.

Section 7.7. Facilities to be for Public Use:

Borrower will serve any applicant within its service area who desires service and can be feasibly and legally served, and will obtain the concurrence of the Government prior to refusing service to any applicant who can be feasibly and legally served.

Section 7.8. Refinancing:

If at any time it shall appear to the Government that Borrower is able to refinance the amount of indebtedness then outstanding on the Notes, in whole or in part, by obtaining a loan for that purpose from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon request of the Government, apply for and accept a loan in sufficient amount to repay the Government and will take all action as may be required in connection with the loan.

Section 7.9. Further Instruments and Actions:

Borrower covenants that it will from time to time (i) adopt resolutions and by-laws, (ii) execute and deliver further instruments and (iii) take further actions as may be necessary or appropriate to carry out the obligations of Borrower under the Loan Instruments.

Section 7.10. Conflicts of Interest Prohibited:

No director, officer, agent, or employee of Borrower shall directly or indirectly, have any financial interest in any property to be included in, or any contract for property, materials, equipment, or services to be furnished or used in connection with the Construction or operation of the Facility. Notwithstanding the foregoing, whenever the Board determines that it is in the best interest of the Borrower to contract with any interested director, officer, agent, or employee, and that person (i) has previously fully disclosed the nature of his or her interest to the Board, (ii) has refrained from deliberation and voting on the matter, and (iii) has not been counted towards a quorum at any meeting at which the contract was deliberated, then, and only then, the Board may approve that contract; provided, however, that any approval shall be contingent upon the receipt of written approval by the Government. Any request for Government approval shall be accompanied by (i) full disclosure in writing of the pertinent facts and circumstances surrounding the

contract, and (ii) certified copies of the Borrower's corporate proceedings showing full compliance with the provisions of this section.

Section 7.11. Nondiscrimination:

Borrower will not discriminate, or permit discrimination, in the use or occupancy of the Facility because of race, color, creed, sex or national origin.

Section 7.12. Equal Employment Opportunity Under Construction Contracts and Nondiscrimination:

Borrower shall fully comply with all of the provisions of Form RD 400-1, "Equal Opportunity Agreement," and Form RD 400-4, "Assurance Agreement," which have been or shall be executed on its behalf by its President and its Secretary. The provisions of these Agreements are hereby incorporated herein by reference as if fully set forth in this Loan Agreement.

Section 7.13. Dissolution of Non-Profit Corporation:

In the event that the Borrower has been organized as a non-profit corporation and subsequently is dissolved or ceases to carry out the objectives or purposes set forth in its organizational papers as they are in effect on the date of this Loan Agreement, then all business, property and assets of the Borrower shall go and be distributed to one or more non-profit corporations or public bodies as may be selected by the Board and approved by at Least 75% of the Borrower's members to be used for, and devoted to, the purpose of a sewer treatment and distribution facility or other purpose to serve the public welfare of the community. In no event shall any of the assets or property, in the event of dissolution of the Borrower go or be distributed to members, directors, stockholders, or others having financial or managerial interests in the Borrower, either for the reimbursement of any sum subscribed, donated, or contributed by such persons or for any other purposes. However, nothing in this section shall prohibit the Borrower from paying its just debts.

## ARTICLE VIII

### **LOSS. DESTRUCTION, OR CONDEMNATION OF FACILITY**

#### Section 8.1. Damage or Destruction:

If the Facility shall be damaged or destroyed (in whole or in part) at any time while all or any portion of the principal of and interest on the Notes remains unpaid:

- 8.1.1. The Government shall have no obligation to loan Borrower money to replace, repair, rebuild, or restore the Facility.
- 8.1.2. Notes (whether or not the Facility is replaced, repaired, rebuilt, or restored).
- 8.1.3. Borrower shall promptly replace, repair, rebuild, or restore the Facility to substantially the same condition and value as an operating entity as existed prior to the loss, with any changes, alterations, and modifications as may, in the opinion of Borrower be necessary or desirable under the circumstances; provided, however, that the nature of the Facility shall not be changed without the Government's prior written consent.

#### Section 8.2. Application of Insurance Proceeds:

Borrower shall apply to the replacement, repair, rebuilding, and restoration of the Facility as much as may be necessary of any proceeds of insurance resulting from claims for losses. The Government, at its option, may direct that a supervised bank account, of the type described in Section 4 of the Loan Resolution be opened and the insurance proceeds be deposited therein for disbursement in accordance with the provisions of this Section and Section 4. Notwithstanding the foregoing, any insurance proceeds representing lost income may be deposited in the General Account in accordance with the provisions of Article IV of this Loan Agreement. In any event, if insurance proceeds are not sufficient to pay in full the costs of replacement, repair, rebuilding, or restoration, Borrower shall nonetheless complete the work and pay from its own resources that portion of the costs in excess of insurance proceeds. Any balance of insurance proceeds remaining after payment of all of the costs of replacement, repair, rebuilding, or restoration shall be used by Borrower to prepay the Note in whole or in part.

#### Section 8.3. Assignment of Insurance Moneys:

Borrower hereby assigns to the Government as holder or insurer of the Note any moneys (but not in excess of the unpaid balance due under the Loan Instruments) which may become due and payable under any insurance, including the return of unearned premiums, and directs any insurance company to make payment directly to the Government. Notwithstanding anything to the contrary contained in the preceding Section 8.2, the Government in its sole and absolute discretion may release some or all of such proceeds to the Borrower for application in accordance with Section 8.2, or the Government may elect to apply some or all of such proceeds as a prepayment on the Note. Borrower hereby appoints the State Director of the Rural Development having jurisdiction over the Project, and his successors in office, as attorney-in-fact to endorse any draft. After default by Borrower or in accordance with written authorization of Borrower, the Government may, upon giving any notice required by law; cancel Borrower's insurance and credit any premium refund against the outstanding balance on Borrower's account. Regardless of whether the Government chooses to avail itself of the assignment and power-of-attorney conferred by this Section, the Borrower's obligations under the Loan Instruments shall be satisfied and discharged only to the extent that the insurance proceeds or premium refunds are actually received by the Government for application towards payment of the Borrower's Loan account. The Government shall incur no liability to the Borrower by operation of this section.

Section 8.4. Condemnation:

If the Facility shall be condemned (in whole or in part) at any time while all or any portion of the principal of or interest on the Note remains unpaid:

- 8.4.1. The Government shall have no obligation to loan Borrower money to replace, repair, rebuild, or restore the Facility.
- 8.4.2. There shall be no abatement or reduction in the amount payable by Borrower under the terms of the Note (whether or not the Facility is replaced, repaired, rebuilt, or restored).
- 8.4.3. Borrower shall, if practicable, promptly replace, repair, rebuild, or restore the Facility to substantially the same condition and value as an operating entity as it existed prior to condemnation, with any changes, alterations, and modifications as may, in the opinion of Borrower, be necessary or desirable under the circumstances; provided, however, that the nature of the Facility shall not be changed without the Government's prior written consent.

Section 8.5. Application of Condemnation Award:

Borrower shall apply to the replacement, repair, rebuilding, or restoration of the Facility so much as may be necessary of any proceeds of any condemnation award resulting from the taking of any portion of the Facility. The Government, at its option, may direct that the proceeds of any condemnation award shall be deposited in a supervised bank account of the type described in Section 4 of the Loan Resolution and applied in accordance with the provisions of this Section and Section 4. In the event that a condemnation award is not sufficient to pay in full the costs of replacement, repair, rebuilding, or restoration, Borrower shall nonetheless complete the work and pay from its own moneys that portion of the cost in excess of any condemnation award. Any balance of any condemnation award remaining after payment of all the costs of replacement, repair, rebuilding, or restoration shall be used by Borrower to prepay the Note in whole or in part. Provided, however, that the Government in its sole and absolute discretion may direct that all or a portion of such award be applied as a prepayment on the Notes.

Section 8.6. Total Loss or Condemnation:

Notwithstanding the foregoing, in the event that the Facility is condemned, damaged, or destroyed to such an extent or in such a fashion that, in the opinion of the Government, repair, replacement, rebuilding or restoration of the Facility is impracticable or undesirable, then Borrower shall deposit the proceeds of any insurance or condemnation award into the Reserve Accounts, together with any amount necessary to make the balance in the Reserve Account equal the principal of and accrued interest on the Notes then outstanding. After making the deposits, Borrower shall exercise its right to prepay the Notes, thereby causing its financial obligations under the Loan Instruments to be discharged.

## ARTICLE IX

### DEFAULTS AND REMEDIES

#### Section 9.1. Event of Default Defined:

Each of the following events is hereby declared to be an "Event of Default":

- 9.1.1. If the payment of any installment of principal and interest on the Notes shall not be made when the same shall become due and payable, either at maturity or by proceeding for prepayments or otherwise.
- 9.1.2. If Borrower shall discontinue for more than 60 days or unreasonably delay or fail to carry on with reasonable dispatch the completion of the Construction of the Project.
- 9.1.3. If Borrower shall for any reason be rendered incapable of fulfilling its obligations hereunder.
- 9.1.4. If the Facility or any substantial part thereof shall be condemned, destroyed, or damaged to the extent of impairing its efficient operation or adversely affecting its gross revenues and for any reason shall not be promptly repaired, replaced, rebuilt, or reconstructed.
- 9.1.5. If judgment for the payment of money shall be rendered against Borrower as the result of its ownership or operation of the Facility, or any of Borrower's other operations, and the judgment shall not be discharged within 60 days from the entry thereof and an appeal shall not be taken in a manner so as to stay the execution of or levy under any judgment, order, decree or process for the enforcement thereof.
- 9.1.6. If any order or decree shall be entered, with the consent or acquiescence of Borrower appointing a receiver or receivers of the Facility, or the revenues from the Facility, or if an order or decree, having been entered without the acquiescence or consent of Borrower, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof.
- 9.1.7. If any proceeding shall be instituted with the consent or acquiescence of Borrower for the purpose of effecting a composition between Borrower and its creditors or for the purpose of adjusting the claims of those creditors pursuant to any Federal or State statute now or

hereafter in effect, if the claims of the creditors are under any circumstances payable from the revenues of the facility or in any way affect the financial stability of the Facility.

9.1.8. If the Government determines that any of the Borrower's representations contained in the Loan Instruments, the Loan applications, the Loan closing papers or any written or oral communication submitted by it to the Government were false or materially misleading.

9.1.9. If Borrower shall default in the due and punctual performance of any covenants, conditions, agreements or provisions contained in any Loan Instrument or any other security instrument of Borrower held or insured by the Government, and the default is either incurable or, if curable, shall continue for thirty days after written notice, specifying the default and requiring that it be remedied, shall have been filed with Borrower by the Government or by an uninsured holder of the Note.

Section 9.2. Remedies Upon Default:

Upon the happening of any Event of Default, the Government and/or any uninsured holder of the Note shall have all of the rights and remedies contained in the Loan Instruments, and such rights and remedies shall be in addition to and not in lieu of all other rights and remedies which may be afforded to the Government and any uninsured holder of the Notes by any applicable state or federal laws and or regulations.

Section 9.3. Delay and Waiver:

The delay or failure on the part of the Government or any uninsured holder of the Note to exercise any right or power accruing upon any default or Event of Default shall not impair any right or power or be construed to be a waiver of any default or Event of Default or acquiescence therein. Every right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default under the Loan Instruments by the Government or any uninsured holder of the Note shall extend to or affect any subsequent default or Event of Default or shall impair any consequent rights or remedies.

Section 9.4. Remedies Cumulative:

No remedy conferred by the Loan Instruments is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every

other remedy therein or now or hereafter existing in equity, at law, by statute or by government regulation.

**ARTICLE X  
REPRESENTATIONS AND WARRANTIES**

Section 10.1. General:

In order to induce the Government to make the Loans, the Borrower makes the representations and warranties set forth in this Article.

Section 10.2. Corporate Organization and Power:

The Borrower (i) is a non-profit corporation duly organized, validly existing and in good standing under the laws of the state of West Virginia; (ii) has its principal place of business located at the address listed on the Financing Statement; (iii) has not suffered or permitted its corporate charter or by-laws to be amended, rescinded or revoked, except as previously fully disclosed to the Government in writing; (iv) has the corporate power to acquire, own, lease and give a lien and security interest on and in the property constituting the Encumbered Property and to engage in the transactions contemplated by this Agreement; (v) has duly authorized the execution and delivery of each of the Loan Instruments; and (vi) has the full power, authority and legal right to execute and deliver each of the Loan Instruments and to perform and observe the terms and provisions of such instruments.

Section 10.3. Liabilities:

The Borrower has no liabilities except as contemplated by this Loan Agreement and fully disclosed in the Borrower's financial records as presented to the Government. Such financial records are true and correct.

No data was withheld and no material adverse change in the Borrower's financial position has occurred which would adversely effect such statements. The Borrower's assets are not less than its liabilities, both determined in accordance with generally accepted accounting principles. The Borrower is solvent.

Section 10.4. Litigation and Taxes:

There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower at law or in equity before any court or administrative officer or agency which might result in any material adverse change in the business or financial condition of the Borrower. The Borrower is not in default (i) in the payment of any taxes levied or assessed against it or any of its assets or (ii) under an applicable statute, rule, order, decree, writ, injunction or regulation of any governmental body (including any court).

Section 10.5. Compliance with Other Instruments:

The Borrower is not a party to any contract or agreement or subject to any charter or corporate restriction, to any order, rule, regulations, writ, injunction or decree of any court or governmental authority or to any statute which materially and adversely affects its business, property, assets or financial condition. Neither the execution, delivery or performance of the Loan Instruments, nor compliance with the terms and provisions thereof, conflicts or will conflict with or results or will result in a breach of any of the terms, conditions or provisions of the charter documents or by-laws of the Borrower, or of any law, or of any order, writ, injunction or decree of any court or governmental authority, or of any agreement or instrument to which the Borrower is a party or by which it is bound, or constitute a default thereunder, or result in the creation or imposition of any lien, charge or encumbrance upon any of its property pursuant to the terms of any such agreement or instrument, except the lien and security interest created or permitted by the Loan Instruments.

Section 10.6. Governmental Authorization:

No authorization, consent, or approval of any governmental authority is required for the execution and delivery of the Loan Instruments. All such authorizations, consents or approvals have been obtained on or prior to the date hereof. All necessary permits and licenses to construct and operate the Facility have been obtained.

Section 10.7. Events of Default:

No event has occurred and is continuing which would constitute an Event of Default under the Mortgage, or under this Loan Agreement, or would constitute such an event of default but for the requirements that notice be given or that a period of time elapse, or both.

Section 10.8. Credit Elsewhere:

The Borrower is unable to obtain sufficient credit elsewhere to finance the Project, taking into consideration prevailing private and cooperative rates and terms currently available.

Section 10.9. Other Representations:

All representations which the Borrower has made to the Government in connection with transactions contemplated hereby, whether contained in the other Loan Instruments, the Loan application or written or oral correspondence with the Government, are true and correct and are not materially misleading.

## ARTICLE XI

### MISCELLANEOUS

#### Section 11.1. Federal Criminal Laws:

Violation of the Borrower's covenants set forth in Section 6.6, "Sale or Encumbrance," in addition to constituting an "Event of Default" under Section 9.1 of this Loan Agreement, may also constitute a violation of Federal criminal laws.

#### Section 11.2. Contract with Government and Holder of Notes:

The provisions of the Loan Instruments shall constitute a contract and security agreement between Borrower and the Government for as long as the Government is the holder or insurer of the Notes and any portion of the principal of the Notes or the interest thereon remains outstanding and unpaid. In the event that the Government is neither a holder nor an insurer of the Note, then and only then shall the Loan Instruments constitute a contract between Borrower and the holder of the Note.

#### Section 11.3. Authority of Officers and Agents:

The Officers and agents of Borrower shall do all acts and things required by this instrument, and any other Loan Instrument for the complete and punctual performance of all the terms, covenants, and agreements contained therein.

#### Section 11.4. Successors and Assigns:

All the covenants, stipulations, promises, and agreements of Borrower contained in the Loan Instruments shall bind and inure to the benefit of its successors and assigns, whether it is so expressed or not.

#### Section 11.5. Limitations on Notice:

Any provisions in any Loan Instrument for the giving, filing, mailing, or delivery of notice or other papers shall be deemed fully complied with if and when such notice or other papers are sent by certified mail (postage prepaid), unless otherwise required by law, addressed as set forth below.

Borrower's Address:           Alpine Lake Public Utilities Company  
  Attn: President  
  700 West Alpine Drive

Terra Alta, WV 26764

Government's Address: United States Department of Agriculture  
Rural Utilities Service  
Randolph Center Building  
1200 Harrison Avenue, Suite 150  
Elkins, WV 26241

The parties may change the addresses in this section by giving notice of the change in the manner set forth above.

Section 11.6. Amendments:

The Loan Agreement, the Loan Resolution, the Mortgage and the Note may not be amended or modified except in writing executed by an authorized representative of the party against whom such amendment is being enforced. All amendments shall clearly identify the Loan Instrument to which they pertain. They may also be numbered sequentially beginning with "Amendment 1" and be so dated.

Section 11.7. Subsequent Loans:

In the event that the Government shall ever determine to make one or more subsequent loans to the Borrower, Borrower shall authorize such loans by adopting new resolutions on RUS Bulletin 1780-28. Such resolutions adopted on RUS Bulletin 1780-28 shall constitute an amendment of this Loan Agreement and any indebtedness incurred pursuant to them shall be automatically added to the indebtedness secured by this Loan Agreement. In the event that the Government requires the Borrower to put up collateral not already pledged under Sections 2.2 and 2.3 of this Loan Agreement, then such collateral may be included in such sections by having the Borrower sign a description of such collateral and attaching the signed description to this Loan Agreement.

Section 11.8. Headings and Table of Contents:

Any headings in the Loan Instruments and the Table of Contents to this Loan Agreement are solely for convenience of reference and shall not constitute a part of the Loan Instruments, nor shall they affect their meaning, construction, or effect.

Section 11.9. Severability:

The provisions of this Loan Agreement are hereby declared to be severable. If any court of competent jurisdiction shall hold any provisions hereof to be invalid

and unenforceable, that holding shall not affect any other provisions of this instrument.

Section 11.10. Effective Date:

This Loan Agreement shall take effect immediately.

Section 11.11. Counterparts:

The Loan Instruments may be executed in several counterparts each of which shall be an original; however, all counterparts of any given instrument shall constitute but one and the same instrument.

Section 11.12. Applicable Laws:

The Loan Instruments shall be subject to the present regulations of the Rural Development, and to its future regulations not inconsistent with the express provisions thereof. The Loan Instruments shall be governed by federal law, to the extent pertinent, and in all other respects by the laws of the state in which the Project is located.

Section 11.13. Forms:

In the event that any of the government forms referred to herein or in any of the other Loan Instruments are revised, redesignated, or renumbered, then such references shall be deemed to include such revised, redesignated or renumbered forms, as they may be in effect from time to time, but only to the extent that they do not conflict with the express provisions hereof or of the other Loan Instruments.

**ARTICLE XII**  
**CONSTRUCTION**

Section 12.1. General:

The provisions of this Article shall apply if the Loans or any future loan from the Government is to be advanced in multiple stages in lieu of interim commercial financing during the Construction of the Project or any extension or improvement of the Facility.

Section 12.2. Plans and Specifications:

The Project shall be constructed in accordance with Plans and Specifications which have been approved by the Government in writing. The Plans and Specifications shall not be deviated from in any significant respect except pursuant to written change order. All change orders shall first be approved by the Government in writing.

Section 12.3. Disbursement of Other Funds:

Unless otherwise agreed to in writing by the Government, acting in its sole discretion, the funds provided by Borrower or from other sources shall be disbursed prior to the use of the Loan proceeds.

Section 12.4. Multiple Advances:

Generally multiple advances will be made only as needed to cover disbursements required by Borrower over the preceding 30-day period. Advances will not exceed 24 in number or extend longer than two years beyond the date of this Loan Agreement. The retained percentage withheld from any contractor to assure Construction completion will be included in the last advance.

Section 12.5. Requesting Multiple Advances:

Advances will be requested by Borrower on Form RD 440-11, "Estimate of Funds Needed," to show the amount of funds needed during the next ensuing 30-day period.

Section 12.6. Payment for Construction, Requisitions:

Payment for Construction shall be made in accordance with the Construction contracts in amounts approved by the Rural Development Specialist on Form RD

1924-18, "Partial Payment Estimate." Advances for contract retainage shall not be made until the retainage is due and payable under the contract. Each payment must be approved by the Board of Directors of the Borrower. The review and acceptance of partial payment estimates by the Government does not attest to the correctness of the quantities shown or that the work has been performed in accordance with the Plans and Speculations.

Section 12.7. Delegation of Authority to Approve and Execute Forms Required Under Sections 12.5 and 12.6:

The President and the Treasurer shall each be the authorized representatives of the Board of Directors of the Borrower and have joint and several authority to approve and execute all forms needed to reflect advances of Loan proceeds, all forms necessary or incidental to payment for Construction of the project, and any change orders which may be required.

Section 12.8. Funds Remaining After Construction is Completed:

In the event Loan proceeds remain available, including obligated funds not advanced, after all costs incident to the Project have been paid or provided for, the surplus funds may be used for needed extensions, enlargements, and improvements of the Facility with the prior permission of the Government. Remaining Loan proceeds not needed for authorized extensions, enlargements or improvements shall be returned to the Government as a prepayment on the Note in a proportionate amount of the Loans to the total project cost.

Section 12.9. Resident Inspection:

Full-time resident inspection shall be conducted by person(s) provided by the architect-engineer or, by the owner, and approved by the Government. An inspector's daily diary shall be maintained by the resident inspector in accordance with regulations of the Rural Development.

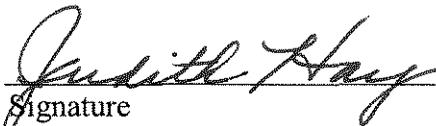
Section 12.10. Effect of Event of Default on Further Advances:

In case an Event of Default happens, then, in addition to the remedies available to it under Section 9.2, the Government shall be relieved of any further obligation to advance funds under the Loan Agreement.

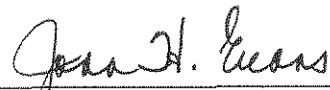
IN WITNESS WHEREOF, Borrower has caused this Loan Agreement to be executed on its behalf by its President and Treasurer, and has caused its corporate seal to be affixed and attested by its Secretary, all on this 10th day of January, 2008, being the date of the execution and delivery of the Notes.

ALPINE LAKE PUBLIC  
UTILITIES COMPANY

By:   
Signature  
Its: President

By:   
Signature  
Its: Treasurer

(CORPORATE SEAL)

Attest:   
Signature  
Its: Secretary

ACKNOWLEDGMENT

STATE OF WEST VIRGINIA,

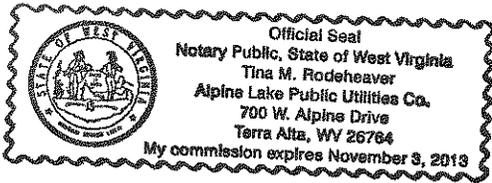
COUNTY OF PRESTON, To Wit:

I, TINA M. RODEHEAVER, a notary public in and for the state and county aforesaid, do certify that on this 8th day of January, 2008, before me appeared Ann Nelson, President of Alpine Lake Public Utilities Company, to me personally known, who being by me duly sworn, did acknowledge before me in my county aforesaid that she is the President of Alpine Lake Public Utilities Company and that the seal affixed to the foregoing Loan Agreement is the corporate seal of the corporation, and that the Loan Agreement was signed by her on behalf of the corporation by authority of its governing board, and she acknowledged the Loan Agreement to be the free act and deed of the corporation.

Given under my hand and official seal this 8th day of January, 2008.

(NOTARIAL SEAL)

My commission expires November 3, 2013.



Tina M. Rodeheaver  
Notary Signature

STATE OF WEST VIRGINIA,

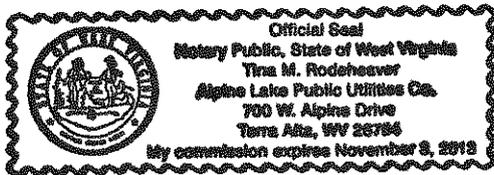
COUNTY OF PRESTON, To Wit:

I, Tina M. Rodeheaver, a notary public in and for the state and county aforesaid, do certify that on this 8th day of January, 2008, before me appeared Judith Haye, Treasurer of Alpine Lake Public Utilities Company, to me personally known, who being by me duly sworn, did acknowledge before me in my county aforesaid that she is the Treasurer of Alpine Lake Public Utilities Company and that the seal affixed to the foregoing Loan Agreement is the corporate seal of the corporation, and that the Loan Agreement was signed by her on behalf of the corporation by authority of its governing board, and she acknowledged the Loan Agreement to be the free act and deed of the corporation.

Given under my hand and official seal this 8th day of January, 2008.

(NOTARIAL SEAL)

My commission expires November 3, 2013



Tina M. Rodeheaver  
Notary Signature



**A CREDIT LINE DEED OF TRUST, FIXTURE FILING AND  
SECURITY AGREEMENT**

**THIS INSTRUMENT SECURES AN OBLIGATION THAT MAY INCREASE AND  
DECREASE FROM TIME TO TIME**

This Credit Line Deed of Trust, Fixture Filing and Security Agreement (this "Deed of Trust"), made this 8th day of January, 2008, but effective on the 10th day of January, 2008, among Grantor, Alpine Lake Public Utilities Company, a non-profit corporation organized and existing under the laws of the State of West Virginia, whose address is 700 West Alpine Drive, Terra Alta, West Virginia 26764 (the "Borrower"), and Rickie E. Rice, State Director of the United States Department of Agriculture for the State of West Virginia, who is a resident of Upshur County, West Virginia, and his successors in office, as trustee (the "Trustee") for the benefit of the United States of America (the "Government"), acting through the Rural Utilities Service or its successor agency, United States Department of Agriculture, whose address is Randolph Center Building, 1200 Harrison Avenue, Suite 150, Elkins, West Virginia 26241, WITNESSETH THAT:

The Government has lent the Borrower money as evidenced by one or more promissory note(s). If more than one note is described below, the word "Note" as used herein shall be construed as referring to each note singly or all notes collectively, as the context may require and all of them shall have Equal lien under this instrument without regard to their priority in time, maturity, or otherwise. The Note has been executed by the Borrower, is payable to the order of the Government in installments as specified therein, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by the Borrower, and is further described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Term</u>
January 10, 2008	\$3,500,000	4.25%	40 years

The Government may assign the Note at any time. The Government may also insure the payment of the Note pursuant to the Consolidated Farm and Rural Development Act.

Whenever the Note is held either by the Government or by an uninsured holder, this instrument shall secure payment of the Note. Whenever the Note is held by an insured holder, however, this instrument shall not secure payment of the Note or attach to the underlying debt. In that event, this instrument shall constitute an indemnity mortgage to secure any payments to an insured holder of the Note or other advances which the Government may be required to make upon

default by the Borrower. The insured holder shall have no right, title or interest in or to the lien of this instrument or its benefits. This instrument also secures the Borrower's obligations and covenants under other instruments delivered in connection with the loan evidenced by the Note, including the Borrower's Loan Agreement of even date and its Loan Resolution referred to therein, both of which are hereby incorporated herein by reference. The Note, Loan Agreement, Loan Resolution and this instrument together with any supplements, amendments, attachments, modifications, additions and related financing statements are collectively referred to as the "Loan Instruments".

The lien of this instrument shall extend to and cover all property and property rights, real or personal and of whatever character or nature, that may at any time hereafter be acquired, owned, held, possessed, or enjoyed in any manner by Borrower in or on the premises described below.

NOW THEREFORE, in consideration of the loan(s) as evidenced and described by the Note described above the Borrower does hereby grant, assign, and convey to the Trustee, his successors, Grantees and assigns, in fee simple forever, the following property:

[SEE ATTACHED EXHIBIT A]

TOGETHER with all easements and rights of way used in connection with the premises or as a means of access thereto.

TOGETHER with all improvements now on the premises or hereafter placed thereon, including, without limitation, all heating, lighting, refrigeration, plumbing ventilating, incinerating, water heating, cooling and air-conditioning equipment and apparatus and all appurtenances now and hereafter placed or installed within or about such improvements, including all improvements used in connection with the water system operated by the Borrower, and all renewals, replacements, and substitutions therefor, all of which are hereby deemed a part of the realty.

TOGETHER with all fixtures, machinery, appliances, and equipment of every nature and kind whether now on the premises or hereafter to be placed or installed therein or thereon, appurtenant to the buildings erected or to be erected on the premises or appurtenant to the water system operated by the Borrower on the premises, all of which are hereby deemed a part of the realty as between borrower and the Government, their successors and assigns, and a portion of the security for the indebtedness herein mentioned and to be conveyed by this instrument.

TOGETHER with all chattels and articles of personal property owned by Borrower in, or used in connection with, the operation, possession, and enjoyment of, the premises, whether attached or unattached to the freehold, including all chattels and articles of personal property hereafter acquired by Borrower or any subsequent owner of the premises in addition to, substitution for, or replacement of any of the chattels or articles of personal property now in, or used in connection with, the premises. This instrument shall constitute a security agreement with respect to any and all of the

above-described chattels and articles of personal property. At the request of the Government, Borrower shall join with the Government in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to Government, and will pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by Government.

TOGETHER with the rents, issues, and profits of the premises, subject, however, to the right reserved by Borrower to collect and apply such rents, issues, and profits prior to any default hereunder.

PROVIDED, HOWEVER, that with respect to any goods above which are or become fixtures and proceeds thereof this instrument shall also serve as a fixture filing pursuant to §46-9-502(c) of the West Virginia Code without the necessity of filing a fixture financing statement under the Uniform Commercial Code, and this instrument is to be filed of record in the real estate records of Preston County as a fixture filing.

All of the foregoing property is hereinafter collectively referred to for convenience of reference as the "Encumbered Property".

IN TRUST, to secure (a) payment of the Note in accordance with its terms, including any extensions or renewals thereof, whenever the Note is held by either the Government or by an uninsured holder; (b) repayment, with interest, of any payments, advances and expenditures made by the Government hereunder or under any of the Loan Instruments; (c) performance of every covenant and agreement of the Borrower's contained in this or any other Loan Instrument; and (d) all future advances made hereunder to the Borrower by the Government from time to time.

This is a Credit Line Deed of Trust for the purposes of West Virginia Code section 38-1-14. This Credit Line Deed of Trust secures a maximum principal amount of \$3,500,000, exclusive of interest, insurance premiums and other obligations undertaken by the Government or the Trustee. This Deed of Trust secures future advances which the Government has agreed to make in accordance with the terms and provisions of the Loan Instruments which FUTURE ADVANCES are intended to be OBLIGATORY within the meaning of West Virginia Code Section 38-1-14.

The address of the Government to which creditors of the Borrower should send written notice before extending credit or otherwise advancing funds to Borrower, as contemplated by West Virginia Code 38-1-14(e) is as follows: United States Department of Agriculture, Rural Utilities Service, Randolph Center Building, 1200 Harrison Avenue, Suite 150, Elkins, WV 26241.

The Borrower, for itself, its successors and assigns, WARRANTS the Encumbered Property to the Trustee against the lawful claims of all persons whose claims are not based upon liens, encumbrances, easements or reservations specified above.

The lien upon the Encumbered Property created by this Deed of Trust shall be on a parity with respect to lien priority with the lien upon such Encumbered Property created by that certain

Credit Line Deed of Trust, Fixture Filing and Security Agreement dated August 8, 2006, of record in the Office of the Clerk of the County Commission of Preston County in Trust Deed Book 425, at Page 800, from Alpine Lake Public Utilities Company to Robert M. Steptoe, III, Trustee, to secure the United States of America, acting through Rural Utilities Service, in the repayment of \$2,613,000.

The Borrower, for itself, its successors and assigns, COVENANTS AND AGREES as follows:

- (1) Borrower will promptly pay any indebtedness secured by this instrument when due.
- (2) Borrower will indemnify the Government against any loss which the Government may incur as a result of making payments to an insured holder of the Note after the borrower's default.
- (3) Borrower will pay the Government any fees or other charges required under regulations of the Rural Utilities Service.
- (4) Borrower will pay when due all taxes, liens, judgments, encumbrances and assessments lawfully attaching to or assessed against the Encumbered Property, and, without demand will also provide the Government with proof of those payments.
- (5) Borrower will pay the Government for any expenses necessary or incidental of (a) the protection of the lien or priority of any Loan Instrument and to (b) the enforcement of or compliance with the provisions of any Loan Instrument. "Expenses" includes (without limitation) costs of evidence of title, surveys, recording fees, attorneys' fees and trustees' fees, as well as court costs and expenses of advertising, selling and conveying the Encumbered Property or any portion of it.
- (6) Borrower will use the loan evidenced by the Note solely for the purpose authorized by the Government.
- (7) Borrower will keep the Encumbered Property insured as required by the Government and will deliver the originals of all insurance policies to the Government for safekeeping if so requested.
- (8) Borrower will comply with all laws, ordinances and regulations affecting the Encumbered Property and the conduct of Borrower's business operations.
- (9) Borrower will maintain the Encumbered Property in good repair and make any repairs the Government may require.
- (10) Borrower will operate the Encumbered Property in a good and efficient manner and will comply with management plans and practices which the Government may prescribe from time to time.

(11) Borrower will not abandon the Encumbered Property; effect waste, lessening, or impairment of the Encumbered Property; or cut, remove or lease any timber, gravel, oil, gas, coal or other minerals.

(12) Borrower will not (except as may be authorized in the Loan Agreement or Loan Resolution or as may be in the ordinary course of business) lease, assign, sell, transfer or further encumber the Encumbered Property or any nonexpendable part thereof, voluntarily or otherwise, either in whole or in part, without the prior written consent of the Government. This covenant may be modified by the Loan Agreement and does not preclude any lease, assignment, sale, transfer or further encumbrance of the Encumbered Property in the ordinary course of the Borrower's business.

(13) The premises described herein was obtained or improved through Federal financial assistance. The Encumbered Property is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the premises continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Borrower owns it, whichever is longer.

(14) If at any time it shall appear to the Government that the Borrower may be able to obtain a loan from a production credit association, a federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for the loans for similar purposes and period of time, the Borrower will, upon the Government's request, apply for and accept a loan in sufficient amount to pay the Note and any other indebtedness secured by this instrument and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such a loan.

(15) The Government may require the Borrower to make additional monthly payments equal to one-twelfth of the estimated taxes, assessments, insurance premiums and other charges upon the Encumbered Property.

(16) The Government and its agents may inspect the Encumbered Property at reasonable times to ascertain whether the Borrower is fulfilling its obligation under this or any other Loan Instrument.

(17) The Government may at any time pay as advances for the Borrower's account any amounts which the Borrower is obligated to pay under any Loan Instrument and any expenses incurred by the Government in enforcing or protecting the Government's rights hereunder. The Government may exercise this right regardless whether advances exceed the face amount of the Note. Advances by the Government pursuant to the terms of this paragraph shall bear interest at the rate borne by the Note which bears the highest interest rate. Advances, with interest, shall be immediately due and payable by the Borrower at the place designated in the latest note. Advances under this paragraph shall neither relieve the Borrower of its obligation to pay nor cure any default under any Loan Instrument. Such advances together with interest accruing on them, shall automatically become a part of the debt secured by this instrument.

(18) To the extent specified by the Government in writing, the Government in its sole discretion may grant an extension of the time for payment or reamortize the indebtedness secured by any Loan Instrument, release any party from liability to the Government, release portions of the Encumbered Property from the lien of any Loan Instrument, and waive any other Government right under any Loan Instrument without affecting the lien or priority of any Loan Instrument or the liability of the Borrower or any other party for payment of the indebtedness secured by any Loan Instrument.

(19) The Government and its assigns are empowered to appoint a substitute trustee at anytime. This power may be exercised without giving any notice of rationale for its use. THE BORROWER WAIVES notice of the exercise of this power and any requirement of, or right to require, a bond from any substitute trustee. The power to appoint a substitute trustee shall be exercised by filing an instrument of appointment in the office where this instrument is recorded, whereupon the substitute trustee shall succeed to all the estates, rights, powers and trusts granted to or vested in the Trustee and the former trustee or substitute Trustee shall be divested.

(20) All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise.

(21) The Government will not be bound by any present or future state laws (a) providing for valuation, appraisal, or exemption of the Property; (b) prohibiting or restricting an action for deficiency judgment or limiting the judgment amount which may awarded; (c) prescribing any statute of limitation; (d) allowing any right of redemption or possession the Government may impose by regulation as a condition of approving a transfer of the Encumbered Property to a new borrower. THE BORROWER WAIVES THE BENEFIT OF ANY SUCH STATE LAWS.

(22) Should the Borrower DEFAULT on any of its obligations under any Loan Instrument; breach any of its warranties or covenants under any Loan Instrument; merge, dissolve, be the benefit of creditors, the Government may without notice (a) accelerate the entire indebtedness secured by this instrument by declaring it immediately due and payable; (b) charge the borrower's account for any reasonable expenses which the Government may pay or incur to maintain and repair the Encumbered Property; (c) operate or rent the Encumbered Property and apply any moneys received to the Borrower's account; (d) have a receiver appointed for the Encumbered Property who may exercise the usual powers of receivers in similar cases; and (e) authorize the Trustee to foreclose this and any other Loan Instrument and sell the Encumbered Property as a business unit without any requirement for marshaling of assets and without regard to whether the Encumbered Property is realty or personalty.

(23) At the request of the Government, the Trustee may foreclose this instrument by advertisement and sale of the Encumbered Property as provided by law, for cash or secured credit as the Government may desire. Except to the extent it may be required by law, personal notice of sale need not be served on the Borrower. The sale may be adjourned from time to time without notice other than oral proclamation at the time and place originally appointed for the sale. At the sale, the Government and its agents may bid any purchase as a stranger. The Trustee, at his option,

may conduct the sale without being personally present. The Trustee may authorize a delegate for that purpose, either orally or in writing. The Trustee's execution of a conveyance foreclosure sale shall be conclusive evidence that the sale was conducted in accordance with the provisions of the Loan Instruments, either by the Trustee personally or through his duly authorized delegates.

(24) Proceeds of a foreclosure sale pursuant to any Loan Instrument shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions of any Loan Instrument; (b) any prior liens; (c) all indebtedness to the Government secured by this instrument; (d) inferior liens of record in their order of priority; (e) at the Government's option, any other indebtedness of the Borrower owing to or insured by the Government; and (f) any balance to Borrower.

(25) If the Government is the successful bidder at a foreclosure sale under any Loan Instrument, any portion of the purchase price not owed to a third party may be paid by crediting that amount to any debts of the Borrower which are owed to or insured by the Government.

(26) The Borrower hereby waives any requirement that the Trustee post a bond or provide other security before conducting a foreclosure sale pursuant to this Deed of Trust.

(27) The rights and remedies provided in this instrument are cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity, by statute or by regulation.

(28) A waiver, amendment, release or modification of this instrument may be effected only by a writing which has been duly executed by the Government and shall not be established by conduct, custom or course of dealing.

(29) This instrument shall be subject to the present regulations of the Rural Utilities Service and to its future regulations not inconsistent with the express provisions of this instrument, and shall be construed and enforced in accordance with applicable federal law. In all other respects, this instrument shall be governed by the laws of the State in which it is recorded.

(30) Default under this instrument shall constitute default under any other instruments of the Borrower held or insured by the Government and default under any other instrument constitutes default under this instrument.

(31) The invalidity or unenforceability of any portion of this instrument shall not affect the validity or enforceability of the remaining portion of this instrument.

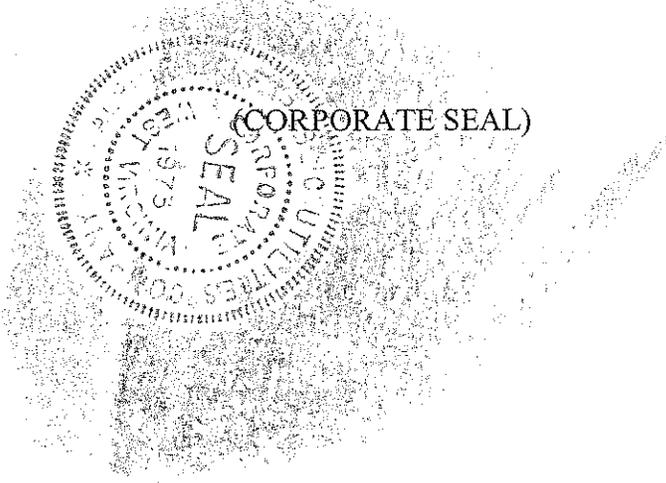
(32) Notices to the Borrower shall be sent to its address as shown on the first page of this instrument. Notices to the Government shall be addressed to the United States Department of Agriculture, Rural Utilities Service, Randolph Center Building, 1200 Harrison Avenue, Suite 150, Elkins, WV 26241. For the purposes of §39-1-2 of the West Virginia Code, the immediately preceding address shall be deemed to be the address of the beneficial owner of the debt secured. Notices shall be sent by certified mail (postage prepaid) unless otherwise required by law. The

Government and the Borrower may designate any further or different addresses to which subsequent notices shall be sent.

(33) In the event that the Government at its option desires to extend additional credit to the Borrower from time to time, then the lien of this instrument shall automatically be extended to cover such indebtedness up to the maximum principal indebtedness stated herein. The Borrower shall evidence its consent by the execution and delivery of a Loan Resolution on Form RD 1780-28 and an additional note on Form RD 440-22, or their equivalents. In the event that at the time of the additional borrowing, the laws of the state in which this instrument is being recorded do not permit such future advances to enjoy the lien of this instrument, then the Borrower shall execute and deliver an additional deed of trust. Future deeds of trust may be in statutory form, with such additional provisions, either expressed or incorporated by reference to this deed of trust, as the Government and the Borrower agree upon. Nothing contained in this section shall be construed to require the Government to evidence and secure obligatory advances under the Note or protective advances under this instrument with the additional notes and deeds of trust.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the Borrower has caused this Deed of Trust to be executed by its President and Treasurer and its corporate seal to be affixed and attested by its Secretary, all as of this 10th day of January, 2008.



(CORPORATE SEAL)

ALPINE LAKE PUBLIC UTILITIES COMPANY

BY: *Ann Nelson*  
President

BY: *Jessie Hay*  
Treasurer

ATTEST: *John H. Evans*  
Secretary

STATE OF WEST VIRGINIA,

COUNTY OF PRESTON, To-Wit:

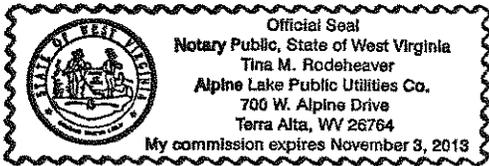
I, TINA Rodeheaver, a notary public in and for the state and county aforesaid, do certify that on this 8th day of January, 2008, before me appeared Ann Nelson, President of Alpine Lake Public Utilities Company, to me personally known, who being by me duly sworn, did acknowledge before me in my county aforesaid that she is the President of Alpine Lake Public Utilities Company and that the seal affixed to the foregoing Deed of Trust is the corporate seal of the corporation, and that the Deed of Trust was signed by her on behalf of the corporation by authority of its governing board, and she acknowledged the Deed of Trust to be the free act and deed of the corporation.

Given under my hand and official seal this 8th day of January, 2008.

(NOTARIAL SEAL)

My commission expires November 3, 2013.

Tina M. Rodeheaver  
Notary Signature



STATE OF WEST VIRGINIA,

COUNTY OF PRESTON, To-Wit:

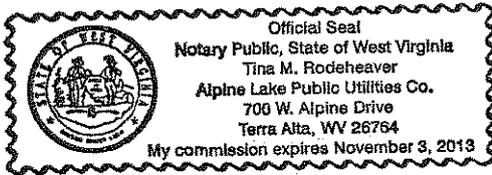
I, TINA Rodeheaver, a notary public in and for the state and county aforesaid, do certify that on this 8th day of January, 2008, before me appeared Judith Haye, Treasurer of Alpine Lake Public Utilities Company, to me personally known, who being by me duly sworn, did acknowledge before me in my county aforesaid that she is the Treasurer of Alpine Lake Public Utilities Company and that the seal affixed to the foregoing Deed of Trust is the corporate seal of the corporation, and that the Deed of Trust was signed by her on behalf of the corporation by authority of its governing board, and she acknowledged the Deed of Trust to be the free act and deed of the corporation.

Given under my hand and official seal this 8th day of January, 2008.

(NOTARIAL SEAL)

My commission expires November 3, 2013.

Tina M. Rodeheaver  
Notary Signature



01.03.08  
012210.00002

This Instrument Prepared By:  
Steptoe & Johnson PLLC  
Thomas L. Aman, Jr., Esquire  
P.O. Box 2190  
Clarksburg, WV 26302-2190

CH925261.1

EXHIBIT A- REAL ESTATE DESCRIPTION

All of the right, title, and interest of Alpine Lake Public Utilities Company in and to all real estate, fixtures, improvements and appurtenances associated with its wastewater collection and treatment system facilities, including all wastewater treatment plants, wastewater collection lines, pump and booster stations, metering equipment, office buildings, all rights of way associated with the wastewater system, and all appurtenant facilities associated with the wastewater system of Alpine Lake Public Utilities Company, including but not limited to, the following described sites:

Tract No. 1: All of that certain tract or parcel of real estate situate in Portland District, Preston County, West Virginia, lying to the southwest of West Virginia County Route 46, approximately 950 feet northwest of its intersection with the entrance to Alpine Lake Resort, and more particularly bounded and described as follows:

Beginning at a point in the center of said Route 46, thence running with the center of said road for eight (8) lines, S. 07° 04' 44" E. 104.11 feet to a point in the center of said road, thence S. 19° 38' 26" E. 90.88 feet to a point in the center of said road, thence S. 29° 02' 42" E. 76.99 feet to a point in the center of said road, thence S. 45° 29' 58" E. 45.34 feet to a point in the center of said road, thence S. 67° 18' 14" E. 222.81 feet to a point in the center of said road, thence S. 53° 19' 12" E. 151.12 feet to a point in the center of said road, thence S. 59° 57' 01" E. 178.26 feet to a point in the center of said road, thence S. 41° 33' 58" E. 211.68 feet to a point in the center of said road, thence leaving said road and continuing with a new division line of Alpine Lake Property Owners Association (Deed Book No 487, at page 434), hereinafter referred to as ALPOA, for two (2) new lines S. 55° 07' 01" W. at 25.00 feet passing an iron rebar (set), on line, in all 300.00 feet to an iron rebar (set), thence S. 44° 44' 56" E. 352.96 feet to an iron rebar (set), corner to said ALPOA, in a line of Clutter Realty, Inc. (Deed Book No. 537, at page 224), thence leaving ALPOA and continuing with said Clutter Realty, Inc. for one line S. 55° 07' 01" W. 1,292.37 feet to an iron rebar (found), corner to said Clutter Realty, Inc., corner to Charles R. Cline, (Deed Book No. 523, at page 697), thence with Cline for two (2) lines N. 07° 37' 00" E. 99.00 feet to an iron rebar (found), thence N. 04° 38' 20" W. 300.29 feet to an iron rebar (found), corner to said ALPOA, thence with a new division line of ALPOA for two (2) lines N. 04° 38' 20" W. 982.43 feet to an iron rebar (set), thence N. 39° 48' 13" E. at 621.39 feet passing an iron rebar (set), on line, in all 646.39 feet to the point of beginning, containing 28.06 acres, more or less, as surveyed in November, 1993, by James Bruce Davis, West Virginia Licensed Land Surveyor No. 796, and shown as "Parcel A" on a map or plat of survey dated November 5, 1993, certified by said James Bruce Davis, West Virginia Licensed Land Surveyor No. 796, which is of record in said County Clerk's office in Map Cabinet No. 1, at page Sheet 179-B.

Being a part of the same real estate conveyed to Alpine Lake Public Utilities Company, a West Virginia corporation, by Alpine Lake Property Owners Association, Inc., a West Virginia corporation, by deed dated November 8, 1993, of record in Deed Book 576 at Page 209.

Tract No. 2: All of the following described tract or parcel of real estate situate in Portland District, Preston County, West Virginia, lying along the southwestern side of West Virginia County Route 46, approximately 600 feet northwest of its intersection with the entrance to Alpine Lake Resort, being more particularly bounded and described as follows:

BEGINNING at a point in the center of said Route 46, corner to Clutter Realty, Inc. (537/224); thence leaving said road, and running with said Clutter Realty for part of a line S. 55° 07' 00" W. at 25.00 feet passing an iron rebar (set), on line, in all 300.00 feet to an iron rebar (set), in a line of Clutter Realty, Inc.; thence leaving Clutter Realty, Inc., and running with a new division line of Alpine Lake Property Owner's Association (487/434), hereinafter referred to as A.L.P.O.A., for two lines N. 44° 44' 56" W. 352.96 feet to an iron rebar (set); thence N. 55° 07' 01" E. at 275.00 feet passing an iron rebar (set), on line, in all 300.00 feet to a point in the center of said Route 46; thence with said centerline S. 44° 44' 54" E. 352.96 feet to the point of BEGINNING, containing 2.40 acres, more or less, as shown on a plat of a survey dated November, 1993, by James Bruce Davis, W.V.P.S. #796, and designated as Parcel B, which plat is of record in the Office of the Clerk of the County Commission of Preston County, West Virginia, in Map Cabinet 1, Sheet 179B.

Being the same real estate conveyed to Alpine Lake Public Utilities Company by Alpine Lake Property Owners Association, Inc., a West Virginia corporation, by deed dated July 7, 1998, of record in Deed Book 604, at Page 1014.

#### Certain Rights of Way and Easements

All rights of way or easements located in a subdivision known as Alpine Lake in Portland District, Preston County, West Virginia, described in Section 10 of the Declaration of Restrictions for Alpine Lake dated March 1, 1971, and of record in said County Clerk's Office in Deed Book No. 419, at page 21, and now used and maintained as part of the utility system operated by Alpine Lake Public Utilities Company servicing Alpine Lake, together with all appurtenant rights as described in the aforesaid Declaration of Restrictions, which are hereby incorporated by reference.

Being conveyed to Alpine Lake Public Utilities Company by Alpine Lake Property Owners Association, Inc. by deed dated November 8, 1993, of record in the Office of the Clerk of the County Commission of Preston County, West Virginia in Deed Book 576, at Page 209.

Together therewith all rights of way and easements reserved for the benefit of Alpine Lake Public Utilities Company in a deed dated June 25, 1980, of record in said Clerk's Office in Deed Book 487, at Page 434 from Mountain Top Development Company to Alpine Lake Property Owners Association, Inc.

NANCY L BECKART  
PRESTON COUNTY 09-13-18 AM  
Instrument No 83358  
Date Recorded 01/10/2008  
Document Type TRUST/D  
Book Page 450-73  
Res/Preserve \$18.00 \$2.00



200800149209

Jan 10 2008 03:25PM

WV SECRETARY OF STATE

### UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] <b>Mrs. Ann Nelson 304.789.6996</b>	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)  <b>Stepoe &amp; Johnson PLLC Attn: Thomas L. Aman, Jr. P.O. Box 2190 Clarksburg, WV 26302-2190</b>	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME <b>Alpine Lake Public Utilities Company</b>						
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS <b>700 West Alpine Drive</b>			CITY <b>Terra Alta</b>	STATE <b>WV</b>	POSTAL CODE <b>26764</b>	COUNTRY <b>USA</b>
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION <b>Corporation</b>	1f. JURISDICTION OF ORGANIZATION <b>West Virginia</b>	1g. ORGANIZATIONAL ID #, if any <input checked="" type="checkbox"/> NONE		

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME						
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE		

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME <b>United States of America, by United States Department of Agriculture, Rural Utilities Service</b>						
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS <b>1200 Harrison Avenue, Suite 150</b>			CITY <b>Elkins</b>	STATE <b>WV</b>	POSTAL CODE <b>26241</b>	COUNTRY <b>USA</b>

4. This FINANCING STATEMENT covers the following collateral:

See Attached Exhibit A

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)	(if applicable)	(ADDITIONAL FEE)	All Debtors	Debtor 1	Debtor 2
8. OPTIONAL FILER REFERENCE DATA						

# UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

## 9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME		
Alpine Lake Public Utilities Company		
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME
		MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME			
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME
			SUFFIX
11c. MAILING ADDRESS		CITY	STATE
			POSTAL CODE
			COUNTRY
11d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
			11g. ORGANIZATIONAL ID #, if any
			<input type="checkbox"/> NONE

## 12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME			
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME
			SUFFIX
12c. MAILING ADDRESS		CITY	STATE
			POSTAL CODE
			COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

16. Additional collateral description:

See Attached Exhibit A

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

Debtor is a TRANSMITTING UTILITY

Filed in connection with a Manufactured-Home Transaction — effective 30 years

Filed in connection with a Public-Finance Transaction — effective 30 years

EXHIBIT A

UCC-1 FINANCING STATEMENT

DEBTOR:

Alpine Lake Public Utilities Company  
700 West Alpine Drive  
Terra Alta, West Virginia 26764

SECURED PARTY:

United States of America, by United States  
Department of Agriculture,  
Rural Utilities Service  
Randolph Center Building  
1200 Harrison Avenue, Suite 150  
Elkins, WV 26241

All right, title and interest in all Gross Revenues, Accounts Receivable, supplies, furniture, equipment, machinery, contract rights, general intangibles, and personal property of the Debtor, derived from or relating to the Facilities, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, together with all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (a) All accessions, attachments, and accessories to any of the property described herein, whether added now or later.
- (b) All increases, and additions to and all replacements of and substitutions for any property described herein.
- (c) All products and produce of any of the property described herein.
- (d) All accounts, general intangibles, instruments, payment intangibles, rents, monies, payments, and all other rights, arising out of a sale, lease, or other disposition of any of the property described herein.
- (e) All proceeds (including insurance proceeds) from the sale or other disposition of any of the property described herein.
- (f) All present and future records and data relating to any of the property described herein, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Debtor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

As used herein, the term "Accounts Receivable" shall mean the money due from all customers and debtors of the Debtor.

As used herein, the term "Gross Revenues" shall mean all receipts, revenues, income and other monies derived from or related to the Facilities and received by or on behalf of the Debtor relative to the Facilities and all rights to receive the same, in whatever form, or other rights and the proceeds thereof.

As used herein, the term "Facilities" shall mean the sewer system, together with all appurtenances and related facilities, of the Debtor located in Preston County, West Virginia.

200800148892

Jan 10 2008 01:55PM

WV SECRETARY OF STATE

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
**Mrs. Ann Nelson 304.789.6996**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Stephoe & Johnson PLLC  
 Attn: Thomas L. Aman, Jr.  
 P.O. Box 2190  
 Clarksburg, WV 26302-2190**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
**Alpine Lake Public Utilities Company**

OR 1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**700 West Alpine Drive Terra Alta WV 26764 USA**

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any  
**Corporation West Virginia**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  
 NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR(S)/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
**United States of America, by United States Department of Agriculture, Rural Utilities Service**

OR 3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**1200 Harrison Avenue, Suite 150 Elkins WV 26241 USA**

4. This FINANCING STATEMENT covers the following collateral:

All fixtures owned by Alpine Lake Public Utilities Company and used by it in connection with its sewer system, the real estate components of which are more particularly described in Exhibit A attached hereto.

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) ADDITIONAL FEE (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

# UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

## 9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR **Alpine Lake Public Utilities Company**

9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

## 10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

11c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11d. SEE INSTRUCTIONS

ADD'L INFO RE ORGANIZATION DEBTOR

11e. TYPE OF ORGANIZATION

11f. JURISDICTION OF ORGANIZATION

11g. ORGANIZATIONAL ID #, if any

NONE

## 12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

12c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

16. Additional collateral description:

14. Description of real estate:

See attached Exhibit A.

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

Debtor is a TRANSMITTING UTILITY

Filed in connection with a Manufactured-Home Transaction — effective 30 years

Filed in connection with a Public-Finance Transaction — effective 30 years

## EXHIBIT A- REAL ESTATE DESCRIPTION

All of the right, title, and interest of Alpine Lake Public Utilities Company in and to all real estate, fixtures, improvements and appurtenances associated with its wastewater collection and treatment system facilities, including all wastewater treatment plants, wastewater collection lines, pump and booster stations, metering equipment, office buildings, all rights of way associated with the wastewater system, and all appurtenant facilities associated with the wastewater system of Alpine Lake Public Utilities Company, including but not limited to, the following described sites:

Tract No. 1: All of that certain tract or parcel of real estate situate in Portland District, Preston County, West Virginia, lying to the southwest of West Virginia County Route 46, approximately 950 feet northwest of its intersection with the entrance to Alpine Lake Resort, and more particularly bounded and described as follows:

Beginning at a point in the center of said Route 46, thence running with the center of said road for eight (8) lines, S. 07° 04' 44" E. 104.11 feet to a point in the center of said road, thence S. 19° 38' 26" E. 90.88 feet to a point in the center of said road, thence S. 29° 02' 42" E. 76.99 feet to a point in the center of said road, thence S. 45° 29' 58" E. 45.34 feet to a point in the center of said road, thence S. 67° 18' 14" E. 222.81 feet to a point in the center of said road, thence S. 53° 19' 12" E. 151.12 feet to a point in the center of said road, thence S. 59° 57' 01" E. 178.26 feet to a point in the center of said road, thence S. 41° 33' 58" E. 211.68 feet to a point in the center of said road, thence leaving said road and continuing with a new division line of Alpine Lake Property Owners Association (Deed Book No 487, at page 434), hereinafter referred to as ALPOA, for two (2) new lines S. 55° 07' 01" W. at 25.00 feet passing an iron rebar (set), on line, in all 300.00 feet to an iron rebar (set), thence S. 44° 44' 56" E. 352.96 feet to an iron rebar (set), corner to said ALPOA, in a line of Clutter Realty, Inc. (Deed Book No. 537, at page 224), thence leaving ALPOA and continuing with said Clutter Realty, Inc. for one line S. 55° 07' 01" W. 1,292.37 feet to an iron rebar (found), corner to said Clutter Realty, Inc., corner to Charles R. Cline, (Deed Book No. 523, at page 697), thence with Cline for two (2) lines N. 07° 37' 00" E. 99.00 feet to an iron rebar (found), thence N. 04° 38' 20" W. 300.29 feet to an iron rebar (found), corner to said ALPOA, thence with a new division line of ALPOA for two (2) lines N. 04° 38' 20" W. 982.43 feet to an iron rebar (set), thence N. 39° 48' 13" E. at 621.39 feet passing an iron rebar (set), on line, in all 646.39 feet to the point of beginning, containing 28.06 acres, more or less, as surveyed in November, 1993, by James Bruce Davis, West Virginia Licensed Land Surveyor No. 796, and shown as "Parcel A" on a map or plat of survey dated November 5, 1993, certified by said James Bruce Davis, West Virginia Licensed Land Surveyor No. 796, which is of record in said County Clerk's office in Map Cabinet No. 1, at page Sheet 179-B.

Being a part of the same real estate conveyed to Alpine Lake Public Utilities Company, a West Virginia corporation, by Alpine Lake Property Owners Association, Inc., a West Virginia corporation, by deed dated November 8, 1993, of record in Deed Book 576 at Page 209.

Tract No. 2: All of the following described tract or parcel of real estate situate in Portland District, Preston County, West Virginia, lying along the southwestern side of West Virginia County Route 46, approximately 600 feet northwest of its intersection with the entrance to Alpine Lake Resort, being more particularly bounded and described as follows:

BEGINNING at a point in the center of said Route 46, corner to Clutter Realty, Inc. (537/224); thence leaving said road, and running with said Clutter Realty for part of a line S. 55° 07' 00" W. at 25.00 feet passing an iron rebar (set), on line, in all 300.00 feet to an iron rebar (set), in a line of Clutter Realty, Inc.; thence leaving Clutter Realty, Inc., and running with a new division line of Alpine Lake Property Owner's Association (487/434), hereinafter referred to as A.L.P.O.A., for two lines N. 44° 44' 56" W. 352.96 feet to an iron rebar (set); thence N. 55° 07' 01" E. at 275.00 feet passing an iron rebar (set), on line, in all 300.00 feet to a point in the center of said Route 46; thence with said centerline S. 44° 44' 54" E. 352.96 feet to the point of BEGINNING, containing 2.40 acres, more or less, as shown on a plat of a survey dated November, 1993, by James Bruce Davis, W.V.P.S. #796, and designated as Parcel B, which plat is of record in the Office of the Clerk of the County Commission of Preston County, West Virginia, in Map Cabinet 1, Sheet 179B.

Being the same real estate conveyed to Alpine Lake Public Utilities Company by Alpine Lake Property Owners Association, Inc., a West Virginia corporation, by deed dated July 7, 1998, of record in Deed Book 604, at Page 1014.

#### **Certain Rights of Way and Easements**

All rights of way or easements located in a subdivision known as Alpine Lake in Portland District, Preston County, West Virginia, described in Section 10 of the Declaration of Restrictions for Alpine Lake dated March 1, 1971, and of record in said County Clerk's Office in Deed Book No. 419, at page 21, and now used and maintained as part of the utility system operated by Alpine Lake Public Utilities Company servicing Alpine Lake, together with all appurtenant rights as described in the aforesaid Declaration of Restrictions, which are hereby incorporated by reference.

Being conveyed to Alpine Lake Public Utilities Company by Alpine Lake Property Owners Association, Inc. by deed dated November 8, 1993, of record in the Office of the Clerk of the County Commission of Preston County, West Virginia in Deed Book 576, at Page 209.

Together therewith all rights of way and easements reserved for the benefit of Alpine Lake Public Utilities Company in a deed dated June 25, 1980, of record in said Clerk's Office in Deed Book 487, at Page 434 from Mountain Top Development Company to Alpine Lake Property Owners Association, Inc.



**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

**FINAL**

6/18/2007

Issued: May 29, 2007

**CASE NO. 07-0058-S-CN**

**ALPINE LAKE PUBLIC UTILITIES COMPANY**

Terra Alta, Preston County, West Virginia.

Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing sewer system and for approval of the financing thereof; and for approval of a corresponding rate increase.

**RECOMMENDED DECISION**

On January 16, 2007, Alpine Lake Public Utilities Company (Applicant or Utility) filed an application with the West Virginia Public Service Commission (Commission) for a certificate of convenience and necessity to construct certain additions and improvements to its existing sewer system in Preston County, West Virginia, for approval of the associated financing and for approval of a rate increase required to support the sewer system improvement project. The project included construction of a new 150,000-gallon per day wastewater treatment plant with a 150,000-gallon flow equalization basin, upgrades or replacement of the Applicant's six (6) existing sewage pumping stations, and construction of a new office facility to serve administrative and billing staff, as well as field crew facilities and other "unspecified" appurtenances. The Application stated that, "with continued residential growth and deterioration of the existing wastewater treatment plant, it has become necessary to replace the existing wastewater treatment plant that can sustain growth and hydraulic surges." The application stated that the estimated project cost was \$3,500,000.00, and that the Applicant intended to fund the proposed project through a \$3,500,000.00 loan from the United States Department of Agriculture, Rural Utilities Service. The terms of the loan included an interest rate of 4.5% and a term of thirty-eight (38) years. The application contained a schedule of proposed rates which reflected a 146% increase in annual revenue.

On January 16, 2007, a Notice of Filing was issued by the Commission which required that the Applicant give notice of the filing of the certificate application, by publishing a copy of the Notice of Filing once in a newspaper duly qualified by the Secretary of State, published and of

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

On January 16, 2007, the Applicant filed several items related to the certificate application.

On February 7, 2007, the Applicant filed an Affidavit of Publication from *The Preston County News*, which established that the Notice of Filing had been published therein on January 27, 2007.

On February 14, 2007, Staff Attorney Leslie Anderson of the Commission's Legal Division filed an Initial Joint Staff Memorandum, on behalf of Staff Attorney C. Terry Owen. Along with the Initial Joint Staff Memorandum, the Staff Attorney filed an Initial Internal Memorandum, prepared by Utility Analyst Michael Quinlan of the Commission's Water and Wastewater Division and Technical Analyst Audra Blackwell of the Commission's Engineering Division. Staff reported that it would continue its investigation of the case and planned to issue data requests as needed to complete the review. The Staff Attorney and Technical Staff agreed that the case should be referred to the Division of Administrative Law Judges for resolution.

By Commission Referral Order issued on March 2, 2007, the case was referred to the Division of Administrative Law Judges. The order required that, if no public protest was filed after the required public notice was provided, the decision was to be rendered on or before July 12, 2007. If public protest was received by the Commission during the thirty (30) day public protest period, the decision was to be rendered on or before August 14, 2007.

On April 18, 2007, Staff Attorney Owen filed a Second Initial or Status Joint Staff Memorandum, along with a Further Internal Memorandum, prepared by Technical Analyst Blackwell. Technical Staff reported that a field investigation was scheduled for later that week and that a fifteen (15) day extension of the Staff report due date and a fifteen (15) day extension of the Administrative Law Judge's decision due date was needed. Legal Staff explained that, since this certificate case was not protested by the public, it was on an accelerated time line and that there was no room for extensions. The Staff Attorney reported that the final Staff report would be filed as quickly as possible, but no later than April 24, 2007,

On May 2, 2007, Staff Attorney Owen filed the Final Joint Staff Memorandum, along with a Final Internal Memorandum, prepared by Technical Analyst Blackwell and Utility Analyst Quinlan. Staff reported that the Applicant owns and operates a sewage collection and treatment system located within the boundaries of and which serves Alpine Lake Resort, in Preston County, West Virginia.

The service area is a 2,300-acre resort community made up of more than 365 houses, an 18-hole golf course, a 148-acre lake, and an alpine style lodge consisting of a 35-room motel, restaurant and bar, pro shop, indoor 6-lane pool and conference facilities. The system was originally constructed in the early 1970s and has remained largely unchanged. Today, however, the system faces problems with inflow and infiltration and a deteriorating treatment facility. The problems routinely lead to violations of the N.P.D.E.S. permit, which has already expired. Staff reported that the existing collection lines are being rehabilitated to reduce inflow and infiltration, but the treatment facility must be replaced to sustain growth and the regular hydraulic surges. The Applicant advised Commission Staff that it had tried to renew the permit unsuccessfully in the past. The Applicant is currently operating without a valid N.P.D.E.S. permit and is under a consent order. The Applicant has also been fined \$33,000 by the West Virginia Department of Environmental Protection. Staff reported that a new treatment plant would likely require tertiary treatment and be held to higher effluent standards. Staff reported that the West Virginia Department of Environmental Protection has indicated that it would likely issue an N.P.D.E.S. permit to the existing plant and later a modified permit once the State Health Department Office of Environmental Health Services issues a permit for construction.

Staff reported that estimated project cost is \$3,500,000.00 and will serve approximately 416 customers. Cost per customer is approximately \$8,414. According to Technical Staff, customer density is not relevant since no new sewer lines are being constructed. Technical Staff reported that, based upon the Applicant's Rule 42 Exhibit, operation and maintenance expenses are expected to increase by \$51,659 per year as a result of this project. Staff concluded that the operation and maintenance expenses detailed by the Applicant are reasonable. Technical Staff concluded that, "The proposed project will improve sewage service to all of the Utility's customers and will sustain growth and hydraulic surges.... The proposed project will place the Utility in compliance with DEP regulations by fulfilling their permit requirements."

Financial Staff reported that the estimated project would be financed through a loan from the United States Department of Agriculture, Rural Utilities Service, in the amount of \$3,500,000.00 at an annual interest rate of 4.5% for a term of 40 years. The Applicant has filed a copy of the letter of commitment from Rural Utilities Service. As a result of this project, annual revenues are projected to increase by \$296,375.00. Operation and maintenance expenses are expected to increase by \$51,659.00 per year and total debt service and reserve requirements are projected to increase by \$212,831 per year as a result of this project. Cash surplus is projected to increase by \$23,155 and result in a proforma or total cash flow surplus of \$18,638, with a debt service coverage ratio of 123%. Financial Staff concluded that the proposed project is financially feasible and should be approved.

With regard to rates, the Applicant has proposed a rate schedule that is expected to produce an annual increase in revenues of \$494,591, an increase of 146% over the current level of revenue. The Applicant's current rates have been in effect since January 29, 2004. Staff made the following final recommendations:

- (1) The application for a certificate of convenience and necessity filed by Alpine Lake Public Utilities Company to construct certain additions and improvements

to its existing sewage collection and treatment system located at Terra Alta, Preston County, West Virginia, at an estimated project cost of \$3,500,000.00, and as more fully described in the engineering plans and contract documents submitted with this certificate filing, should be granted, contingent upon receipt of all outstanding permits, including the WV DEP N.P.D.E.S. permit.

- (2) Approval of the USDA RUS loan in the amount of \$3,500,000.00, at an annual interest rate of 4.5% for a term of 40 years.
- (3) Approval of the Staff-recommended tariff rates and charges as set forth in Attachment No. 3 of the Final Internal Memorandum.
- (4) Should there be any changes in the project plans or scope of the project or, where a change in financing would affect rates, the Applicant should be required to request reopening of this certificate case for further review, any necessary adjustments and additional approval.
- (5) Should there be any changes in project costs that do not affect rates, the Applicant is not required to petition for reopening of this certificate case for further approval. However, in such an event, the Applicant is required to file with this Commission an affidavit signed by its certified public accountant verifying that rates are not affected.
- (6) The Applicant must be required to provide this Commission with a copy of the engineer's certified tabulation of bids, within ten (10) days of the bid opening date, for each construction contract or vendor bid contract to be awarded for this project.
- (7) The Applicant must be required to provide this Commission with a copy of the "Certificate of Substantial Completion" for each contract within ten (10) days of issuance.

On May 17, 2007, the Applicant filed a funding commitment letter from the United States Department of Agriculture, Rural Utilities Service, regarding the \$3,500,000 loan proposed to finance the construction project which is the subject of the certificate application.

On May 25, 2007, Staff Attorney Owen filed a Further Final Joint Staff Memorandum, along with a Further Final Internal Memorandum, prepared by Technical Analyst Blackwell and Utility Analyst Quinlan. Therein, Staff recommended that the tariff language regarding the Applicant's tap fee be revised. Staff provided a new revised Staff-recommended tariff containing the suggested tap fee language.

## DISCUSSION

Commission Staff recommended approval of Alpine Lake Public Utilities Company's certificate application and that recommendation, along with several additional recommendations, was clearly set forth in the Final Joint Staff Memorandum and the Final Internal Memorandum. Both of the Staff memoranda were provided to Alpine Lake Public Utilities Company by mail. In cover letters accompanying the Staff memoranda, the Applicant was advised that, "If you wish to respond to the enclosed Staff memorandum, you may do so in writing, within 10 days, unless directed otherwise, of this date." Also, the cover letter stated that, "Your failure to respond in writing to the utility's answer, Staff's recommendations, or other documents may result in a decision in your case based on your original filing and the other documents in the case file, without further hearing or notice." The record in this case reflects that the Applicant has not filed an objection or a response to the recommendations of Commission Staff and more than ten (10) days have passed. Therefore, it is reasonable to assume that the Applicant does not object to Staff's recommendations, particularly since Commission Staff has recommended that the Commission grant the Applicant's certificate application.

Furthermore, the record reflects that the Notice of Filing was properly published as a Class I legal notice, as directed in the Commission's January 16, 2007 order. The Notice of Filing provided that public protests or requests for intervention regarding the certificate application filed by Alpine Lake Public Utilities Company be filed with the Public Service Commission within thirty (30) days of the date of publication of the Notice of Filing. The Applicant later filed affidavits of publication demonstrating that publication of the Notice of Filing occurred on January 27, 2007, and the record reflects that no public protests and no requests to intervene were filed in this matter during the thirty (30) day public protest period or as of the date of this Order. Therefore, it is reasonable to conclude that there is no objection from the public to the issuance of a certificate of convenience and necessity for the Applicant to construct the sewer collection and treatment facility additions and improvements described in the certificate application.

## FINDINGS OF FACT

1. On January 16, 2007, Alpine Lake Public Utilities Company filed an application with this Commission for a certificate of convenience and necessity to construct specific additions and improvements to its existing sewage collection and treatment facilities, including new administrative and field services facilities. The project was described to include construction of a new 150,000-gallon per day wastewater treatment plant with a 150,000-gallon flow equalization basin, upgrades or replacement of the Applicant's six (6) existing sewage pumping stations, and construction of a new office facility to serve administrative and billing staff, as well as field crew facilities and other unspecified appurtenances. (See, January 16, 2007 filing).

2. Alpine Lake Public Utilities Company published the Notice of Filing regarding this certificate application in *The Preston County News*, a weekly newspaper of general circulation,

published at Kingwood, Preston County, West Virginia, on January 27, 2007. (See, affidavit of publication filed February 7, 2007).

3. The total estimated project cost is \$3,500,000.00 and will be financed through a \$3,500,000.00 loan from the United States Department of Agriculture, Rural Utilities Service, at an annual interest rate of 4.5% and a term of thirty-eight (38) years. (See, commitment letter filed May 17, 2007).

4. Alpine Lake Public Utilities Company is operating currently with an expired N.P.D.E.S. permit from the West Virginia Department of Environmental Protection and has been unsuccessful in renewing the permit. (See, Final Joint Staff Memorandum and attachment, filed May 2, 2007).

5. The Applicant is currently operating under a consent decree and has been fined \$33,000 by the West Virginia Department of Environmental Protection for violations of its permit and failures of its sewage system. (See, Final Joint Staff Memorandum and attachment, filed May 2, 2007).

6. Technical Staff concluded that, "The proposed project will improve sewage service to all of the Utility's customers and will sustain growth and hydraulic surges." (See, Final Joint Staff Memorandum and attachment, filed May 2, 2007).

7. Operation and maintenance expenses are projected to increase by \$51,659.00 annually as a result of the proposed project. (See, Final Joint Staff Memorandum and attachment, filed May 2, 2007).

8. The Applicant's current rates, which have been in effect since January 29, 2004, generated only \$198,216.00 in revenue for the fiscal year ending June 30, 2006. (See, Applicant's Rule 42 Exhibit, Cash Flow Analysis, Statement A, Schedule 8, filed January 16, 2007).

9. The Applicant's cash flow analysis demonstrated a going level cash flow deficit of \$4,516.00. (See, Applicant's Rule 42 Exhibit, Cash Flow Analysis, Statement A, Schedule 8).

10. The Applicant's current rates and charges do not generate a level of revenue sufficient to offset the various costs and expenses associated with construction, operation and maintenance of the new and improved sewage system facilities proposed by the Applicant in this certificate application. (See, Applicant's Rule 42 Exhibit, Cash Flow Analysis, Statement A, Schedule 8).

11. The Applicant's proposed increased rates and charges for providing sewage collection and treatment services will generate a cash flow surplus of \$18,638.00 and a debt service coverage ration of 123%. (See, Applicant's Rule 42 Exhibit, Cash Flow Analysis, Statement A, Schedule 8).

## CONCLUSIONS OF LAW

1. The public convenience and necessity require the improvements and additions to its existing sewage collection and treatment facilities described by Alpine Lake Public Utilities Company in its certificate application filed on January 16, 2007.
2. It is reasonable to grant Alpine Lake Public Utilities Company's application for a certificate of public convenience and necessity to construct improvements and additions to existing sewage collection and treatment facilities and to construct a new administration building.
3. It is reasonable to approve the proposed financing for the project, consisting of a loan from the United States Department of Agriculture, Rural Utilities Service, in the amount of \$3,500,000.00, at an annual interest rate of 4.5%, for a term of thirty-eight (38) years.
4. The Applicant's proposed rates are sufficient, but not more than sufficient, to cover its operation and maintain expenses, taxes, debt service requirements and capital additions, including those increases generated by the project certificated herein.

## ORDER

**IT IS, THEREFORE, ORDERED** that the application filed herein on January 16, 2007, by Alpine Lakes Public Utilities Company, for a certificate of convenience and necessity to construct additions and improvements to its existing sewage collection and treatment facilities, be, and hereby is, granted, contingent upon receipt of all regulatory permits.

**IT IS FURTHER ORDERED** that the Applicant's proposed financing for the project, consisting of a loan in the amount of \$3,500,000 from the United States Department of Agriculture, Rural Utilities Service, at an annual interest rate of 4.5%, for a term of thirty-eight (38) years, be, and hereby is, approved.

**IT IS FURTHER ORDERED** that the rates set forth in Appendix A hereto be, and hereby are, approved for use by the Applicant, upon substantial completion of the project certificated in this case.

**IT IS FURTHER ORDERED** that Alpine Lakes Public Utilities Company submit a certificate of substantial completion for each construction contract involved in this project, within ten (10) days of its issuance.

**IT IS FURTHER ORDERED** that Alpine Lakes Public Utilities Company file a copy of the engineer's certified tabulation of bids for each construction contract or vendor bid contract awarded for this project, within ten (10) days of the bid opening date.

**IT IS FURTHER ORDERED** that, should there be any changes in the scope, plans or financing of the project, or if a change in project cost affects the rates approved herein for the project, Alpine Lakes Public Utilities Company obtain Commission approval of such changes, prior to commencing construction.

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

**IT IS FURTHER ORDERED** that, if this project requires the use of Division of Highways' rights-of-way, Alpine Lakes Public Utilities Company comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

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

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

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

If no exceptions are so filed, this Recommended Decision shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's Recommended Decision by filing an appropriate petition, in writing, with the Commission's Executive Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make an Administrative Law Judge's Recommended Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Public Service Commission.

  
**Cecelia Gail Jarrell**  
**Administrative Law Judge**

CGJ/s  
070058aa.wpd

ALPINE LAKE PUBLIC UTILITIES COMPANY (Sewer)  
CASE NO. 07-0058-S-CN  
APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial and sale for resale sewer service.

FLAT RATE CHARGE (Customers with non-metered water supply)

Residential (including chalets)	\$	83.84
Commercial - - Lodge and Motel	\$	3,592.71
Commercial - - Herron Apartments	\$	335.35

BILLING

The above rates and tariff may be billed either on a monthly or quarterly basis.

DELAYED PAYMENT PENALTY

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

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$300.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

SURFACE OR GROUND WATER SURCHARGE

An additional amount shall be charged where surface or ground water is introduced into the sanitary system where evidence of a violation exists. Surcharge formula to be applied in cases where surface drainage is connected to the utility's sewer system.

**APPLICABILITY**

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

- S =  $A \times R \times .0006233 \times C$   
S = The surcharge in dollars  
A = The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.  
R = The measured monthly rainfall, in inches.  
.0006233 = A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.  
C = The utility's approved rate per thousand gallons of metered water usage.

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

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



**Reeder & Dunham**, PLLC  
ATTORNEYS AND COUNSELORS AT LAW

Jeffrey C. Dunham  
Joseph K. Reeder

February 7, 2007

Mrs. Sandra Squire, Executive Secretary  
Public Service Commission of West Virginia  
201 Brooks Street  
Charleston, WV 25301

Re: ALPINE LAKE PUBLIC UTILITIES CO., INC.  
Case No. 07-0058-S-CN

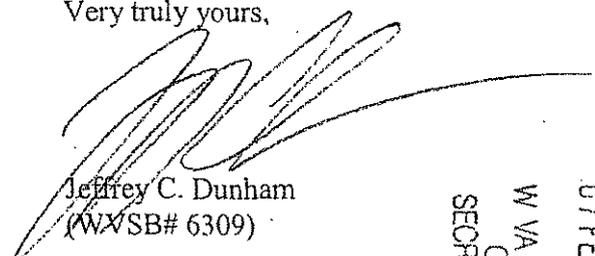
Dear Mrs. Squire:

Attached hereto please find the original and twelve copies of an Affidavit of Publication reflecting that notice of Alpine Lake Public Utilities Co., Inc., ("Alpine Lake") application for a Certificate of Convenience and Necessity was published in the Preston County News on January 27, 2007.

Please also be advised that Alpine Lake provided notice to its customers pursuant to the Commission's Rules of Practice and Procedure (150 CSR 1-10.3.d) by affixing notice thereof to their February 1, 2007, bills. I will provide a verification to this effect under separate cover.

If you have any questions, or if I can be of any assistance to you, please do not hesitate to contact me at the telephone number listed below.

Very truly yours,

  
Jeffrey C. Dunham  
(WV SB# 6309)

cc. Ann Nelson, ALPUC (w/encl)

RECEIVED  
07 FEB -9 AM 11:33  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

# Certificate of Publication

## LEGAL NOTICE

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 16<sup>th</sup> day of January, 2007.

CASE NO. 07-0058-S-CN

ALPINE LAKE PUBLIC UTILITIES COMPANY  
Preston County, West Virginia

Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing sewer system and for approval of the financing thereof; and for approval of a corresponding rate increase.

### NOTICE OF FILING

WHEREAS, on January 16, 2006, Alpine Lake Public Utilities Company, Preston County, West Virginia, filed an application, duly verified, for a Certificate to construct certain additions, improvements and extensions to its existing sewer system in Preston County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, Alpine Lake Public Utilities Company estimates that construction will cost approximately Three Million Five Hundred Thousand Dollars (\$3,500,000.00). It is proposed that the construction will be financed as follows: A loan in the amount of \$3,500,000.00.

WHEREAS, the utility anticipates charging the following increased sewer rates for its customers:

### APPLICABILITY

Applicable in entire territory served

### AVAILABILITY OF SERVICE

Available for general, domestic and commercial service.

Residential, including Chalets	\$83.84
Commercial-Lodge and Motel	\$3,592.71
Commercial-Herron Apartments	\$335.35

### BILLING

The above rates and tariffs may be billed either on a monthly or quarterly basis.

### DELAYED PAYMENT PENALTY

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

### TAP FEE

A tap fee of \$300.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

These rates represent the following project-related increases:

	(\$) INCREASE	(%) INCREASE
Residential	\$49.76	146%
Commercial-Lodge and Motel	\$2,132.26	146%
Commercial-Herron Apartments	\$199.03	146%

The proposed increased rates and charges will produce approximately \$270,287.00 annually in additional revenue, an increase of 146%.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing.

Pursuant to §24-2-11, West Virginia Code, IT IS ORDERED that Alpine Lake Public Utilities Company give notice of the filing of said application, by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Preston County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene

should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if no protest are received within said thirty (30) day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

Sandra Squire  
Executive Secretary  
1/27

I, Carol Peters, Advertising Manager of The Preston County News, a weekly newspaper of general circulation, published at Kingwood, Preston County, West Virginia, do hereby certify that the annexed public notice

Alpine Lake Public Utilities Co.  
Notice of Filing

has been published for One successive weeks in said newspaper, beginning with its issue of 1/27/07

and expiring with the issue of 1/27/07

And, I do further certify that on 1/27/07



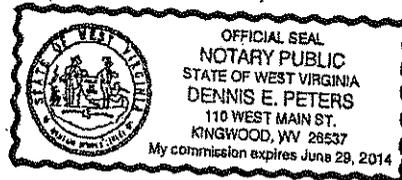
ADVERTISING MANAGER

Sworn to and subscribed before me this the 27<sup>th</sup> day of February, 2007



NOTARY PUBLIC

My commission expires 6/29/2014





ALPINE LAKE PUBLIC UTILITIES COMPANY

Sewer Revenue Note, Series 2008 A  
(United States Department of Agriculture)

RECEIPT FOR NOTE

The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies this 10th day of January, 2008 as follows:

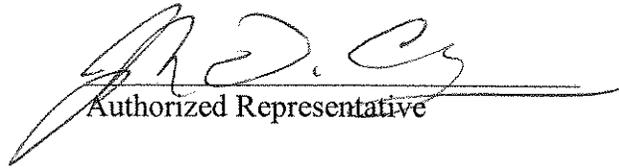
1. On the 10th day of January, 2008, at Alpine Lake, West Virginia, the undersigned received for the Purchaser the single, fully registered Alpine Lake Public Utilities Company Sewer Revenue Note, Series 2008 A (United States Department of Agriculture), No. AR-1, in the principal amount of \$3,500,000 (the "Series 2008 A Note"), dated the date hereof, bearing interest at the rate of 4.25% per annum, payable in monthly installments as stated in the Series 2008 A Note. The Series 2008 A Note represents the entire above-captioned Series 2008 A Note issue.

2. At the time of such receipt, the Series 2008 A Note had been executed and sealed by the designated officials of the Board of Directors of Alpine Lake Public Utilities Company (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of \$225,700, being a portion of the principal amount of the Series 2008 A Note. Further advances of the balance of the principal amount of the Series 2008 A Note will be paid to the Issuer as acquisition and construction of the Project progresses.

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WITNESS my signature on the day and year first written above.

  
Authorized Representative



# SPECIMEN

USDA

Form RD 440-22

(Rev. 6-98)

PROMISSORY NOTE  
ALPINE LAKE PUBLIC UTILITIES COMPANY

KIND OF LOAN:

ASSOCIATION- ORGANIZATION

HOUSING - ORGANIZATION

PUBLIC BODY

OTHER

Note Number: AR-1

Date: January 10, 2008

FOR VALUE RECEIVED, ALPINE LAKE PUBLIC UTILITIES COMPANY (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture (herein called the "Government"), or its registered assigns, at its National Finance Office, in St. Louis, Missouri, 63103, or at such other place as the Government may hereafter designate in writing, the principal amount of THREE MILLION FIVE HUNDRED THOUSAND AND 00/100 dollars (\$3,500,000), plus interest on the principal balance at the rate of 4.25% per annum. The said principal and interest shall be paid in the following installments on or before the following dates: Monthly installments of interest only, commencing 28 days following delivery of this Note and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$15,505.00, covering principal and interest thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Note, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied

to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note 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 of 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 hereto, 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.

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.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

Alpine Lake Public Utilities Company  
(Name of Borrower)

(CORPORATE SEAL)

*Ann Nelson*  
Ann Nelson

ATTEST:

President

*Judith Hay*  
Judith Hay

Treasurer

*Joan Evans*  
Joan Evans

700 West Alpine Drive

Secretary

Terra Alta, WV 26764

**RECORD OF ADVANCES**

AMOUNT	DATE	AMOUNT	DATE
(1)\$ 225,700	January 10, 2008	(6)\$	
(2)\$		(7)\$	
(3)\$		(8)\$	
(4)\$		(9)\$	
(5)\$		(10)\$	
	TOTAL		

PAY TO THE ORDER OF \_\_\_\_\_

UNITED STATES OF AMERICA  
 RURAL DEVELOPMENT  
*(Name of Agency)*

BY \_\_\_\_\_







January 10, 2008

Alpine Lake Public Utilities Company  
Sewer Revenue Note, Series 2008 A  
(United States Department of Agriculture)

Alpine Lake Public Utilities Company  
Alpine Lake, West Virginia

United States Department of Agriculture  
Rural Utilities Service  
Elkins, West Virginia

Ladies and Gentlemen:

We have served as note counsel in connection with the issuance by Alpine Lake Public Utilities Company in Preston County, West Virginia (the "Issuer"), of its \$3,500,000 Sewer Revenue Note, Series 2008 A (United States Department of Agriculture), dated the date hereof (the "Series 2008 A Note"), pursuant to Chapter 31E, Article 1 *et seq.* and Section 31E-3-302(7), of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a loan resolution of the Issuer duly adopted January 8, 2008 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

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

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

1. The Issuer is duly created, validly existing, and in good standing under the laws of the State of West Virginia as a nonprofit corporation, with full corporate power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Resolution and to issue and sell the Series 2008 A Note, all under the Act and other applicable provisions of law.

2. The Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

3. Pursuant to the Act, the Resolution creates a valid lien on the funds pledged by the Resolution for the security of the Series 2008 A Note.

4. The Series 2008 A Note has been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from the sources provided therefor in the Resolution.

5. The lien granted to the United States of America, by United States Department of Agriculture, Rural Utilities Services (the "Purchaser") pursuant to the Credit Line Deed of Trust, Fixture Filing and Security Agreement (the "Deed of Trust") constitutes a valid lien against the real property described therein under applicable law. The filing of the Deed of Trust as a fixture filing in the real estate records of the Office of the Clerk of the County Commission of Preston County, West Virginia, together with the filing of a UCC-1 financing statement as a fixture filing in the Office of the Secretary of State of the State of West Virginia, will perfect the security interest of the Purchaser in the fixtures of the Issuer located at the real property described therein. The Loan Resolution Security Agreement, Loan Agreement, and Deed of Trust (collectively referred to as the "Security Agreement") creates a valid security interest in the gross revenues, accounts receivable, and personal property described therein. The filing of the UCC-1 financing statement in the Office of the Secretary of State of the State of West Virginia will create a perfected security interest in the personal property described therein. All such documents have been duly recorded and filed on the date hereof.

6. The Series 2008 A Note has not been issued on the basis that the interest thereon is or will be excluded from gross income for federal income tax purposes; therefore, the interest on the Series 2008 A Note is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Series 2008 A Note.

It is to be understood that the rights of the holders of the Series 2008 A Notes and the enforceability of the Series 2008 A Note, the Deed of Trust, the Security Agreement, and the Resolution 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 thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,



STEPTOE & JOHNSON PLLC



January 10, 2008

Alpine Lake Public Utilities Company  
Sewer Revenue Note, Series 2008 A  
(United States Department of Agriculture)

Alpine Lake Public Utilities Company  
Alpine Lake, West Virginia

United States Department of Agriculture  
Rural Utilities Service  
Elkins, West Virginia

Ladies and Gentlemen:

We are special project counsel to Alpine Lake Public Utilities Company, a West Virginia nonprofit corporation, located in Preston County, West Virginia (the "Issuer") in connection with the financing represented by the issuance of the above captioned notes. As such counsel, we have examined: (i) copies of the approving opinion of Steptoe & Johnson PLLC, as note counsel, relating to the issuance of the Sewer Revenue Note, Series 2008 A (United States Department of Agriculture), dated the date hereof, issued in the original aggregate principal amount of \$3,500,000 (the "Series 2008 A Note"; (ii) the Loan Resolution Security Agreement duly adopted by the Issuer on January 8, 2008 (the "Note Legislation"), (iii) a Credit Line Deed of Trust, Fixture Filing and Security Agreement dated January 10, 2008 (the "Deed of Trust") by and among the Issuer, the trustee named therein, and the United States of America, by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), (iv) a Loan Agreement dated January 10, 2008 (the "Loan Agreement") by and between the Issuer and the Purchaser, (v) a UCC-1 Financing Statement securing the Series 2008 A Note (the "Financing Statement") and other documents, papers, agreements, instruments and certificates relating to the Series 2008 A Note and the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Note Legislation when used herein.

We are of the opinion that:

1. The Issuer is duly created and validly existing under the laws of the State of West Virginia as a nonprofit corporation, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Note Legislation, and to issue the Series 2008 A Note, all under the Act and other applicable provisions of law. The members and officers of the Board

of Directors of the Issuer have been duly elected and appointed and are authorized to act on behalf of the Issuer in their respective capacities.

2. The Series 2008A Note has been duly authorized, executed, and delivered by the Issuer and constitute valid and binding obligations of the Issuer enforceable in accordance with their terms.

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

4. The Deed of Trust has been duly authorized, executed and delivered by the Issuer and constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

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

6. The execution and delivery of the Series 2008A Note, the Deed of Trust, the Loan Agreement and the Financing Statement and the consummation of the transactions contemplated by the Series 2008 A Note, the Deed of Trust, the Loan Agreement, the Financing Statement and the Note Legislation and the carrying out of the terms thereof, have been duly authorized by all necessary corporate action and 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 its Articles of Incorporation or Bylaws, or any resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

7. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Series 2008A Note, 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, certificates and approvals from the West Virginia Infrastructure and Jobs Development Council, the West Virginia Bureau of Public Health and the Public Service Commission of West Virginia, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges.

8. We have verified that all successful bidders have made required provisions for all insurance and payment and performance bonds and have reviewed such insurance policies or binders and such bonds for accuracy. We have reviewed the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project and verified that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of applicable law and the Note Legislation; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

9. To the best of our knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Deed of Trust, the Loan Agreement, the Financing Statement, the Note Legislation, the Series 2008A Note, the acquisition and construction of the Project, the operation of the System, the validity of the Series 2008A Note, the collection of the Gross Revenues or the pledge of the Gross Revenues, property, and accounts receivable of the sewer system to the payment of the Series 2008 A Note.

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

Very truly yours,

  
STEPTOE & JOHNSON PLLC





**Reeder & Dunham**, PLLC  
ATTORNEYS AND COUNSELORS AT LAW

Jeffrey C. Dunham  
Joseph K. Reeder

January 10, 2008.

Alpine Lake Public Utilities Company  
Sewer Revenue Note, Series 2008 A  
(United States Department of Agriculture)

Alpine Lake Public Utilities Company  
Alpine Lake, West Virginia

United States Department of Agriculture  
Rural Utilities Service  
Elkins, West Virginia

Steptoe & Johnson PLLC  
Morgantown, West Virginia

Ladies and Gentlemen:

We are special counsel to Alpine Lake Public Utilities Company in Preston County, West Virginia (the "Issuer"). As such counsel, we have represented the Issuer before the Public Service Commission of West Virginia (the "Commission") in connection with the issuance of the above-referenced notes (the "Series 2008 A Notes") by the Issuer.

We are of the opinion that the Issuer has received the Recommended Decision of the Commission dated May 29, 2007, which became final order on June 18, 2007, in Case No. 07-0058-S-CN; granting to the Issuer a certificate of public convenience and necessity for the Project, approving the financing for the Project, and approving staff recommended increased rates and charges for the Issuer's sewer system improvement project. We are also of the opinion that all proceedings of the Issuer and the Commission in connection with the entry of said Commission Orders were in accordance with applicable law and that no other action is necessary to put the approved rates and charges of the sewer system into full force and effect upon completion of construction of the Project. The time for appeal of such Commission Orders has expired prior to the date hereof without any appeal having been filed. Such Commission Orders remain in full force and effect.

We are also of the opinion that the Issuer has received the Commission Order of the Commission dated September 5, 2007, in Case No. 07-1503-S-PC, approving the Sewer System Agreement dated July 21, 2007, between the Issuer and Alpine Lake Property Owners Association, Inc. We are of the opinion that all proceedings of the Issuer and the Commission in connection with the entry of said Commission Order were in accordance with applicable law. The time for appeal of such Commission Order has expired prior to the date hereof without any appeal having been filed. Such Commission Order remains in full force and effect.

3772 TEAYS VALLEY ROAD, SUITE 3 ♦ P.O. BOX 1027 ♦ HURRICANE, WV 25526  
TELEPHONE (304) 757-7320 ♦ CHARLESTON (304) 343-7320  
TOLL FREE (866) 267-7320 ♦ FAX (304) 757-7707  
E-mail: jdunham @reederdunhamlaw.com

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

Very truly yours,



REEBER AND DUNHAM, PLLC

01.03.08  
012210.00002



ALPINE LAKE PUBLIC UTILITIES COMPANY

Sewer Revenue Note, Series 2008 A  
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER ON:

1. AUTHORIZATION AND AWARD OF NOTES
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND MEETINGS
7. DELIVERY AND PAYMENT AND USE OF PROCEEDS
8. LAND AND RIGHTS-OF-WAY
9. DUE INCORPORATION AND EXISTENCE OF ISSUER
10. CONTRACTORS' INSURANCE, ETC.
11. CONNECTIONS, ETC
12. RATES
13. PUBLIC SERVICE COMMISSION ORDERS
14. SIGNATURES AND DELIVERY
15. SPECIMEN NOTES
16. MANAGEMENT
17. CONFLICT OF INTEREST
18. PROCUREMENT OF ENGINEERING SERVICES
19. EXECUTION OF COUNTERPARTS

We, the undersigned PRESIDENT, SECRETARY, and TREASURER of the Board of Directors of Alpine Lake Public Utilities Company, a West Virginia non-stock nonprofit corporation in Preston County, West Virginia (the "Issuer"), hereby certify on this 10th day of January, 2008, in connection with the issuance by the Issuer of its Sewer Revenue Note, Series 2008 A (United States Department of Agriculture) (the "Series 2008 A Note") as follows:

1. AUTHORIZATION AND AWARD OF NOTES: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Series 2008 A Note has been duly awarded to the United States of America, acting by

the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions of the Purchaser, dated February 18, 2005, and Amendment No. 1 of said Letter of Conditions, dated April 1, 2005, and all amendments thereto, and as appears in the Loan Resolution Security Agreement of the Issuer duly adopted January 8, 2008, authorizing issuance of the Series 2008 A Note (the "Resolution" or "Note Resolution"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning as defined in the Resolution when used herein. The Series 2008 A Note is being issued on this date to finance a portion of the cost of the acquisition and construction of the Project located within the boundaries of the Issuer.

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Series 2008 A Note, 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 Series 2008 A Note, or any proceedings of the Issuer taken with respect to the issuance or sale of the Series 2008 A Note, the pledge or application of the Gross Revenues or any other monies or security provided for the payment of the Series 2008 A Note, the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Series 2008 A Note, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of the Gross Revenues, accounts receivable, and property of the sewer system as security for the Series 2008 A Note.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the creation and existence of the Issuer, the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2008 A Note have been duly and timely obtained and remain in full force and effect. 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 by the Purchaser of a loan to assist in the acquisition and construction of the Project. The Issuer will provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are no outstanding obligations of the Issuer which will rank on a parity with or senior and prior to the Series 2008 A Note as to liens, pledge, and source of and security for payment.

There are outstanding obligations of the Issuer which do not have a lien on any revenues or assets of the System, and are not payable from Gross Revenues, as follows: (i) a Promissory Note issued to The Terra Alta Bank, dated April 6, 2004, issued in the original principal amount of \$29,708.50; (ii) a Note and Security Agreement issued to TFS Capital Funding, dated March 18, 2004, issued in the original principal amount of \$22,000; (iii) a Promissory Note issued to The Terra Alta Bank, dated March 13, 2003, issued in the original principal amount of \$116,725; (iv) a Line of Credit with The Terra Alta Bank, dated March 8, 2004, in the amount of \$30,065; (v) a Promissory Note issued to the BB&T Bank dated March 31, 2007, issued in the original principal amount of \$50,000.00; (vi) a Promissory Note issued to The Terra Alta Bank, dated March 24, 2005, issued in the original principal amount of \$24,113; and (vii) a Universal Note issued to Clear Mountain Bank, dated November 14, 2005, issued in the original principal amount of \$25,771.19.

The Terra Alta Bank has changed its name to Clear Mountain Bank and the indebtedness stated above as being issued to The Terra Alta Bank is now held by Clear Mountain Bank.

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, supplemented or changed in any way unless modification appears from later documents also listed below:

Loan Resolution Security Agreement

Loan Agreement

A Credit Line Deed of Trust, Fixture Filing and Security Agreement

UCC-1 Financing Statement

Public Service Commission Orders

Series 2008 A Promissory Note

Registration Book

Articles of Incorporation

Bylaws

Certificate of Existence

Evidence of Good Standing with West Virginia Workers' Compensation Board and West Virginia Bureau of Employment Programs, Division of Unemployment Compensation

Minutes of Current Year Organizational Meeting

Minutes Evidencing Election of Board Members

Minutes on Adoption of Note Resolution, Approval of First Draw, and Providing Notice of Award and Notice to Proceed

United States Department of Agriculture Letter of Conditions; Amendment No. 1 to Letter of Conditions; and Closing Instructions

Environmental Health Services Permits

Insurance Certificates

Sewer Agreement Between ALPOA and ALPUC

6. INCUMBENCY AND MEETINGS: The proper corporate name of the Issuer is "Alpine Lake Public Utilities Company" and it is a West Virginia, non-stock, non-profit corporation located in Preston County, West Virginia. The governing body of the Issuer is its Board of Directors (the "Board") consisting of five duly elected or appointed, as applicable, members whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Ann Nelson	July 1, 2006	June 30, 2009
Dean Riley	July 1, 2007	June 30, 2010
Joan Evans	July 1, 2005	June 30, 2008
Judy Hay	July 1, 2006	June 30, 2009
Leonard Wierzbicki	July 1, 2005	June 30, 2008

The names of the duly elected, qualified and serving officers of the Board for fiscal year 2006-2007 are as follows:

President	-	Ann Nelson
Vice President	-	Dean Riley
Vice President	-	Leonard Wierzbicki
Treasurer	-	Judy Hay
Secretary	-	Joan Evans

The duly appointed and acting legal counsel for the Issuer are as follows: special PSC counsel- Reeder and Dunham, PLLC; special project counsel- Steptoe & Johnson PLLC.

All actions and resolutions taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2008 A Note and the acquisition, construction, operation and financing of the Project and the System were authorized or adopted at regular or special meetings of the Board duly and regularly called and held pursuant to the Bylaws of the Issuer and all applicable statutes, including, without limitation, Chapter 31E, Article 8 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 Board was present and acting at all times during all such meetings. All required notices were given in accordance with the Bylaws of the Issuer.

7. DELIVERY AND PAYMENT AND USE OF PROCEEDS: On the date hereof, the Series 2008 A Note was delivered to the Purchaser at Alpine Lake, West Virginia, by the undersigned President for the purposes set forth herein, and at the time of such delivery the Series 2008 A Note has been duly and fully executed and sealed on behalf of the Issuer in accordance with the Note Resolution.

At the time of delivery of the Series 2008 A Note, the amount of \$225,700 was received by the undersigned President, being a portion of the principal amount of the Series 2008 A Note. Further advances of the balance of the principal amount of the Series 2008 A Note will be advanced to the Issuer as acquisition and construction of the Project progresses.

The Series 2008 A Note is dated the date hereof, and interest on advances of the principal thereof at the rate of 4.25% per annum is payable from the date of each such advance.

8. 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 Series 2008 A Note.

9. DUE INCORPORATION AND EXISTENCE OF ISSUER: The Issuer is a non-stock, not-for-profit corporation organized and existing under the laws of the State of West Virginia, duly authorized to conduct its affairs and transact business in the State of West Virginia, and is not prohibited by any provision of its Articles of Incorporation or Bylaws from conducting its business described in, or effectuating the transactions contemplated in the Resolution and the other bond documents. There are delivered herewith true, correct and complete copies of the Articles of Incorporation, Bylaws, Certificate of Existence of the Issuer, with all amendments, modifications and supplements, which are all in full force and effect on the date hereof.

10. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions of the Purchaser and the Bond Resolution. All insurance for the System required by the Bond Legislation and the Letter of Conditions is in full force and effect.

11. CONNECTIONS, ETC.: The Issuer will serve at least 386 bona fide full-time users upon the System on completion, including the Herron Apartments and the Alpine Lake Lodge in full compliance with the requirements and conditions of the Purchaser.

12. RATES: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on May 29, 2007, which became final order on June 18, 2007 in Case No. 07-0058-S-CN, approving the staff recommended rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of such Commission Order has expired prior to the date hereof without any appeal and such Commission Order is in full force and effect. The rates and charges in such Commission Order will go into effect upon completion of the Project.

13. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received the Recommended decision of the Public Service Commission of West Virginia entered on May 29, 2007 which became final order on June 18, 2007, in Case No. 07-0058-S-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project, approving financing for the acquisition and construction of the Project, and approving the staff recommended rates for the System. The time for appeal of such Commission Orders has expired prior to the date hereof

without any appeal having been filed. The Commission Orders remain in full force and effect.

14. SIGNATURES AND DELIVERY: On the date hereof, the undersigned President and Treasurer did officially sign the Series 2008 A Note, number AR-1, dated the date hereof, by their manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon said Series 2008 A Note and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Series 2008 A Note to the Purchaser as the original purchaser of the Series 2008 A Note. Said official seal is also impressed above the signatures appearing on this certificate.

15. SPECIMEN NOTE: Delivered concurrently herewith is a true and accurate specimen of the Series 2008 A Note.

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

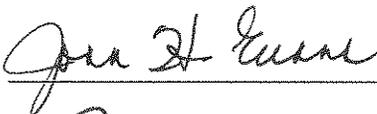
17. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2008 A Note, the Note 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.

18. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Series 2008 A Note.

19. EXECUTION OF COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

WITNESS our signatures and the official seal of ALPINE LAKE  
PUBLIC UTILITIES COMPANY on the day and year first above written.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
 _____	President
 _____	Secretary
 _____	Treasurer

01.03.08  
012210.00002



ALPINE LAKE PUBLIC UTILITIES COMPANY

Sewer Revenue Note, Series 2008 A  
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

I, Steven A. Cain, Registered Professional Engineer, West Virginia License No. 15264, of Greenhorne & O'Mara, Inc., Fairmont, West Virginia, hereby certify this 10th day of January, 2008 that my firm is the engineer for the acquisition and construction of certain additions, improvements and extensions (the "Project") to the existing sewer system (the "System") of Alpine Lake Public Utilities Company (the "Issuer"), to be acquired and constructed in Preston County, West Virginia, which acquisition and construction are being financed in whole or in part by the above-captioned Note of the Issuer.

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

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

[Remainder of Page Intentionally Blank]

WITNESS my signature on the day and year first written above.

Seal



GREENHORNE & O'MARA, INC.

A handwritten signature in black ink that reads "Steven A. Cain". The signature is written in a cursive style and is positioned above a horizontal line.

Steven A. Cain, P.E.

West Virginia License No. 15264

01.03.08  
012210.00002



# State of West Virginia



## Certificate

*I, Ken Hechler, Secretary of State of the  
State of West Virginia, hereby certify that*

originals of the Restated Articles of Incorporation of

**ALPINE LAKE PUBLIC UTILITIES COMPANY**

are filed in my office, signed and verified, as required by the provisions of West Virginia Code §31-1-33, and conform to law. Therefore I issue this

### **RESTATED CERTIFICATE OF INCORPORATION**

of the corporation, to which I have attached a duplicate original of the Restated Articles of Incorporation.



*Given under my hand and the  
Great Seal of the State of  
West Virginia on this day of  
October 31, 2000*

*Ken Hechler*

*Secretary of State*

**FILED**  
**OCT 31 2000**  
**IN THE OFFICE OF**  
**SECRETARY OF STATE**  
**WEST VIRGINIA**

**ARTICLES OF INCORPORATION**  
**OF**  
**ALPINE LAKE PUBLIC UTILITIES COMPANY**  
**As Amended and Restated**

The undersigned, acting as the Board of Directors of Alpine Lake Public Utilities Company and under the laws of the State of West Virginia, adopt the following Articles of Incorporation of Alpine Lake Public Utilities Company as Amended and Restated, FILED IN DUPLICATE:

- I. The Corporation name is Alpine Lake Public Utilities Company (hereinafter the "Company").
- II. The Address of the principal office and place of business of the Company is Portland District, Preston County, West Virginia. The address is 700 W. Alpine Drive, Terra Alta, WV 26764.
- III. The purpose for which this Company is formed are as follows:
  - \* To buy, sell, own, construct and operate all kinds and all types of public utility systems and services including but not limited to sewerage systems, water processing and distribution systems, oil and gas distribution systems, electrical generating and distribution systems, television antenna systems, all types of communication systems and all other types of public utility systems and services.
  - \* To buy, sell, and/or distribute the above services and/or commodities at wholesale and/or at retail to all persons, firms, corporations, and to the public generally.
  - \* To buy, sell, own, improve, maintain, lease, mortgage, operate and otherwise deal in real estate and interests in real estate.
  - \* To buy, sell, improve, own, exchange, or otherwise deal in tangible and intangible personal property either on a wholesale or retail basis.
  - \* To transact any or all lawful business for which corporations may be incorporated under the corporation laws of the State of West Virginia.
- IV. The Company is not authorized to issue any capital stock or to be for profit. No part of the income of the Company shall inure to the benefit of any member, director, or officer of the Company. In the event of liquidation or dissolution of the company, whether voluntary or involuntary, no member, director, or officer of the company is entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the company, after payment of all debts and obligations

shall be applied to such public or charitable purposes as shall be determined by the County Commissioners of Pristine County, West Virginia, serving at such time or their successors in interest under the form of the government then in being.

- V. The members of the Company are those persons, entities or corporations who are legal or equitable owners of numbered residential homes in Alpine Lake Resort. A person who has not interest in real estate in Alpine Lake other than an interest that is merely as security for the performance of any obligation to pay money (e.g., the interest of a mortgage or a land contract vendor) is not entitled to be a member of a company.

Membership in the Company terminates when the member ceases to be the owner of a home situate on a numbered residential lot in Alpine Lake.

A member shall be entitled to one vote for each residential home in Alpine Lake that is owned by the member. Any member shall have the power to cast his vote or votes by proxy.

[The power to alter, amend or repeal the bylaws or adopt new bylaws is reserved to the members of the Company.]

- VI. The full name and address of the initial incorporates are as follows:

Elmer W. Prince  
P.O. Box 685  
Morgantown, WV 26505

James C. Crane  
P.O. Box 683  
Morgantown, WV 26505

Mary E. Wolfe  
P.O. Box 515  
Morgantown, WV 26505

- VII. The existence of this company is to be perpetual
- VIII. Provisions for the regulation of the Internal Affairs of the company are; the Board of Directors is hereby expressly empowered to govern and manage the Company, including buy not limited to the creation of restrictions on the voting of homes.
- IX. The company shall indemnify and save harmless all present and former officers and directors of the company, as well as its general manager, agents, and employees, of and from all actions, claims, demands, suits or
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proceedings against any of them arising out of or resulting from the exercise of their duties as such an officer, director, general manager, agent, or employee of the company, except in relation to matters to which they shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of their duties. The company shall also indemnify and reimburse such office, director, general manager, agent, or employee all expenses and fees reasonable incurred by any of them in the defense of any such action, claim, demand, suit, or proceeding.

We, the undersigned, pursuant to West Virginia Code Section 31-1-149, hereby declare that the fore going *amended and restated* Articles of Incorporation of Alpine Lake Public Utilities Company supersede the original Articles of Incorporation and all amendments thereto.

In witness whereof, we have hereunto affixed our signatures this 14th day of September, 2000.

Alpine Lake Public Utilities Company  
Board of Directors

By *Roman Majerczak*  
Roman Majerczak, President

By *Jerry Washabaugh*  
Jerry Washabaugh, Secretary

STATE OF MARYLAND, COUNTY OF GARRETT, to-wit:

I, Beverly Joyce Barb, a Notary Public in and for the said State and County aforesaid, do hereby certify that on the 14<sup>th</sup> day of September, 2000, before me, the subscriber, personally appeared Roman Majerczak, who acknowledged himself to be the President of the Board of Directors of Alpine Lake Public Utilities Company, and that he as such officer, being authorized to do so, executed and signed the foregoing Articles of Incorporation of Alpine Lake Public Utilities Company, As Amended and Restated, for the purposes therein contained, by signing himself as President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:

July 1, 2004

Beverly Joyce Barb  
Notary Public

STATE OF MARYLAND, COUNTY OF GARRETT, to-wit:

I, Beverly Joyce Barb, a Notary Public in and for the said State and County aforesaid, do hereby certify that on the 14<sup>th</sup> day of September, 2000, before me, the subscriber, personally appeared Jerry Washabaugh, who acknowledged himself to be the Secretary of the Board of Directors of Alpine Lake Public Utilities Company, and that he as such officer, being authorized to do so, executed and signed the foregoing Articles of Incorporation of Alpine Lake Public Utilities Company, As Amended and Restated, for the purposes therein contained, by signing himself as Secretary.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:

July 1, 2004

Beverly Joyce Barb  
Notary Public



## **Alpine Lake Public Utilities Co., Inc.**

700 W. Alpine Drive, Terra Alta, West Virginia 26764  
(304) 789-8996 • Fax (304) 789-6488  
water@alpinelake.com



July 3, 2003

The attached By Laws include all of the changes made by the Members of the Alpine Lake Public Utilities Company at its Annual Meeting in 1990, as well as the change made by the Members at the 2003 Annual Meeting which removed the old Article III, Section 2 language permitting the ALPOA to appoint a Director to the ALPUC Board. None of the changes made in the year 2000 but not voted on by the Members are included.

Ann Nelson

A handwritten signature in cursive script that reads "Ann Nelson".

ALPUC President

BYLAWS  
OF  
ALPINE LAKE PUBLIC UTILITIES COMPANY

ARTICLE I  
OFFICES

The Principal Office or place of business of the Company shall be Portland District, Preston County, West Virginia. The Company may have such other offices, either within or without the State of West Virginia, as the Board of Directors may designate or as the business of the Company may require from time to time.

ARTICLE II  
MEMBERS

Section 1. *Qualifications.* As prescribed in the Articles of Incorporation, as may be amended and/or restated from time to time.

Section 2. *Annual Meeting.* The annual meeting of the members shall be held on fourth Saturday of June, for the purpose of electing directors and for the transaction other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

Section 3. *Special Meetings.* Special meetings of the members, for any purpose or purposes, may be called by a majority vote of the Board of Directors, and shall be called by the President at the written request of not less than one-tenth of all members entitled to vote at the meeting.

Section 4. *Place of Meeting.* The place of meeting for any annual meeting or for any special meeting called by the Board of Directors shall be the principal office of the Company.

Section 5. *Notice of Meeting.* Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less then ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the Board of Directors or the President, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the member's membership application or to the address supplied to the Company by the member for purposes of notice, with postage thereon paid

In place of delivery of notice as prescribed in this section, the Board may publish notice at least once a week for two consecutive calendar weeks in a newspaper published in Preston County, or having a general circulation in Preston County. The first publication must not be more than fifty days and the second less than seven days before the meeting.

Section 6. Quorum. A quorum at any meeting of members consists of no less than twenty(20) company members. For the purpose of this section, a person is considering to be present if there in person.

Section 7 Absentee Ballots. Any member who is entitled to vote at any meeting of the members may vote by absentee ballot. The Board of Director shall give adequate notice to the members of their right to so vote before each meeting at which there will be voting. The board shall also prescribe the dates by which those ballots are to be made available and must returned by the Wednesday preceding the Annual Meeting.

Section 8. Voting of Memberships. Subject to the provisions of Section 13 of this Article II, each outstanding member entitled to vote shall be entitled to one vote for each home owned upon each matter submitted to a vote at a meeting of members. If the home is owned by joint tenants or tenants in common, then the vote attributable to the home may be cast by one of the owners if there is no objection or contrary vote by another owner. If another owner objects to the casting of the vote, then the vote is properly cast if cast by a majority of the owners. If no majority can be reached, then the vote is canceled and cannot be cast, but only in the particular matter submitted to a vote.

Section 9. Closing of Membership Books or fixing of Record Date. For the purpose of determining members entitled to notice of or vote at any meeting of members or any adjournment thereof, or in order to make a determination of members for any other proper purpose, the Board of Directors may provide that the membership books shall be closed for a stated period but not to exceed, in any case, fifty days. If the membership books shall be closed for the purpose of determining members entitled to notice of or to vote at a meeting of members, such books shall be closed for at least ten days immediately preceding such meeting. In lieu of closing the membership books, the Board of Directors may fix in advance a date as the record date for any such determination of members, such date in any case to be not more than fifty days and, in case of a meeting of members, not less than ten days prior to the date on which the particular action requiring such determination of members is to be taken. If the membership books are not closed, and no record date is fixed for the determination of members entitled to notice of or to vote at a meeting of members, the date on which notice of the meeting is mailed shall be the record date for such determination of members. When a determination of members entitled to vote at any meeting of members has been made as provided in this section, such determination shall apply to any adjournment thereof.

Section 10. Voting Record. The officer or agent having charge of the membership book for members of the Company shall make a complete record of the members entitled to vote at each meeting of members or any adjournment thereof, arranged in alphabetical order, with the address of and the number of votes held by each. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting for the purposes thereof.

Section 11, Voting by Certain Members. Homes standing in the name of another corporation may be voted by such officer or agent as the bylaws of such corporation may prescribe or, in the absence of such provision, as the Board of Directors of such other corporation may determine.

Homes held by an administrator, executor, guardian, committee, curator or conservator may be voted by him in person or without a transfer of such lots into his name. Lots standing in the name of a trustee must be voted by him in person, but no trustee shall be entitled to vote lots held by him without a transfer of such home into his name.

Homes standing in the name of a receiver may be voted by such receiver, and homes held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in an appropriate order of the Court by which such receiver was appointed.

A member whose home is pledged shall be entitled to vote such home until the home has been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the home so transferred.

Neither treasury homes held by the Company, nor homes held by another corporation if a majority of the homes entitled to vote for the election of directors of such other corporation are held by the Company, shall be voted at any meeting or counted in determining the total number of outstanding homes at any given time for purposes of any meeting.

Section 12. Informal Action by Members. Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 13. Cumulative Voting. At each election for directors every member entitled to vote at such election shall have the right to vote the number of homes owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as

the number of such directors multiplied by the number his homes shall equal, or by distributing such votes on the same principle among any number of such candidates

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### ARTICLE III BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Company shall be managed by its Board of Directors.

Section 2. Number, Tenure and Qualifications. The number of directors of the Company shall be five (5). Directors shall have staggering terms. Each director shall hold office for a term of three (3) years and until his successor shall be elected and qualified. Except as provided herein, directors must be improved lot owners and members of the Association in good standing. Directors may not be on the Board of Directors of the Association contemporaneously with being on the Board of Directors of the Company. Directors need not be residents of the State of West Virginia.

Section 3. Regular meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of members of the Company. The Board of Directors may provide, by resolution, the time and place, either within or without the State of West Virginia, for the holding of additional regular meetings without notice other than such resolution.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the President or any two directors. The place for holding any special meeting of the Board of Directors shall be within the Boundaries of Alpine Lake Resort.

Section 5. Notice. Notice of any special meeting shall be given at least three days previously thereto by written notice delivered personally or mailed to each director at the business address, or by telegram. If mailed at least five days prior to the date of the meeting, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon paid. If notice were given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the special purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need to be specified in the notice or waiver of notice of such meeting, except as otherwise provided by statute.

Section 6. Quorum. Three (3) directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, the director present may adjourn the meeting from time to time.

Section 7. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors.

Section 9. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of majority of the remaining directors. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by election by the Board of Directors for a term of office continuing only until the next election of directors by the shareholders.

Section 10. Compensation. Directors shall receive no compensation for their service in office.

Section 11. Presumption of Assent. A director of the Company who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file in written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Company immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

#### ARTICLE IV OFFICERS

Section 1. Number. The officers of the Company shall be a President, a Vice President, a Secretary and a Treasurer, each of whom shall be elected by and be members of the Board of Directors. A Chairman of the Board of Directors and such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election and Term of the Office. The officers of the Company to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon as thereafter as conveniently may be. Each officer shall hold

office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the Company will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. The President. The President shall be the principal executive officer of the Company. The President shall in general supervise and control all of the business and affairs of the Company, subject to the control of the Board of Directors. He shall, when present, preside at all meetings of the members. The President may sign deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and executing thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Company, or shall be required by law to be otherwise signed or executed. The President shall, in general, perform all duties incident to his office and shall perform such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. The Vice President. In the absence of the Chairman of the Board and the President or in the event of their death, inability or refusal to act, the Vice President shall perform the duties of the Chairman of the Board and President, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman of the Board and the President. The Vice President shall perform such other duties as from time to time may be assigned to him by the principal executive officer of the Company, the Bylaws or the Board of Directors.

Section 7. The Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Company and see that the seal of the Corporation is affixed to all documents the execution of which, on behalf of the Company under its seal, is duly authorized; (d) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and (e) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the principal executive officer of the Company, the Bylaws or by the Board of Directors.

Section 8. The Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Company; (b) receive and give receipts for monies due and payable to the Company from any source whatsoever and deposit all such monies in the name of the Company in such banks, trusts companies or other depositories as shall be selected in accordance with the provisions of Article V of these Bylaws; and (c) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the principal executive officer of the Company, the Bylaws or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 9. Officers' Compensation. Officers shall receive no compensation for their service in office.

#### ARTICLE V CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Company, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Company and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. The Board of Directors may encumber and mortgage real estate and pledge, encumber and mortgage stocks, bonds and other securities and other personal property of all types, tangible and intangible, and convey any such property in trust to secure the payment of corporate obligations.

Section 3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Company shall be signed by the President and the Treasurer, or such officer or officers, agent or agents of the Company and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Company not otherwise employed shall be deposited from time to time to the credit of the Company in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI  
FISCAL YEAR

The fiscal year of the Company may be fixed and may be changed from time to time by resolution of the Board of Directors. Until the Board of Directors has acted to fix such fiscal year, the fiscal year of the Company shall begin the first day of January and end on the thirty-first day of December in each year.

ARTICLE VII  
CORPORATE SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Company, the state of incorporation and the words "Corporate Seal".



# State of West Virginia



## Certificate

*I, Betty Ireland, Secretary of State of the  
State of West Virginia, hereby certify that*

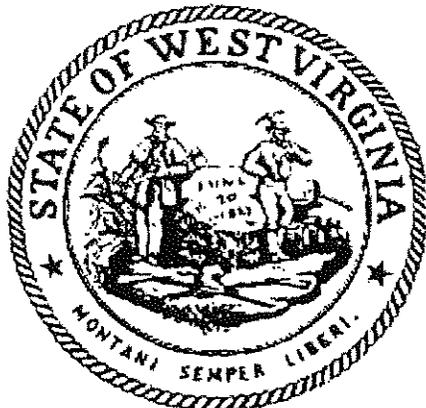
**ALPINE LAKE PUBLIC UTILITIES COMPANY**

was incorporated under the laws of West Virginia and a Certificate of Incorporation was issued by the West Virginia Secretary of State's Office on March 23, 1973.

I further certify that the corporation has not been revoked by the State of West Virginia nor has the West Virginia Secretary of State issued a Certificate of Dissolution to the corporation.

Accordingly, I hereby issue this

### **CERTIFICATE OF EXISTENCE**



*Given under my hand and the  
Great Seal of the State of  
West Virginia on this day of  
July 25, 2006*

*Betty Ireland*

*Secretary of State*





**PRODUCER:**

BrickStreet Mutual Insurance Company  
400 Quarrier Street  
Charleston, WV 25301

**CERTIFICATE HOLDER:**

**STEPTOE & JOHNSON PLLC  
ATTN KATY MALLORY  
PO BOX 1588  
CHARLESTON, WEST VIRGINIA 25326**

**INSURED:**

**ALPINE LAKE PUBLIC UTILITIES COMPANY  
700 W ALPINE DRIVE  
TERRA ALTA, WEST VIRGINIA, 26764-0000**

## **CERTIFICATE OF INSURANCE**

The policy of insurance listed below has been issued to the insured named above for the policy period and coverage indicated. This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policy below. Coverage is contingent on the insured's compliance with policy conditions and premium payment.

If the policy is canceled before the expiration date, BrickStreet Mutual Insurance Company will endeavor to mail a written notice to the certificate holder within 30 days of cancelation. Failure to mail the notice shall impose no obligation or liability of any kind upon BrickStreet Mutual Insurance Company.

**POLICY NUMBER: WC10002939-04**

**DATE CERTIFICATE ISSUED: 11/20/2007**

**POLICY EFFECTIVE DATE: 10/01/2007**

**EXPIRATION DATE: 10/01/2008**

### **WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

#### **LIMITS / COVERAGE**

**[ X ] WORKERS COMPENSATION - STATUTORY LIMITS**

**[ X ] EMPLOYERS LIABILITY LIMITS:**

<b>BODILY INJURY BY ACCIDENT:</b>	<b>\$ 100,000.00</b>	<b>EACH ACCIDENT</b>
<b>BODILY INJURY BY DISEASE:</b>	<b>\$ 500,000.00</b>	<b>POLICY LIMIT</b>
<b>BODILY INJURY BY DISEASE:</b>	<b>\$ 100,000.00</b>	<b>EACH EMPLOYEE</b>

**[ ] WV BROAD FORM EMPLOYERS LIABILITY ENDORSEMENT -  
COVERAGE FOR WV CODE 23-4-2(d)(2)(ii)**

**[ ] FEDERAL COAL MINE HEALTH AND SAFETY ACT COVERAGE ENDORSEMENT -  
COVERAGE FOR WV CODE 23-4b-1 - FEDERAL BLACK LUNG COVERAGE**

**SPECIAL PROVISIONS IF ANY:**



November 20, 2007

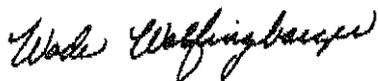
Alpine Lake Public Utilities Company  
700 W Alpine Drive  
Terra Alta WV 26764-9405

Account Number: 13297-7

Dear Employer:

Workforce West Virginia has, at your request, researched their records and has found your account is in compliance with the West Virginia Unemployment Compensation Law.

Very truly yours,



Wade H. Wolfingbarger  
Assistant Director

Audit and Compliance Section  
Unemployment Compensation Division  
112 California Avenue, Charleston, West Virginia 25305-0112  
<http://www.wvbc.org/bep/> • <https://www.workforcenv.org/>

*an equal opportunity/affirmative action employer and agency of the Department of Commerce*  
Kelley Goes, Cabinet Secretary



**ALPINE LAKE PUBLIC UTILITIES COMPANY**

**EXECUTIVE BOARD MEETING**

An Executive Session was held after the annual meeting on June 23, 2007 to elect officers to take effect July 1, 2007.

The results were as follows:

President	Ann Nelson
Vice President	Dean Riley
Vice President	Len Wierzbicki
Treasurer	Judith Hay
Secretary	Joan Evans

Respectfully submitted,

*Len Wierzbicki*

Len Wierzbicki

Secretary

## CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes June 23, 2007 Executive Meeting of the Alpine Lake Public Utilities Company Board of Directors and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 30<sup>th</sup> day of June, 2007.

*Len Wierzbicki*

Len Wierzbicki

Secretary



**ALPINE LAKE PUBLIC UTILITIES COMPANY**

**ANNUAL MEETING MINUTES**

**JUNE 23, 2007**

President Ann Nelson called the Annual Meeting to order at 8 A.M. on Saturday, June 23, 2007.

It was determined that a quorum was present.

Ann Nelson introduced Steve Kane of Greenhorn and O'Mara and Board Members.

Minutes of the June 24, 2006 meeting were approved as read.

The one nominee for a position on the ALPUC Board of Directors, Dean Riley was introduced. There were no nominations from the floor. Members were then allowed to vote.

The financial report was approved as presented.

It was reported that the company has 470 accounts at the present time.

**OLD BUSINESS**

Water Project Status – A 2.63 million dollar loan was approved by the USDA. The project is near substantial completion, and the approved water rate will increase from \$46.98 to \$72.82 per month.

Sewer Project status – A 3.5 million dollar loan was approved by the USDA. Pending appropriate permits, the project is expected to go out for bids within weeks. Steve Kane explained the status.

Valves, some 30 years old, and hydrants are being replaced and installed as money is available.

A new sewer camera was purchased to assist employees with inflow and infiltration problems as well as line breaks.

Ann Nelson reported on current operations and staffing.

**NEW BUSINESS**

Voting results showed that Dean Riley was reelected to the ALPUC Board of Directors.

Questions from the audience included:

Depreciation  
Meter Reading  
Types of meters

The meeting was adjourned at 8:30 A.M.

Respectfully submitted,

*Len Wierzbicki*  
Len Wierzbicki, Secretary

## CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes June 23, 2007 Annual Meeting of the Alpine Lake Public Utilities Company and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

Respectfully submitted,

*Len Wierzbicki*

Len Wierzbicki

Secretary

Alpine Lake Public Utilities Company  
Annual Meeting Minutes  
Ruby Lodge-June 24, 2006

President Ann Nelson called the annual meeting to order at 8 A.M. on Saturday, June 24, 2006.

It was determined that a quorum was present.

Ann Nelson introduced Steve Kane of Greenhorn and O'Mara and board members.

Minutes of the June 25, 2005 meeting were approved as read.

The two nominees for positions on the ALPUC Board of Directors, Judy Hay and Ann Nelson were introduced. There were no nominations from the floor. Members were then allowed time to vote.

The financial report was approved as presented.

It was reported that the company has 448 accounts at the present time.

**OLD BUSINESS**

Lowest bids on the water project were \$773,000 over estimates. USDA has approved the additional funds totally approximately \$900,000 to cover the additional costs. The amendment to the letter of conditions will be signed on July 3, 2006. It was reported that the board has decided to proceed with the project rather than postpone part of it.

Additional testing is needed in July to determine whether the new sewage treatment facility as designed can meet the requirements when at peak occupancy. Steve Kane explained the status of the sewer project.

Ann Nelson reported on current operations and staffing.

**NEW BUSINESS**

Voting results showed that Judy Hay was elected and Ann Nelson reelected to the ALPUC Board of Directors.

Questions from the audience included:

- Assurances of completion by contractors
- Rates
- Metering
- Method of determining rates after metering
- Frequency of meter reading
- Infiltration

The meeting was adjourned at 8:48 A.M.

Respectfully submitted,

  
Joan Evans, Secretary

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes June 25, 2006 Annual Meeting of the Alpine Lake Public Utilities Company and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 30<sup>th</sup> day of June, 2006

  
\_\_\_\_\_  
Secretary

Alpine Lake Public Utility Company  
Annual Meeting Minutes  
Ruby Lodge-June 25, 2005

President Ann Nelson called the annual meeting to order at 8 A.M. on Saturday June 25, 2005. A show of hands was requested of members in attendance.

It was determined that a quorum was present. There were 68 customers in attendance.

Ann Nelson introduced the ALPUC Board and representatives from the Engineering firm of Greenhorn and O'Mara.

Minutes of the June 26, 2004 annual meeting were approved as read.

The financial report was reviewed and filed for CPA review. A audit will be conducted at the end of the fiscal year.

The president opened nominations for Board members from the floor. There were no nominees presented. Members were then allowed time to vote.

#### OLD BUSINESS

Ann Nelson reported that final design work on the water project is complete. The project is with the Public Service Commission which has 270 days to review. These plans are available for review. The final design work on the sewer project is proceeding. A waste load allocation permit is still needed. Once complete, the PSC will have up to 270 days to review this project. The treatment plant will probably be a prefabricated concrete structure. There will be an equalization tank.

Ann Nelson reported on the current status of operations and plans for future work including lateral repairs, and installation of additional fire hydrants. There are currently 408 accounts in our system.

The status of the consent order remains the same as last year, the balance of the fine still is being held in abeyance.

#### Questions from the audience included:

- Future rate increases.
- Timing of rate increases.
- Capacity of the new system.
- Identification of faulty laterals.
- Disruption of roads, golf course and other facilities during construction.
- Timing of construction.
- Status of *Matterhorn* section.
- Possible future condominium development.
- Metering.

#### NEW BUSINESS

Voting results show that Len Wierzbicki and Joan Evans were reelected to the ALPUC Board.

The meeting was adjourned at 9:03 A.M.

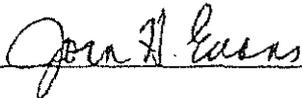
Respectfully submitted,

  
Joan Evans,  
Secretary

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes June 25, 2005 Annual Meeting of the Alpine Lake Public Utilities Company and of the Board of Directors of Alpine Lake Public Utilities Company meeting also of June 25, 2005 and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this fifth day of October, 2005.

  
\_\_\_\_\_

Secretary



ALPINE LAKE PUBLIC UTILITIES COMPANY

Sewer Revenue Notes, Series 2008 A  
(United States Department of Agriculture)

EXCERPT OF MINUTES ON ADOPTION OF NOTE RESOLUTION,  
AND  
FIRST DRAW RESOLUTION

The undersigned SECRETARY of the Alpine Lake Public Utilities Company hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of the said Board:

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The Board of Alpine Lake Public Utilities Company met in special session, pursuant to notice duly posted, on the 8th day of January, 2008, in Preston County, West Virginia, at the hour of 10:00 A.M..

PRESENT:            Ann Nelson -        President  
                      Joan Evans        -        Secretary  
                      Judith Hay        -        Treasurer  
                      Dean Riley  
                      Leonard Wiersbicki

ABSENT:            NONE

Ann Nelson, President, presided, and Joan Evans acted as Secretary. The President announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the President presented a proposed Note Resolution in writing entitled:

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE ALPINE LAKE PUBLIC UTILITIES  
COMPANY AUTHORIZING AND PROVIDING FOR  
THE INCURRENCE OF INDEBTEDNESS IN THE  
PRINCIPAL AMOUNT OF NOT TO EXCEED  
\$3,500,000 FOR THE PURPOSE OF PROVIDING A  
PORTION OF THE COST OF ACQUIRING AND**

**CONSTRUCTING IMPROVEMENTS AND ADDITIONS TO THE ORGANIZATION'S EXISTING SEWER SYSTEM TREATMENT AND DISTRIBUTION SYSTEM, PROVIDING FOR THE COLLECTION, HANDLING, AND DISPOSITION OF REVENUES THEREFROM, AND AUTHORIZING MAKINGS OF PROMISSORY NOTE(S), SECURITY INSTRUMENTS, AND PLEDGES OF REVENUES TO EVIDENCE AND SECURE THE PAYMENT OF SAID INDEBTEDNESS AND FOR RELATED PURPOSES.**

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Dean Riley and seconded by Leonard Wiersbicki, it was unanimously ordered that the said Note Resolution be adopted and be in full force and effect on and from the date hereof.

Thereupon, the President presented First Draw Resolution for consideration and there was discussion. Thereupon, on motion duly made by Joan Evans and seconded by Dean Riley, it was unanimously ordered that the said First Draw Resolution be adopted and be in full force and effect on and from the date hereof

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

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of Alpine Lake Public Utilities Company and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 10th day of January, 2008.

  
Secretary



October 2004

# Alpine Lake



**DECLARATION OF RESTRICTIONS**

**ARTICLES OF INCORPORATION**

**PROPERTY OWNERS BYLAWS**

# DECLARATION OF RESTRICTIONS

## ALPINE LAKE

THIS DECLARATION, made this 1st day of March, 1971, by MOUNTAIN TOP DEVELOPMENT COMPANY, a West Virginia Corporation, herein referred to as "Declarant."

## WITNESSETH

WHEREAS, Declarant is the owner of all the real property set forth and described on that certain plat (herein called "the plat") entitled "Alpine Lake", Swiss Section, which plat is to be recorded herewith in the office of the Clerk of the County Court of Preston County, West Virginia, and is made a part hereof and incorporated herein by reference; and

WHEREAS, all of the real property described in the plat comprises in the aggregate a part of the Alpine Lake general subdivision (herein called "Subdivision"); and

WHEREAS, there are subdivided numbered lots set forth and described in the recorded plat, which numbered lots comprise in the aggregate a single subdivision section (herein called "Section") which is one of several sections contemplated in the Alpine Lake general subdivision, which other sections shall be developed from adjoining lands owned by Declarant; and

WHEREAS, Declarant is about to sell and convey said lots and before doing so desires to subject them to and impose upon them mutual and beneficial restrictions, covenants, conditions and charges, hereinafter collectively referred to as "Restrictions", under a general plan or scheme of improvement for the benefit and complement of all of the lots in the Section and Subdivision, and the future owners of said lots;

NOW, THEREFORE, Declarant hereby declares that all of said lots are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to the following Restrictions, all of which are declared and agreed to be in furtherance of a plan for the Subdivision, improvement and sale of said lots and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the property described in

the plat and of the Subdivision as a whole. All of the Restrictions shall run with the land and shall be binding upon Declarant and upon all parties having or acquiring any right, title or interest in and to the real property or any part of parts thereof subject to such Restrictions.

## 1. APPLICABILITY

A. These Restrictions shall apply to all subdivided numbered lots which are for residential purposes only, but these restrictions shall not be applicable to such lands now or hereafter designated on the plat or otherwise as parcels or as lands of Declarant, which parcels and lands are intended for commercial, multiple dwellings, condominium or hotels, or recreational uses.

## 2. TERM

A. These Restrictions shall affect and run with the land and shall exist and be binding upon all parties and all persons claiming under them until January 1, 2001. By accepting a deed to residential property subject to these Restrictions, the residential owners agree that after January 1, 2001, these restrictions shall be extended for successive periods of ten (10) years each, unless an instrument signed by a majority of the then owners of the lots subject thereto has been recorded, agreeing to change the covenants in whole or in part, provided, however, that at any time before January 1, 1986, these Restrictions may be amended by the vote of the then record owners of two-thirds (2/3) of such residential lots and thereafter by a majority of said owners except as otherwise provided herein.

B. Declarant reserves to itself, its successors and assigns the right to revoke at any time prior to the sale of any lot within a Section or Subdivision all or any part of these Restrictions and further to vacate any or all of the streets, parks, recreational facilities and any other amenity now or hereafter shown on any recorded plans, provided, however, that Declarant will not prevent access to or installation of utilities to lots in any other Section of the Subdivision.

## 3. MUTUALITY OF BENEFIT AND OBLIGATION

A. The Restrictions and agreements set forth herein are made for the mutual and reciprocal benefit of each and every lot in the Section and the Subdivision and are intended to create mutual, equitable servitudes upon each of said lots in favor of each and all of the other lots therein; to create reciprocal rights between the respective owners of all of said lots; to create a privity of contract and estate between the grantees of said lots,

their heirs, successors and assigns, and shall, as to the owner of each such lot, his heirs, successors or assigns, operate as covenants running with the land for the benefit of each and all other lots in the Section and Subdivision and their respective owners. Restrictions substantially the same as those contained herein shall be recorded on all future sections of the Subdivision in conformity with the general scheme of improvement of all lands to be included therein.

## 4. EXCLUSIVE RESIDENTIAL USE AND IMPROVEMENTS

A. No numbered lot shall be used except for single family residential purposes. No structure shall be erected, placed or permitted to remain on any lot other than one (1) detached, single family residence dwelling and such outbuildings as are usually accessory to a single family residence dwelling including a private garage.

## 5. ENVIRONMENTAL CONTROL COMMITTEE

A. All plans and specifications for any structure or improvement whatsoever to be erected on or moved upon or to any lot, and the proposed location thereof on any lot or lots, the construction material, the roofs and exterior color schemes, any later changes or additions after initial approval thereof and any remodeling, reconstruction, alterations, or additions thereto on any lot shall be subject to and shall require the approval in writing before any such work is commenced of the Environmental Control Committee (herein called "Committee"), as the same is from time to time composed.

B. The Committee shall be composed of three (3) members to be appointed by Declarant. Committee members shall be subject to removal by Declarant and any vacancies from time to time existing shall be filled by appointment of Declarant, or in the event of Declarant's failure to so appoint within two (2) months after any such vacancy, then by the Board of Directors of the Alpine Lake Property Owners Association (hereinafter called "Association"); provided, however, that at any time hereafter the Declarant may, at its sole option, relinquish to the Board of Directors of the Association the power of appointment and removal reserved herein to the Declarant. Such transfer of power must be evidenced in writing.

C. There shall be submitted to the Committee two (2) complete sets of the final plans and specifications for any and all proposed improvements, the erection or alteration of which is desired, and no structures or improvements of any kind shall be erected, altered, placed or maintained upon any lot unless and until the final plans, elevations, and specifications therefor have received written approval as herein provided. Such plans

shall include plot plans showing the location on the lot of the building, wall, fence or other structure proposed to be constructed, altered, placed or maintained, together with the proposed construction material, color schemes for roofs and exteriors thereof and proposed landscape planting. A filing fee of \$30.00 shall accompany the submission of such plans to defray Committee expenses. No additional fee shall be required for resubmission of plans revised in accordance with Committee recommendations.

D. The Committee shall approve or disapprove plans, specifications and details within thirty (30) days from the receipt thereof. One (1) set of said plans and specifications and details with the approval or disapproval endorsed thereon, shall be returned to the person submitting them and the other copy thereof shall be retained by the Committee for its permanent files.

E. The Committee then shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with any of the provisions of these Restrictions, if the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such lot or with the adjacent buildings or structures; if the plans and specifications submitted are incomplete, or in the event the Committee deems the plans, specifications or details, or any part thereof, to be contrary to the interest, welfare or rights of all or any part of the real property subject hereto, or the owners thereof. The decisions of the Committee shall be final and not subject to appeal or review.

F. Neither the Committee nor any architect or agent thereof or of Declarant shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions nor for any structural or other defects in any work done to such plans and specifications.

## 6. SIZE AND PLACEMENT OF RESIDENCES AND STRUCTURES

A. Every residence dwelling constructed on a lot shall contain a minimum of 760 square feet on the first floor of fully enclosed floor area devoted to living purposes (exclusive of roofed or unroofed porches, terraces, garages, carports and other outbuildings) and no such dwelling shall exceed 2-1/2 stories in height.

B. The Committee shall have the authority to establish regulations pertaining to the height and size requirements of all other types of structures, including but not limited to fences, walls and copings. Such regulations shall, in the Committee's sole discretion, conform with the general development scheme.

C. In order to preserve the natural quality and aesthetic appearance of the existing geographic areas within the Subdivision, all property lines shall be kept free and open one to another and no fences shall be permitted on any lot or lot lines except where, in the opinion of the Committee, a fence or other enclosure, as a structure or aesthetic feature of a design concept, will contribute to and be in keeping with the character of the area.

D. Except as is hereafter provided in 6-E, the following minimum dimensions shall govern for front, side and rear setbacks on all lots (except fences or walls where approved or required by the Committee), with respect to any dwelling house or above grade structure that may be constructed or placed on any lot in the Subdivision:

- (a) Thirty (30) feet from the front line of each lot abutting a street;
- (b) Fifteen (15) feet from each lot side line;
- (c) Twenty (20) feet or twenty-five percent (25%) of the depth of the lot, whichever is greater, from the rear line of each lot.

E. No change in ground level may be made of any lot in excess of one foot in height over existing grades without the written approval of the Committee obtained prior to the commencement of work.

## 7. PARTICULAR RULES FOR APPLICATION OF SETBACK REQUIREMENTS

A. If the line from which a setback is to be measured is a meandering line, the average length of the two lot lines intersecting the meandering line shall be determined, and using that average length, an imaginary straight line shall be drawn through the meandering line and the setback measurement shall be made along a line perpendicular to such imaginary line.

B. The term "side line" defines a lot boundary line that extends from the street on which the lot abuts to the front or rear line of the lot.

C. The term "rear lot line" defines the boundary line of the lot that is farthest from, and substantially parallel to, the line of the street on which the lot abuts, except that on corner lots it may be determined from either street line.

D. A corner lot shall be deemed to have a front line on each street on which the lot abuts, and such lot need only have one rear yard as defined by 6-D(c).

## 8. GENERAL PROHIBITIONS AND REQUIREMENTS

A. The following general prohibitions and requirements shall prevail as to the construction or activities conducted on any lot in the Subdivisions:

- (a) No outside toilet or individual water well shall be constructed on any lot. All plumbing fixtures, dishwashers or toilets shall be connected to the sewage system. Storm water shall not be allowed to flow into the sewage system.
- (b) No temporary house, trailer, camper travel trailer, tent, garage, or other outbuilding shall be placed or erected on any lot, provided, however, that the Committee may grant permission for any such temporary structure for storage of materials during construction. No such temporary structures as may be approved shall be used at any time as a dwelling place, nor shall any overnight camping be permitted on any lot.
- (c) Once construction of improvements is started on any lot, the improvements must be substantially completed in accordance with plans and specifications, as approved, within six (6) months from commencement.
- (d) No residence shall be occupied until the same has been substantially completed in accordance with its plans and specifications and a certificate of occupancy has been issued by the Committee.
- (e) All structures constructed or placed on any lot shall be built of substantially new material and no used structures shall be relocated or placed on any such lot.
- (f) No animals or livestock of any description, except the usual household pets, shall be kept on any lot.
- (g) No sign (including but not limited to "For Sale" or similar signs), billboard, or other advertising structure of any kind may be erected or maintained upon any lot except after applying to and receiving written permission from the Committee.
- (h) No stripped, partially wrecked, or junk motor vehicle, or part thereof, shall be permitted to be parked or kept on any street or lot.
- (i) Every fuel storage tank shall be buried below the surface of the ground or screened by fencing or shrubbery to the satisfaction of the Committee. Every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed

underground, screened or so placed and kept as not to be visible from any street, lake or recreation area.

- (j) All outdoor clothes poles, clothes lines and similar equipment shall be so placed or screened by shrubbery as not to be visible from any street, lake or recreation area.
- (k) No structure erected upon any lot may be used as a model exhibit or house unless prior written permission to do so shall have been obtained from the Committee.
- (l) All lots, whether occupied or unoccupied, and any improvements thereon shall be well maintained and no unattractive growth or accumulation of rubbish or debris shall be permitted.
- (m) No noxious, offensive or illegal activities shall be carried on on any lot nor shall anything be done on any lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood.
- (n) No oil or natural gas drilling, refining, quarrying or mining operations of any kind shall be permitted upon or in any lot and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any lot.
- (o) No vehicle shall be parked on any street in the Subdivision. No truck shall be parked for storage overnight or longer, on any lot, in such a manner as to be visible to the occupants of other lots or the users of any street, lake or recreation area, unless prior written approval from the Committee has been obtained.
- (p) Any dwelling or outbuilding on any lot which may be destroyed in whole or in part by fire, windstorm or for any other cause or act of God must be rebuilt or all debris removed and the lot restored to a slightly condition with reasonable promptness, provided, however, that in no event shall such debris remain longer than six (6) months.
- (q) No tree over five (5) inches in diameter shall be removed from any lot without the prior written consent of the Committee.
- (r) No radio station or shortwave operators of any kind shall operate from any lot or residence. No exterior television or radio antenna of any kind shall be constructed or erected on any lot or residence after such time as a central television system has been made available at rates commensurate with those prevailing in the area.

- (s) No trash, ashes, garbage or other refuse shall be dumped or stored or accumulated on any lot or upon any recreational area in the Subdivisions. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted. In order to enhance the appearance and orderliness of the Subdivisions, the Declarant hereby reserves for itself, its successors and assigns, the exclusive right to operate, or from time to time to grant an exclusive license to a third party to operate a commercial scavenging service for the purpose of removing garbage, trash and other like household refuse. Such refuse collection and removal service shall be provided not less often than once each week on a day or days designated by the Declarant or its successors or assigns. The charge for such refuse collection and removal service is to be paid by the lot owner and shall be commensurate with the rates charged by commercial scavengers serving other subdivisions of high standards in the area, and shall be subject to change from time to time.
- (t) There shall be no access to any lot on the perimeter of the Subdivisions except from designated roads within the Section or Subdivision.

## 9. VARIANCES

A. The Committee may allow reasonable variances and adjustments of these Restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the provisions contained herein; provided, however, that such is done in conformity with the intent and purposes of the general development scheme and provided also that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the neighborhood or the Subdivisions.

## 10. EASEMENTS

A. Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the real property subject to these Restrictions, the following easements and/or rights-of-way:

- (a) A 15-foot easement and right-of-way over each lot as Declarant may deem necessary for the use and maintenance of storm and sanitary sewers and the installation of all other utility services.

- (b) A 10-foot wide easement along each side of all road rights-of-way and a 7-1/2 foot wide easement along all other property boundary lines for the purpose of installing, operating and maintaining utility lines and mains. It also reserves the right to trim, cut and remove any trees and brush and to locate guy wires and braces wherever necessary for the installation, operation and maintenance, together with the right to install, operate and maintain electric, cable television, gas water and sewer mains and other services for the convenience of the property owners and appurtenances thereto; reserving also the right of ingress and egress to such other areas for any of these purposes.
- (c) Such other easements or rights-of-way as may be needed for the natural and orderly development and occupation of the Subdivisions.

B. Declarant reserves for itself, its successors or assigns, an exclusive easement for the installation and maintenance of radio and television transmission cables within the rights-of-way and easement areas reserved and defined above.

C. On each lot, the rights-of-way and easement areas reserved by Declarant or dedicated to public utilities purposes shall be maintained continuously by the lot owner but no structures, plantings or other material shall be placed or permitted to remain or other activities undertaken which may damage or interfere with the installation or maintenance of utilities, which may change the direction of flow of drainage channels in the easements, which may obstruct or retard the flow of water through drainage channels in the easements, or which damage or interfere with established slope ratios or create erosion or sliding problems, provided, however, that where the existing location of drainage channel would hinder the orderly development of a lot, the drainage channel may be relocated, provided such relocation does not cause an encroachment on any other lot in the Subdivision. Improvements within such areas shall also be maintained by the respective lot owner except for those for which a public authority or utility company is responsible.

D. The lots shall be burdened by such additional easements as may be shown on any recorded plats.

E. Every lot in the Subdivision, if any, that lies contiguous to a lake shall be subject to a flowage easement to an elevation on the lot equal to the high water elevation of such lake.

## 11. OWNERSHIP, USE AND ENJOYMENT OF STREETS, PARKS AND RECREATIONAL AMENITIES

A. Each of the streets in the Subdivisions now or hereafter designated on any plat is a private street, and every park, recreational facility, and other amenity within the Subdivisions is a private park, facility or amenity and neither Declarant's execution nor recording of the plat nor any other act of Declarant with respect to the Property is, or is intended to be, or shall be construed as a dedication to the public of any of said streets, parks, recreational facilities and amenities other than as reflected therein. An easement for the use and enjoyment of each of said streets and areas designated as parks is reserved to Declarant, its successors and assigns; to the persons who are, from time to time, members or associate members of the Alpine Lake Property Owners Association, Inc.; to the members and owners of any recreational facility; to the residents, tenants, and occupants of any multi-family residential buildings, guest house, inn or hotel facilities, and all other kinds of residential structures that may be erected within the boundaries of the Property and to the invitees of the Declarant and all the aforementioned persons; the use of which shall be subject to such rules and regulations as may be prescribed by Declarant or the Association, if the Association is the owner of the facility or property involved.

B. The ownership of the recreational amenities within the Property which may include but shall not be limited to lakes, dams, streets, roads, marinas, beaches, lake access tracts, golf courses, tennis courts, swimming pools, clubhouses and adjacent clubhouse grounds, and campgrounds and any other recreational property whether developed or undeveloped shall be in Declarant or its successors or assigns and the use and enjoyment thereof shall be on such terms and conditions as Declarant, its successors or assigns, shall from time to time license; provided, however, that any one or all of such amenities may be conveyed to the Association, which conveyance shall be accepted by it, provided the same is free and clear of all financial encumbrances.

## 12. ALPINE LAKE PROPERTY OWNERS ASSOCIATION

A. Every person before acquiring title, legal or equitable, to any lot in the Subdivisions must be a member of the Alpine Lake Property Owners Association, a West Virginia non-profit Corporation, herein referred to as "Association", and no such person shall acquire such title until he has been approved for Membership in the Association, nor shall the owner of a lot or lots in the Subdivisions convey title to said lot or lots to any person who has not been approved in writing for membership in the Association, provided, however, that such membership is not intended to

apply to those persons who hold an interest in any such lot merely as security for the performance of an obligation to pay money, e.g., mortgages, deeds of trust, or real estate contract purchases. However, if such a person should realize upon his security and become the real owner of a lot, he will then be subject to all the requirements and limitations imposed in these Restrictions on owners of lots within the Subdivision and on members of the Association, including those provisions with respect to alienation and the payment of an annual charge.

B. The general purpose of the Association is to further and promote the community welfare of property owners in the Subdivisions.

C. The Association shall be responsible for insect controls, for the maintenance, repair and upkeep of the private streets, and parks within the Subdivision; the appurtenant drainage and slope easements reserved by Declarant; all waterways, bulkheads and other waterfront improvements and shall be responsible for providing fire and police protection for the residents of the Subdivision. The Association shall also be the means for the promulgation and enforcement of all regulations necessary to the governing of the use and enjoyment of such streets and parks and such other properties within the Subdivision as it may from time to time own. In the event that the Association at any time fails to properly maintain such streets, parks, easements, waterways and bulkheads and other waterfront improvements or fails to provide adequate fire and police protection, Declarant, its successors and assigns, may in its sole discretion enter upon and make any and all repairs to any such facility which it deems to be necessary and proper or may adopt measures to provide fire and police protection and may charge the Association for all such repairs or fire and police protection; provided, however, that Declarant shall under no circumstances be obligated to take any such action.

D. The Association shall have all the powers that are set out in its Articles of Incorporation and all other powers that belong to it by operation of law, including (but not limited to) the power to levy against every member of the Association a uniform annual charge per single-family residential lot within the Subdivisions, the amount of said charge to be determined by the Board of Directors of the Association after consideration of current maintenance needs and future needs of the Association, for the purposes set forth in its Articles of Incorporation; provided however, that the uniform annual charge shall in no event be less than \$30.00 per year for road maintenance. No such charge shall ever be made against, or be payable by, the Declarant, the Association itself, or any corporation or corporations that may be created to acquire title to, and operate, the water or sewer utilities serving the area, or any lakes, dams, beaches, lake access tracts, marinas, golf courses, tennis courts, swimming pools, clubhouse

grounds, campgrounds, hotels, lodges, motels, or other like facilities owned by the Declarant or its assigns.

- (a) Every such charge so made shall be paid by the member to the Association or its designee on or before the first day of May of each year, for the ensuing year. The Board of Directors of the Association shall fix the amount of the annual charge per lot on or before the first day of April of each year, and written notice of the charge so fixed shall be sent to each member.
- (b) If any such charge shall not be paid when due, it shall bear interest from the date of delinquency at the rate of six per cent (6%) per annum. The annual charge shall, if unpaid within 30 days of its due date, become a lien or encumbrance upon the land and acceptance of each deed, not including acceptance by a mortgage or deed of trust shall be construed to be a covenant to pay the charge. The Association may publish the names of the delinquent members, and may record a lien to secure payment of the unpaid charge plus costs and reasonable attorneys' fees. Such lien shall become an encumbrance upon the subject lot when recorded in the office of the Clerk of the County Court of Preston County, West Virginia. Every such lien may be foreclosed at any time. In addition to the remedy of lien foreclosure, the Association shall have the right to sue for such unpaid charges, interest costs, and reasonable attorneys' fees, in any court of competent jurisdiction as for a debt owed by any delinquent member to the Association. Every person who shall become the owner of the title (legal or equitable) to any lot in the Subdivisions by any means shall be conclusively held to have covenanted to pay the Association or its designee all charges that the Association shall make pursuant to any paragraph or subparagraph of these Restrictions or its Bylaws. Any lot acquired is taken subject to the lien for any prior unpaid charges.
- (c) The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association certifying that the charges on a specified lot have been paid or that certain charges against said lot remain unpaid, as the case may be. A reasonable charge may be made by the Board of Directors of the Association for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any charges therein stated to have been paid.

E. The fund accumulated as the result of the charges levied by the Association shall be used exclusively to promote the recreational facilities of, and the health, safety and welfare of the members of the Association and in particular for the improvement and maintenance of the streets, those areas designated as parks, and other property within the Subdivisions which shall have been conveyed to or acquired by the Association.

F. The lien of a mortgage or deed of trust representing a first lien placed upon any lot for the purpose of permanent financing and/or constructing a residence or other improvement thereon recorded in accordance with the laws of West Virginia, shall be, from the date of recordation, superior to any and all such liens provided for herein.

G. The Board of Directors of the Association shall have the right to suspend the voting rights (if any) and the right to use of the recreational facilities of the Association or of Declarant of any member:

- (a) For any period during which any Association charge (including the charges and the fines, if any, assessed under paragraphs 12-D, 13 and 14 of these Restrictions) owed by the member remains unpaid;
- (b) During the period of any continuing violation of the restrictive covenants for the Subdivision, after the existence of the violation shall have been declared by the Board of Directors of the Association;
- (c) During the period that any utility bill for water or sewer service or garbage collection or Cable Television service rendered to the member or associate member shall remain unpaid.

### 13. MOTOR VEHICLE SPEED LIMITS

A. Speed limits for streets and the rules governing the use of parks within the Subdivisions shall be promulgated from time to time by Declarant, its successors and assigns. Appropriate postings of these speed limits shall be made. The Association shall have the power to assess fines for the violation of the motor vehicle speed limits in accordance with a schedule of fines promulgated by the Association. Every such fine shall be paid promptly upon its being assessed; if it is not, the Association may add the amount of the fine to the annual charge made by the Association, pursuant to subparagraph 12-D of the Restrictions, and the amount of such fine shall be collectible by the same means as are prescribed in said subparagraph for the collection of delinquent annual charges of the Association or through the use of the sanctions prescribed in subparagraph 12-G of the Restrictions.

B. No vehicle except a duly licensed vehicle shall be operated on any street and no such vehicle shall be operated except by a duly licensed operator.

#### **14. ASSOCIATION'S RIGHT TO PERFORM CERTAIN MAINTENANCE**

A. In the event an owner of any lot shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors of the Association, the Association shall have the right, through its agents and employees, to enter upon said lot and repair, maintain, and restore the lot and the exterior of the buildings and any other improvements erected thereon. Such right shall not be exercised unless two-thirds of such Board of Directors shall have voted in favor of its being exercised. The cost of such exterior maintenance shall be added to and become part of the annual charge to which such lot is subject and until paid shall be a lien on said lot.

#### **15. PROVISIONS IN RESPECT OF LAKES AND LOTS CONTIGUOUS THERETO**

A. The water in, and the land under, Alpine Lake or lakes as shown on the plan, is and will be owned by the Declarant, its subsidiaries or its successors and assigns. The title that will be acquired by the grantee of the Declarant's title to any lot fronting on said lake (and by the successors and assigns of such grantee) shall extend only to such point as designated on the plan and in no event shall it extend beyond the shoreline of the lake to which such lot is fronting or contiguous. No such grantee, nor any of such grantee's successors or assigns, shall have any right with respect to any stream, spring or other water source that is tributary to said lake or with respect to said lake, and the land thereunder, the water therein, or its elevation, use, or condition and none of said lots shall have any riparian rights or incidents appurtenant; provided, further, that title shall not pass by reliction or submergence or changing water elevations. The Declarant, its successors and assigns, shall have the right at any time to dredge or otherwise remove any accretion or deposit from any of said lots in order that the shoreline of the lake may be moved toward or to, but not inland beyond, the location of said shoreline as it would exist as of the date that the new lake and dam now under construction is completed.

#### **16. RESERVATION OF EASEMENT OF DECLARANT FOR OPERATION OF LAKE**

A. The Declarant reserves to itself, and its successors and assigns,

such an easement upon, across and through the lakefront portion of each of said lots contiguous to said lake as is reasonably necessary in connection with operating said lake. Without limiting the generality of the immediately preceding sentence, it is declared that neither the Declarant nor any successor or assign of the Declarant shall be liable for damages caused by ice, erosion, washing, flooding or other action by the water.

#### **17. RIGHTS OF FIRST REFUSAL**

A. Whenever the owner of any lot in the Section or Subdivision other than the Declarant shall receive a bona fide offer to purchase said lot, which offer is acceptable to said owner or shall independently decide to put said lot on the market, said owner shall offer to sell said lot, at the price and on the same terms contained in said bona fide offer or (if said owner shall independently have decided to put said lot on the market) at the price and on the terms acceptable to said owner, first to the owner of the lot on the right of the prospective seller's lot, next the owner of the lot on the left of the prospective seller's lot, and finally, to the Declarant, its successors or assigns. Such offerings shall be made successively, and each of said offerees shall have ten (10) days within which to accept or refuse such offer. If all said offerees refuse to purchase said lot at the price and on the terms proposed by said owner, said owner shall be free, subject to the limitations contained herein requiring the purchaser to have been approved for membership in the Alpine Lake Association to sell said lot to the party who shall have made said bona fide offer or (if said owner shall have independently decided to put said lot on the market) to any third party, in either case at a price and on terms not substantially more favorable to the purchaser than those offered, as aforesaid, to said owner's neighbors and the Declarant or its successors or assigns. The "lot on the right," for the purposes of this Paragraph 17 shall be the next lot on one's right hand as one faces the rear of one's own lot.

B. In the event that the owner of any lot in the Section or Subdivision should desire to exchange his lot for another lot in the Section or Subdivision, and the Declarant is agreeable to do so, the provisions for first refusal set forth in subparagraph A of this paragraph 17 shall not apply; and the owner shall be free to reconvey his lot to the Declarant in exchange for a conveyance to him of the other lot in the Section or Subdivision, without the necessity of making any offerings to said owner's neighbors, upon such terms as the Declarant and the owner shall then agree.

#### **18. CHARGES FOR WATER AND SEWER SERVICE**

A. Every owner (legal or equitable) of a lot in the Section or

Subdivision shall be conclusively presumed to have covenanted, by acquiring title to his lot (regardless of the means of such title acquisition) to pay charges for water service in accordance with rates as approved from time to time by the Public Service Commission of West Virginia or its successors in interest having jurisdiction in the premises. It is presently intended that the rates and charges for water service to be initially submitted to the Public Service Commission of West Virginia for its approval shall be as follows: The rate of Three Dollars (\$3.00) per month commencing upon the availability of water to serve the lot; at such time as the owner of a lot shall elect to have service connected, he shall pay a connection charge of Three Hundred Eighty-five Dollars (\$385.00); thereafter, he shall pay for water service at reasonable consumption rates, subject to a minimum monthly charge, all such rates and charges being subject to the prior approval of the Public Service Commission of West Virginia.

B. Every owner (legal or equitable) of a lot in the Section or Subdivision shall be conclusively presumed to have covenanted, by acquiring title to his lot (regardless of the means of such title acquisition) to pay charges for sewer service in accordance with rates as approved from time to time by the Public Service Commission of West Virginia or its successors in interest having jurisdiction in the premises. It is presently intended that the charges with regard to sewer service to be initially submitted to the Public Service Commission of West Virginia for its approval shall be as follows: Charges for sewer service shall be at the rate of Two Dollars (\$2.00) per month commencing upon the availability of sewer to serve the lot; at such time as the owner of a lot has service connected, he shall pay a connection charge of Seven Hundred Eighty-five Dollars (\$785.00) and a line installation charge of Two Hundred Twenty-eight Dollars (\$228.00) or such other charges as may be approved by the Public Service Commission of West Virginia; thereafter, he shall pay for sewer service at reasonable rates, subject to a minimum monthly charge, all such rates and charges being subject to the approval of the Public Service Commission of West Virginia. Lot owners shall be required to connect to said sewer system before the completion of construction of the dwelling on the lot. Easements in addition to those reserved throughout these restrictions and on the recorded plats shall be granted for the practical construction, operation and maintenance of said sewer facilities upon request of the Declarant or the applicable utility.

## 19. REMEDIES

A. The Declarant, Association or any party to whose benefit these Restriction inure may proceed at law or in equity to prevent the occurrence, continuation or violation of any of these Restrictions and the court in any such action may award the successful party reasonable expenses in prosecuting such action, including attorney's fees.

B. The remedies hereby specified are cumulative, and this specification of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law, in equity, or under any statute. No delay or failure on the part of Declarant, the Association or an aggrieved party to invoke an available remedy in respect of a violation of any of these Restrictions shall be held to be a waiver by that party of (or an estoppel of that party to assert) any right available to him upon the recurrence of continuation of said violation or the occurrence of a different violation.

## 20. GRANTEE'S ACCEPTANCE

A. The grantee of any lot subject to the coverage of this Declaration, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereto, or the execution of a contract for the purchase thereof, whether from Declarant and the Association, or a subsequent owner of such lot, shall accept such deed or contract upon and subject to each and all of these Restrictions and the agreements herein contained, and also the jurisdiction, rights and powers of Declarant, and by such acceptance shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with the Declarant and the Association, and to and with the grantees and subsequent owners of each of the lots within the Subdivision to keep, observe, comply with and perform said Restrictions and agreements.

B. Each such grantee also agrees, by such acceptance, to assume, as against Declarant, its successors or assigns, all the risks and hazards of ownership or occupancy attendant to such lot, including but not limited to its proximity to any recreational facility.

C. Each such grantee whose lots are adjacent to an available underground electrical service, if any, also agrees to complete the underground secondary electrical service to their respective residences.

## 21. SEVERABILITY

A. Every one of the Restrictions is hereby declared to be independent of, and severable from, the rest of the Restrictions and of and from every other one of the Restrictions and of and from every combination of the Restrictions. Therefore, if any of the Restrictions shall be held to be invalid or to be unenforceable or to lack the quality of running with the land, that holding shall be without effect upon the validity, enforceability, or "running" quality of any other one of the Restrictions.

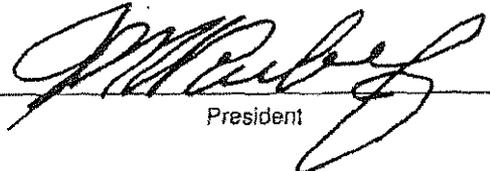
**22. CAPTIONS**

A. The captions preceding the various paragraphs and subparagraphs of these Restrictions are for convenience of reference only, and none of them shall be used as an aid to the construction of any provisions of the Restrictions. Wherever and whenever applicable, the singular form of any word shall be taken to mean or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or to the neuter.

IN WITNESS WHEREOF, the said Declarant has caused its corporate name to be signed hereto by its President and its corporate seal to be affixed hereto by its Secretary by authority of its Board of Directors duly given.

DECLARATION OF RESTRICTIONS

MOUNTAINTOP DEVELOPMENT COMPANY

By   
President

ATTEST:   
Secretary

STATE OF WEST VIRGINIA,

COUNTY OF MONONGALIA, ss:

I, Geo. R. Farmer, Jr., a Notary Public in and for the County and State aforesaid, do hereby certify that J. W. Ruby, who signed the foregoing writing for Mountaintop Development Company, a West Virginia Corporation, bearing date the 1st day of March, 1971, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said Corporation.

Given under my hand this 20 day of March, 1971.

My commission expires August 25, 1974.

Geo. R. Farmer Jr.  
Notary Public in and for  
Monongalia County,  
West Virginia

*This document prepared by GEO. R. FARMER, JR., Attorney at Law, Citizens Building, Morgantown, West Virginia.*

**ARTICLES OF INCORPORATION  
OF  
ALPINE LAKE PROPERTY OWNERS  
ASSOCIATION, INC.  
AS AMENDED AND RESTATED**

**ARTICLE I**

Under the provisions of Chapter 31, Article 1, Section 136 et seq. of the West Virginia Corporation Act of 1974, the undersigned Incorporators agree to become a nonprofit Corporation.

The name of the Corporation shall be:

**ALPINE LAKE PROPERTY OWNERS ASSOCIATION, INC.,**  
(Herein called "ASSOCIATION")

**ARTICLE II**

The principal office or place of business of the Corporation is Portland District, Preston County, West Virginia. The Post Office address is 700 West Alpine Drive, Terra Alta, West Virginia, 26764.

**ARTICLE III**

The purposes for which the Association is formed are as follows:

1. To further promote the community welfare of property owners in the residential community in Preston County, West Virginia, known as "ALPINE LAKE", and to exercise the powers and functions granted to it in, or pursuant to, the restrictive covenants applicable to Alpine Lake, or any part thereof, and any other restrictive covenants that may have been or may be recorded in respect of Alpine Lake, or any part of it.
2. To care for, maintain, and repair certain vacant and unimproved and unkept lots and certain common area of Alpine Lake, or any part thereof; to repair, rebuild and maintain any structure or residence on any lot in Alpine Lake for the purpose of preventing that

structure or residence from becoming rundown and to repair, maintain, rebuild or beautify any street or right of way, and all parks within Alpine Lake that are not subject to maintenance by governmental authority.

3. To provide for the payment of taxes and assessments; if any, that may be levied by any governmental authority upon any area in Alpine Lake conveyed to the Association.
4. To enforce charges, easements, restrictions, conditions, covenants, and servitudes existing upon and created for the benefit of the property over which the Association may have jurisdiction; to pay all expenses incidental thereto; to enforce the decisions and ruling of the Association; and to pay all expenses in connection therewith.
5. To provide for the maintenance of parks, recreational facilities, and other community feature of such land in Alpine Lake as may be conveyed to the Association; and to provide for the maintenance of bulkheads and waterways and those areas designated on the Association's plats of Alpine Lake as pedestrian easements as may be conveyed to the Association; and further to be responsible for providing security for the residents of Alpine Lake.
6. To appoint committees as may be necessary to, or convenient in, the Association's discharging of duties entrusted to it, including (but not limited to) a property owner's committee, building control committee, traffic control committee, finance committee, maintenance committee, audit committee and nominations and elections committee.
7. To levy an annual charge upon the members of the Association; to sue and to collect any of such charges as are not paid; to impose a lien against any real estate in Alpine Lake that is owned by a delinquent member of the Association for any such charge as is not paid when due; and to foreclose any such lien. Each year the Board of Directors of the Association shall consider the current maintenance needs and future of the Association and, in light of those needs shall fix the amount of the annual charge provided for in these Articles, in respect of each numbered single-family residential lot; and which shall be as the Board of Directors determines for multi-family dwelling unit lots. However, the Board of Directors may not increase any annual assessment by more than 10% of the assessment for the prior year, unless a proposed increase of over 10% is approved, by a majority vote, of members present at the annual meeting of the association or any special meeting called by the Board of Directors. This paragraph does not create in the Association a power to levy or make any charge of

any kind against the association itself or against any corporation that has been or may be created to acquire title to and operate, the water, sewer or cable television utilities serving Alpine Lake, or any waterway, dam, beach, access tract, marina, golf course, tennis courts, clubhouse, clubhouse grounds, or other like recreational facility within Alpine Lake.

8. To acquire by gift, purchase or other means, to own, hold, enjoy, lease, operate, maintain, convey, sell, transfer, mortgage or otherwise encumber, or dedicate for public use, real or personal property in connection with the business of this Association.
9. To spend the money collected by the Association from assessments or charges, and other funds received by the Association, for payment and discharge of all proper costs, expenses, and obligations incurred by the Association in carrying out its purposes.
10. To borrow money and to give, as security therefore, mortgage or other security interest in any or all real personal property owned by the association or a pledge of monies to be received under Paragraph 7 of these Articles, and to assign and pledge its right to make assessments and charges and its right to claim a lien therefor.
11. To do any and all lawful things and acts, and to have any and all lawful powers, which a corporation organized under West Virginia law may do and have, and in general to do all things necessary and proper to accomplish these purposes including, without limitations, the power to appoint any person or corporations as its fiscal agent to collect all assessments and charges levied by the Association and to enforce the Association's liens for unpaid assessments and charges or any other lien owned by the Association.

#### ARTICLE IV Nonstock-Nonprofit

The Association is not authorized to issue any capital stock or to be for profit. No part of the income of the Association shall inure to the benefit of any member, director or officer of the Association. In the event of liquidation or dissolution of the Corporation, whether voluntary or involuntary, no member, officer, or director of the Association is entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the Association, after payment of all debts and obligations, shall be applied to such public or charitable purposes as shall be determined by the County

Commissioners of Preston County, West Virginia, serving at such time or their successors in the interest under the form of government then in being.

## ARTICLE V Membership

1. The members of the Association are those persons or corporations who are owners (legal or equitable) of numbered residential lots in Alpine Lake. A person who has no interest in real estate in Alpine Lake other than an interest that is held merely as security for the performance of any obligation to pay money (e.g., the interest of a mortgagee or a land contract vendor) is not entitled to be a member of the Association.
2. Membership in the Association terminates when the member ceases to be the owner of a numbered residential lot in Alpine Lake.
3. Meetings of members shall be held within the boundaries of Alpine Lake, as may be provided in the By-laws, or where not inconsistent with the By-laws, in the notice of the meeting. An annual meeting of the members shall be held at such time as may be provided in the By-laws. The Association shall send to each member entitled to vote at the meeting a written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose for which the meeting is called, not less than ten nor more than fifty days before the date of the meeting (except as a different time is specified below), either personally or by mail, by or at the direction of the President or the Board of Directors. If mailed, the notice is considered to be delivered when deposited in the United States Mail addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid. In lieu of delivering notice as above, the Association may publish the notice at least once a week for two successive calendar weeks in a newspaper published in the city or county in which the registered office is located, or having a general circulation therein, the first publication to be not more than fifty days, and the second not less than seven days, before the date of the meeting.
4. The members of the Association shall be divided into two classes: "Regular" members and "Development / Sales" members.

### Regular Members

Regular members are those members who own less than

twenty lots and whose primary interest in ownership is residency, visitation or investment. Regular members shall be entitled to one vote for each numbered residential lot in the Subdivision that is owned by the member and will be subject to the full amount of the annual assessment on each lot.

### Development / Sales Membership

Development / Sales Membership is restricted to individuals or firms who own twenty lots or more and whose purpose in ownership is the sale and / or development of lots. This class of membership carries no voting rights. Lots held under the Development / Sales classification shall have a yearly assessment of Eighty Dollars (\$80.00) per lot so long as there are at least twenty (20) lots owned by the individual or firm entitled to this classification. In the event, the number of lots falls below twenty (20), but more than ten (10) owned by the individual or firm, the assessment shall be One Hundred Twenty Dollars (\$120.00) per year per lot. In the event, the number of lots falls below ten (10) owned by the individual or firm, the assessment shall be One Hundred Eighty Dollars (\$180.00) per year per lot. Lots held under this classification shall not be voting lots, nor will they carry the privilege to use the common amenities of ALPOA until the lots have been sold to an individual or firm paying full annual assessments. Individuals or firms holding lots under this classification must evidence active effort to market the lots in order to be entitled to continue to hold lots under this classification. None of the lots in this classification shall be used for personal use. In the event that it is determined that any of these lots are being used for personal use, assessments in the current full amount will become due and owing dating back to the date of the original purchase of the lot(s) unless waived by the Board. In the event that a special assessment is approved by the ALPOA property owners or the ALPOA Board of Directors, the lots held under the Development / Sales classification shall not be subject to said special assessment until the lots are sold to an individual(s) or firm(s) and are no longer classified as Development / Sales lots. Special assessments for lots so sold shall be paid by the purchaser in the following percentages in a manner determined by ALPOA: 1st year following assessment, 100%; 2nd year following assessment, 75%; 3rd year following assessment, 50%; 4th year following assessment, 25%; 5th year following assessment, 12.5%; 6th year following assessment, 0%. In order to obtain Development / Sales status for a group of lots

the owner(s) must make application to the ALPOA Board of Directors on the ALPOA form entitled "Request for Development / Sales Status". Approval of the application by the Board is required before Development / Sales status is conferred. Approval is based on demonstrated performance as a builder and real estate developer. Regular members seeking reclassification as Development / Sale members must be in good standing at the time of application. Assessments will be adjusted on a pro rata basis as of the date of the granting of Development / Sales status.

5. Notwithstanding anything to the contrary in the Article, each owner (legal or equitable), except security holders, of a unit or units in a multi-family dwelling organized as a cooperative or condominium is entitled to apply for membership in the Association; and, upon attaining membership, has the same rights, duties, and privileges (In respect to each cooperative or condominium residential unit owned by him), incident to association membership as a member owning a numbered residential lot, despite the fact that there may be more than one such residential unit situated on the numbered residential lot or lots on which such residential unit or units of his shall be situated.
6. No member may be expelled from membership in the Association for any reason. However, the Board of Directors of the Association may suspend the voting rights (if any), and right to use of the parks, and other recreational facilities of the Association of any member (i) for any period during which any Association charges owed by a member remain unpaid; (ii) during the period of any continuing violation has been declared by the Board of Directors of the Association.
7. There shall be no other preferences, limitations, or restrictions with respect to the relative rights of the members.
8. The members of the Association shall have power to adopt and amend the By-laws of the Association, by a majority vote of all members present at the annual meeting of the Association or any special property owners meeting called, not inconsistent with these Articles or the laws of the State of West Virginia.

## ARTICLE VI

### Board of Directors

The number of directors of the association shall be as prescribed in the By-laws, of the Association. The Board of Directors may elect a President,

one or two Vice Presidents, a Secretary, one or two Assistant Secretaries, and a Treasurer. The offices of Secretary and Treasurer may be filled by one person. The officers shall have such qualifications, powers and duties, and shall be elected in such manner, at such time and place, and shall serve for such term as may be provided in the By-laws of the Association.

The Association shall indemnify and save harmless all present and former officers and Directors of the Association, as well as its General Manager, agents and employees, of and from all actions, claims, demands, suits or proceedings against any of them arising out of or resulting from the exercise of their duties as such an officer, Director, General Manager, agent, or employees, of the Association except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. The Association shall also indemnify and reimburse such officer, Director, General Manager, agent or employee all expenses and fees reasonably incurred by any of them in the defense of such action, claim, demand, suit or proceeding.

## ARTICLE VII

### Miscellaneous

1. None of the provisions of these Articles may be altered or amended in whole or in part in such a way as to bring them into conflict with the restrictive covenants and deed restrictions applicable to Alpine Lake. With this exception, these Articles may be freely amended by a majority vote of members present or represented by proxy vote at the annual meeting of the Association or any special meeting called by the Board of Directors.
2. The following provision is hereby adopted for the purpose of defining, limiting and regulating the powers of the Association and of the directors and officers:
3. No contract or other transaction between this Corporation and any other corporation and no act of this Corporation shall in any way be affected or invalidated by the fact that any of the Directors of this Corporation are pecuniarily or otherwise interested in, or are directors or officers of, such other corporation; any directors individually, or any firm of any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of this Corporation, provided that the fact he or such firm is so interested shall be disclosed or shall have

been known to the Board of Directors or a majority thereof; and any director of this Corporation who is also a director or officer of such other corporation or who is so interested may be counted in determining the existence of a quorum at any meeting of the Board of Directors of this Corporation, which shall authorize any such contract or transaction, with like force and effect as if he were not such director or officer of such corporation or not so interested.

### ARTICLE VIII Initial Incorporators

The names and addresses of the initial incorporators are as follow:

<u>Name</u>	<u>Address</u>
J.W. Ruby	454 Grand Street Morgantown, West Virginia
Hazel L. Ruby	454 Grand Street Morgantown, West Virginia
Helen Galik	33 Orchard Avenue Morgantown, West Virginia
Geo. R. Farmer, Jr.	306 Lebanon Avenue Morgantown, West Virginia

### ARTICLE IX

The existence of this Corporation is to be perpetual.

We, the undersigned, pursuant to West Virginia Code Section 31-1-149, hereby state that the foregoing RESTATED ARTICLES OF INCORPORATION correctly set forth without change, the corresponding provisions of the Articles of Incorporation as theretofore amended, and hereby declare that the foregoing restated Articles of Incorporation, as amended, for Alpine Lake Property Owners Association, Inc., to supercede the original Articles of Incorporation and all amendments thereto.

In Witness Whereof, we have hereunto affixed our signatures this 4th day of November, 1998.

Alpine Lake Property Owners Association, Inc.

By: Wayne A. Nelson  
Wayne Nelson, its President

By: Frank Buczek  
Frank Buczek, its Vice President

By: Ralph Nelson  
Ralph Nelson, its Secretary

By: Willard B. Brown  
Willard Brown, its Treasurer

By: David S. White  
David White, Member, Board of Directors

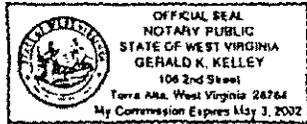
By: Ceci Brandner  
Ceci Brandner, Member, Board of Directors

By: Richard Roberts  
Richard Roberts, Member, Board of Directors

ARTICLES OF INCORPORATION

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Willard Brown, Treasurer of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

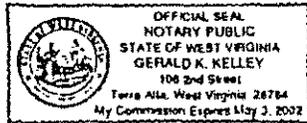
My Commission expires: 3 MAY 2002.



*Gerald K. Kelley*  
Notary Public

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by David White, Member, Board of Directors of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

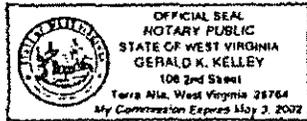
My Commission expires: 3 MAY 2002.



*Gerald K. Kelley*  
Notary Public

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Cecil Brandner, Member, Board of Directors of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

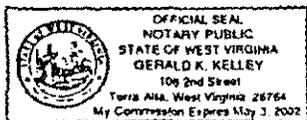
My Commission expires: 3 MAY 2002.



*Gerald K. Kelley*  
Notary Public

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Richard Roberts, Member, Board of Directors of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

My Commission expires: 3 MAY 2002.

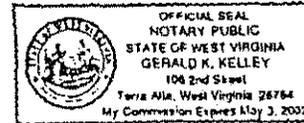


*Gerald K. Kelley*  
Notary Public

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

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Wayne Nelson, President of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

My Commission expires: 3 MAY 2002.



*Gerald K. Kelley*  
Notary Public

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

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Frank Buczek, Vice President of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

My Commission expires: 3 MAY 2002.

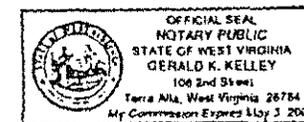


*Gerald K. Kelley*  
Notary Public

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

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Ralph Nelson, Secretary of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

My Commission expires: 3 MAY 2002.



*Gerald K. Kelley*  
Notary Public

ARTICLES OF INCORPORATION

State of West Virginia  
  
 Certificate

*J. Hen Heckler, Secretary of State of the  
 State of West Virginia, hereby certifies that*

by the provisions of Chapter 31, Article 1, Section 27 and 28 of the West Virginia Code, the Articles of Incorporation of

ALPINE LAKE PROPERTY OWNERS ASSOCIATION, INC.

conform to law and are filed in my office. I therefore declare the organization to be a Corporation for the purposes set forth in its Articles, with the right of perpetual existence.

Therefore, I hereby issue this

**CERTIFICATE OF INCORPORATION**

to which I have attached a duplicate original of the Articles of Incorporation



*Given under my hand and the  
 Great Seal of the State of  
 West Virginia on this  
 Thirtieth \_\_\_\_\_ day of  
 December 19 98*  
*Hen Heckler*  
 Secretary of State

**BYLAWS**

**ALPINE LAKE PROPERTY OWNERS ASSOCIATION**

**Section 1. DEFINITIONS**

For the purpose of these Bylaws — "Articles of Incorporation" means the Articles of Incorporation of the Association as amended. "Association" means the Alpine Lake Property Owners Association, Inc. "Subdivision" Means the subdivision called "Alpine Lake" in Portland District, Preston County, West Virginia.

**Section 2. SEAL**

The seal of the Association is a disc inscribed with the name of the Corporation, the year in which it was incorporated, and the words "State of West Virginia".

**Section 3. FISCAL YEAR**

The fiscal year of the Association begins on the first day of April each year and ends with the last day of March of the next year.

**Section 4. MEMBERSHIP**

- (a) Qualifications: As prescribed in the Articles of Incorporation
- (b) Evidence of membership: The Board of Directors may issue evidence of membership, in a form prescribed by it, to members who are not in arrears in paying their assessments.
- (c) Privileges: In accordance with the restrictive covenants of the Subdivision, the Articles of Incorporation, and any rules prescribed by the Board, the following persons may use the streets in the Subdivision, the areas designated as parks or pedestrian easements on the plats thereof, and any other recreational facilities in the Subdivision that are owned by the Association.
  - (1) Any member or associate member.
  - (2) Any person who belongs to the family of a member or associate member and who has the same residence as that member or associate member.

PROPERTY OWNERS BYLAWS

- (3) Any person who is a guest of a member or associate member.
- (4) Any person authorized by the Board of Directors.
- (5) Notwithstanding any other provision of these Bylaws a person who is not already a member, and who rents a numbered residential lot is not entitled to any of the privileges set forth in this section.

## Section 5. ANNUAL MEETING

- (a) The annual meeting of the members for the election of Directors whose terms have expired, and for the transaction of other proper business, shall be held at 10:00 A.M. on the fourth Saturday of June of each year. However, if that day is a legal holiday, the meeting shall be held on the next following day that is not a legal holiday.
- (b) Failure to hold the annual meeting does not forfeit the Articles of Incorporation or cause the Association to dissolve.

## Section 6. SPECIAL MEETINGS

A special meeting of the members may be called by a majority vote of the Board of Directors, or by written petition signed by a person who has, or persons who have, the right (under the Articles of Incorporation and these Bylaws) to cast one-half of the votes on any question upon which the vote of the members is required or desirable.

## Section 7. PLACE OF MEETING

A meeting of the members shall be held within the boundaries of Alpine Lake and stated in the notice of the meeting.

## Section 8. NOTICE OF MEETINGS

- (a) Delivery: At least 10 days before the date of meeting, a written or printed notice stating the place, day, and hour of an annual meeting, and the place, day, hour and purpose of any special meeting, shall be delivered by or at the direction of the Board of Directors, to each person (or group of joint tenants in common) who own a numbered lot in the subdivision.
- (b) Constructive notice: Unless the person concerned notifies the Secretary otherwise in writing, each member is considered to have notice of a meeting if the notice is mailed to the address on the member's membership application or which was supplied to

the Association by the member for purposes of notice.

- (c) Waiver of notice: Any member may waive the requirement of notice of a meeting by a written waiver filed with the Secretary before, at, or after the meeting, or by attending the meeting.
- (d) Publication: In place of delivery of notice as prescribed in this section, the Board may publish notice at least once a week for two consecutive calendar weeks in a newspaper published in the county in which the registered office is located, or having a general circulation in that county. The first publication must be not more than fifty days, and the second not less than seven days, before the meeting.

## Section 9. VOTING AT MEETINGS

- (a) Rights: As prescribed in the Articles of Incorporation.
- (b) Method: A vote attributable to a numbered lot must be cast as follows:
  - (1) If the lot is owned by one person, that person shall cast the vote.
  - (2) If the lot is owned by joint tenants or tenants in common then the vote attributable to the lot may be cast by one of the tenants, if there is no objection or contrary vote by another tenant. However, if two or more of them want the vote for the lot cast in different ways, or one of them wants the vote not to be cast, then the vote is properly cast if cast by a majority of the tenants.

## Section 10. ABSENTEE BALLOTS

Any member who is entitled to vote at any meeting of the members may vote by absentee ballot. The Board of Directors shall give adequate notice to members of their right to so vote before each meeting at which there will be voting. The Board shall also prescribe the dates by which those ballots are to be made available and must be returned by the Wednesday preceding the Annual Meeting.

## Section 11. QUORUMS

A quorum at any meeting of members consists of no less than forty Association Members. For the purpose of this section, a person is considered to be present if there in person or by absentee ballot.

## Section 12. BOARD OF DIRECTORS: ELECTION

The affairs of the Association are managed by a seven member Board of Directors, each of whom must be a member of the Association in good standing. Each Director serves for a term of three years, but continues to serve until a successor is elected and has qualified. However, the term of any director holding office after the 1990 annual meeting, which term would otherwise expire in October 1991, is hereby extended until the end of the 1992 annual meeting.

## Section 13. BOARD OF DIRECTORS: REMOVAL OF MEMBER

A member of the Board of Directors may be removed only as provided by the laws of the State of West Virginia.

## Section 14. BOARD OF DIRECTORS: VACANCIES

A vacancy on the Board of Directors is filled by the majority vote of the remaining directors. A director so elected serves the unexpired term of the director replaced.

## Section 15. BOARD OF DIRECTORS: MEETINGS

- (a) Annual meeting: The Board of Directors shall hold an annual meeting, immediately after the annual meeting of the members, to organize, elect officers, and conduct any other business.
- (b) Special meetings: The Board of Directors may hold a special meeting at any time called by the President. It shall hold a special meeting on the written request of at least two Directors.
- (c) Notice of meetings: The Secretary shall deliver or mail a written notice or printed notice of each annual or special meeting of the Board to each Director at least three days before the date of the meeting. Any Director may waive notice of the meeting, in writing filed with the Secretary, before, at, or after the meeting, or by attendance.
- (d) Place: Each meeting of the Board shall be held at the place specified in the notice of the meeting, or the waivers of notice of the meeting.
- (e) Quorum: A majority of the Board is a quorum. However, if the meeting is to fill a vacancy on the Board, a majority of the existing Directors is a quorum. The act of a majority of the Board present at a meeting at which a quorum is present constitutes the action of the Board.

## Section 16. BOARD OF DIRECTORS: POWERS AND DUTIES

- (a) Powers: The powers and duties of the Board include, but are not limited to—
  - (1) Adopting and publishing rules governing the use of those parts of the Subdivision owned by, or under the control of, the Association.
  - (2) Exercising for the Association all power whose exercise is not reserved to or committed to the members of the Association by the Articles of Incorporation or these Bylaws.
- (b) Duties: The duties of the Board include but are not limited to, the fixing of the annual charge to be made against each member pursuant to the Articles of Incorporation and the restrictive covenants of the Subdivision. The Board shall fix the charges before February of each year.
- (c) Rules: The Board shall adopt rules for using the streets, parks, pedestrian easements and other recreational facilities of the Association in the Subdivision. The rules must include, but not limited to, a schedule of fines for violating the speed limits in the Subdivision.
- (d) Committees: The Board may create such temporary and standing committees as it considers necessary, and shall assign the duties of each committee. The Board shall choose the members of the committees from the members of the Association in good standing.
- (e) Informal action: Any action allowed or required to be taken at a meeting of the Board may be taken without a meeting if the Board members file a written consent with the minutes of the Board.

## Section 17. OFFICERS

- (a) Number: The Board of Directors shall elect a Chairman, Vice Chairman, Secretary, and Treasurer. The members of the Board elected to those positions shall act as President, Vice President, Secretary and Treasurer, respectfully, of the Association.
- (b) Election and term: The Board shall elect the officers each year, at the annual meeting of the Board. Each officer holds office until a successor has been elected and qualified, or until death, resignation or removal from office before that election or qualification.
- (c) Removal: The Board may remove any officer at any time, with or without cause, at a special meeting called for considering the removal.

- (d) **President:** The president is the active executive manager of the operations of the Association, subject to the control of the Board. The President, shall perform the duties incident to that office and such duties as are assigned by the Board.
- (e) **Vice President:** The Vice President has the powers and shall perform the duties that the Board prescribes or the President delegates. In case of the absence or disability of the President, the Vice President shall act in the President's place.
- (f) **Secretary:** The Secretary shall—
  - (1) Keep the minutes of the members and the Board.
  - (2) Keep the books in his or her custody.
  - (3) Keep at the registered office of the Association, a complete and accurate list of the names and addresses of the members.
  - (4) Give the notices required by law and these Bylaws.
  - (5) Be custodian of the records (except financial records) of the Association and the Seal of the Association.
  - (6) Affix the Seal of the Association to each document whose execution is to be under Seal.
  - (7) Perform all other duties incident to that office.
  - (8) Perform any duties prescribed by the Board.
- (g) **Treasurer:** The Treasurer is the financial officer of the Association and shall—
  - (1) Keep complete books showing the complete financial condition of the Association.
  - (2) Keep them in his or her custody.
  - (3) Keep a separate financial account for each member.
  - (4) Have charge and custody of, and be responsible for, all funds of the Association.
  - (5) Deposit all funds of the Association, in the name of the Association, in a depository selected by the Board.
  - (6) Receive and give receipts for all funds due and payable to the association.
  - (7) Disburse the funds of the Association in accordance with the instructions of the Board.
  - (8) Give to the President, on the President's request, an account of the Treasurer's transactions and the financial condition of the Association.
  - (9) Perform all other duties incident to the office.

- (10) Perform other duties assigned by the Board.

## Section 18. CORPORATE BOOKS AND RECORDS

- (a) Except as otherwise provided by the laws of West Virginia or these Bylaws, the books and records of the association may be kept at places selected by the custodian thereof.
- (b) All books and records are open for inspection by any member of the Association, for proper purposes, at any reasonable time.

## Section 19. ANNUAL BUDGET

The Board of Directors shall adopt an annual budget before the beginning of each fiscal year. The Board shall make the budget available for examination by the membership before the Board adopts it.

## Section 20. CONTRACTS AND CHECKS

- (a) **Contracts:** Each contract to which the Association by party shall be executed in the name of the Association by the President or a Vice President, and be attested by the Secretary or an Assistant Secretary.
- (b) **Checks:** Each check in the amount of \$400.00 or more for the payment of money of the Association and each promissory note of the Association, must be signed by the Treasurer and the General Manager. Checks less than \$400.00 may be signed by the General Manager and a staff member approved by the Board of Directors. In the absence of the Treasurer or General Manager, another Board member may sign for either the Treasurer or General Manager. In the absence of both the Treasurer and General Manager, two other Board Members may sign for the Treasurer and General Manager, respectively.
- (c) **Loans:** The Association may borrow or lend money with the approval of the majority of the Board of Directors.

## Section 21. AMENDMENTS

These Bylaws may be amended by the majority vote of the members of the Association present or absentee ballot or attorney at the annual meeting of the Association or any special meeting called, not inconsistent with the Articles of Incorporation or the laws of West Virginia.

A portion of Sections 10 and 20 was inadvertently omitted when the booklet was printed. This corrected copy of the Bylaws of Alpine Lake Property Owners Association, Inc. was printed by the authority of the Board of Directors on March 24, 1990.

Amendments to these Bylaws were made in sections 4, 5, 10 and 12 and were approved by a vote of the majority of the membership at the Annual Meeting of Alpine Lake Property Owners Association, Inc. and were legally effective on Saturday, October 13, 1990.

The Bylaws contained in the complete document were approved by a vote of the majority of the membership at the Annual Meeting of Alpine Lake Property Owners Association, Inc. and were legally effective on Saturday, October 14, 1989.



# State of West Virginia



## Certificate

I, Ken Rechter, Secretary of State of the  
State of West Virginia, hereby certify that

originals of the Restated Articles of Incorporation of

**ALPINE LAKE PROPERTY OWNERS ASSOCIATION, INC.**

are filed in my office, signed and verified. Therefore, I issue this

**RESTATED CERTIFICATE OF INCORPORATION**

of the corporation, to which I have attached a duplicate original of the Restated Articles of  
Incorporation.



Given under my hand and the  
Great Seal of the State of  
West Virginia on  
Thirtieth  
December 1998

*Ken Rechter*

Secretary of State

FILED  
DEC 30 1998  
IN THE OFFICE OF  
SECRETARY OF STATE  
WEST VIRGINIA

ARTICLES OF INCORPORATION  
OF  
ALPINE LAKE PROPERTY OWNERS ASSOCIATION,  
INC.  
AS AMENDED AND RESTATED

ARTICLE I

Under the provisions of Chapter 31, Article 1, Section 136 *et seq* of the West Virginia Corporation Act of 1974, the undersigned Incorporators agree to become a nonprofit Corporation.

The name of the Corporation shall be:

ALPINE LAKE PROPERTY OWNERS ASSOCIATION,  
INC.,  
(Herein called "ASSOCIATION")

ARTICLE II

The principal office or place of business of the Corporation is Portland District, Preston County, West Virginia. The Post Office address is 700 West Alpine Drive, Terra Alta, West Virginia, 26764.

ARTICLE III

The purposes for which the Association is formed are as follows:

1. To further promote the community welfare of property owners in the residential community in Preston county, West Virginia, known as "ALPINE LAKE", and to exercise the powers and functions granted to it in, or pursuant to, the restrictive covenants applicable to Alpine Lake, or any part thereof, and any other restrictive covenants that may have been or may be recorded in respect of Alpine Lake, or any part of it.
2. To care for, maintain, and repair certain vacant and unimproved and unkept lots and certain common area of Alpine Lake, or any part thereof; to repair, rebuild and maintain any structure or residence on any lot in Alpine Lake for the purpose of preventing that structure or residence from becoming rundown and to repair, maintain, rebuild or beautify any street or right of way, and all parks within Alpine Lake that are not subject to maintenance by governmental authority.

3. To provide for the payment of taxes and assessments; if any, that may be levied by any governmental authority upon any area in Alpine Lake conveyed to the Association.
4. To enforce charges, easements, restrictions, conditions, covenants, and servitudes existing upon and created for the benefit of the property over which the Association may have jurisdiction; to pay all expenses incidental thereto; to enforce the decisions and ruling of the Association; and to pay all expenses in connection therewith.
5. To provide for the maintenance of parks, recreational facilities, and other community feature of such land in Alpine Lake as may be conveyed to the Association; and to provide for the maintenance of bulkheads and waterways and those areas designated on the Association's plats of Alpine Lake as pedestrian easements as may be conveyed to the Association; and further to be responsible for providing security for the residents of Alpine Lake.
6. To appoint committees as may be necessary to, or convenient in, the Association's discharging of duties entrusted to it, including (but not limited to) a property owner's committee, building control committee, traffic control committee, finance committee, maintenance committee, audit committee and nominations and elections committee.
7. To levy an annual charge upon the members of the Association; to sue and to collect any of such charges as are not paid; to impose a lien against any real estate in Alpine Lake that is owned by a delinquent member of the Association for any such charge as is not paid when due; and to foreclose any such lien. Each year the Board of Directors of the Association shall consider the current maintenance needs and future of the Association and, in light of those needs shall fix the amount of the annual charge provided for in these Articles, in respect of each numbered single-family residential lot; and which shall be as the Board of Directors determines for multi-family dwelling unit lots. However, the Board of Directors may not increase any annual assessment by more than 10% of the assessment for the prior year, unless a proposed increase of over 10% is approved, by a majority vote, of members present at the annual meeting of the association or any special meeting called by the Board of directors. This paragraph does not create in the Association a power to levy or make any charge of any kind against the association itself or against any corporation that has been or may be created to acquire title to and operate, the water, sewer or cable television utilities serving Alpine Lake, or any waterway, dam, beach, access tract, marina, golf course, tennis

courts, clubhouse, clubhouse grounds, or other like recreational facility within Alpine Lake.

8. To acquire by gift, purchase or other means, to own, hold, enjoy, lease, operate, maintain, convey, sell, transfer, mortgage or otherwise encumber, or dedicate for public use, real or personal property in connection with the business of this Association.
9. To spend the money collected by the Association from assessments or charges, and other funds received by the Association, for payment and discharge of all proper costs, expenses, and obligations incurred by the Association in carrying out its purposes.
10. To borrow money and to give, as security therefore, mortgage or other security interest in any or all real personal property owned by the association or a pledge of monies to be received under Paragraph 7 of these Articles, and to assign and pledge its right to make assessments and charges and its right to claim a lien therefor.
11. To do any and all lawful things and acts, and to have any and all lawful powers, which a corporation organized under West Virginia law may do and have, and in general to do all things necessary and proper to accomplish these purposes including, without limitations, the power to appoint any person or corporations as its fiscal agent to collect all assessments and charges levied by the Association and to enforce the Association's liens for unpaid assessments and charges or any other lien owned by the Association.

#### ARTICLE IV

##### Nonstock - Nonprofit

The Association is not authorized to issue any capital stock or to be for profit. No part of the income of the Association shall inure to the benefit of any member, director or officer of the Association. In the event of liquidation or dissolution of the Corporation, whether voluntary or involuntary, no member, officer, or director of the Association is entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the Association, after payment of all debts and obligations, shall be applied to such public or charitable purposes as shall be determined by the County Commissioners of Preston County, West Virginia, serving at such time or their successors in the interest under the form of government then in being.

## ARTICLE V

### MEMBERSHIP

1. The members of the Association are those persons or corporations who are owners (legal or equitable) of numbered residential lots in Alpine Lake. A person who has no interest in real estate in Alpine Lake other than an interest that is held merely as security for the performance of any obligation to pay money (e.g., the interest of a mortgagee or a land contract vendor) is not entitled to be a member of the Association.
2. Membership in the Association terminates when the member ceases to be the owner of a numbered residential lot in Alpine Lake.
3. Meetings of members shall be held within the boundaries of Alpine Lake, as may be provided in the By-laws, or where not inconsistent with the By-laws, in the notice of the meeting. An annual meeting of the members shall be held at such time as may be provided in the By-laws. The Association shall send to each member entitled to vote at the meeting a written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose for which the meeting is called, not less than ten nor more than fifty days before the date of the meeting (except as a different time is specified below), either personally or by mail, by or at the direction of the President or the Board of Directors. If mailed, the notice is considered to be delivered when deposited in the United States Mail addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid. In lieu of delivering notice as above, the Association may publish the notice at least once a week for two successive calendar weeks in a newspaper published in the city or county in which the registered office is located, or having a general circulation therein, the first publication to be not more than fifty days, and the second not less than seven days, before the date of the meeting.
4. The members of the Association shall be divided into two classes: "Regular" members and "Development / Sales" members.

#### Regular Members

Regular members are those members who own less than twenty lots and whose primary interest in ownership is residency, visitation or investment. Regular members shall be entitled to

one vote for each numbered residential lot in the Subdivision that is owned by the member and will be subject to the full amount of the annual assessment on each lot.

**Development / Sales Membership**

Development / Sales membership is restricted to individuals or firms who own twenty lots or more and whose purpose in ownership is the sale and / or development of lots. This class of membership carries no voting rights. Lots held under the Development / Sales classification shall have a yearly assessment of Eighty Dollars (\$80.00) per lot so long as there are at least twenty (20) lots owned by the individual or firm entitled to this classification. In the event the number of lots falls below twenty (20), but more than ten (10) owned by the individual or firm, the assessment shall be One Hundred Twenty Dollars (\$120.00) per year per lot. In the event the number of lots falls below ten (10) owned by the individual or firm, the assessment shall be One Hundred Eighty Dollars (\$180.00) per year per lot. Lots held under this classification shall not be voting lots, nor will they carry the privilege to use the common amenities of ALPOA until the lots have been sold to an individual or firm paying full annual assessments. Individuals or firms holding lots under this classification must evidence active effort to market the lots in order to be entitled to continue to hold lots under this classification. None of the lots in this classification shall be used for personal use. In the event that it is determined that any of these lots are being used for personal use, assessments in the current full amount will become due and owing dating back to the date of the original purchase of the lot(s) unless waived by the Board. In the event that a special assessment is approved by the ALPOA property owners or the ALPOA Board of Directors, the lots held under the Development / Sales classification shall not be subject to said special assessment until the lots are sold to an individual(s) or firm(s) and are no longer classified as Development / Sales lots. Special assessments for lots so sold shall be paid by the purchaser in the following percentages in a manner determined by ALPOA: 1<sup>st</sup> year following assessment, 100%; 2<sup>nd</sup> year following assessment, 75%; 3<sup>rd</sup> year following assessment, 50%; 4<sup>th</sup> year following assessment, 25%; 5<sup>th</sup> year following assessment, 12.5%; 6<sup>th</sup> year following assessment, 0%. In order to obtain Development / Sales status for a group of lots the owner(s) must make application to the ALPOA Board of Directors on the ALPOA form entitled "Request for Development / Sales Status". Approval of the application by the Board is required before Development / Sales status is conferred. Approval is based on

demonstrated performance as a builder and real estate developer. Regular members seeking reclassification as Development / Sale members must be in good standing at the time of application. Assessments will be adjusted on a pro rata basis as of the date of the granting of Development / Sales status.

5. Notwithstanding anything to the contrary in the Article, each owner (legal or equitable), except security holders, of a unit or units in a multi-family dwelling organized as a cooperative or condominium is entitled to apply for membership in the Association; and, upon attaining membership, has the same rights, duties, and privileges (in respect to each cooperative or condominium residential unit owned by him), incident to association membership as a member owning a numbered residential lot, despite the fact that there may be more than one such residential unit situated on the numbered residential lot or lots on which such residential unit or units of his shall be situated.
6. No member may be expelled from membership in the Association for any reason. However, the Board of Directors of the Association may suspend the voting rights (if any), and right to use of the parks, and other recreational facilities of the Association of any member(i) for any period during which any Association charges owned by the member remain unpaid; (ii) during the period of any continuing violation has been declared by the Board of Directors of the Association.
7. There shall be no other preferences, limitations, or restrictions with respect to the relative rights of the members.
8. The members of the Association shall have power to adopt and amend the By-laws of the Association, by a majority vote of all members present at the annual meeting of the Association or any special property owners meeting called, not inconsistent with these Articles or the laws of the State of West Virginia.

#### ARTICLE VI

#### BOARD OF DIRECTORS

The number of directors of the association shall be as prescribed in the By-laws, of the Association. The Board of directors may elect a President, one or two Vice Presidents, a Secretary, one or two Assistant Secretaries, and a Treasurer. The offices of Secretary and Treasurer may be filled by one person. The officers shall have such qualifications, powers, and duties, and shall be elected in such

manner, at such time and place, and shall serve for such term as may be provided in the By-Laws of the Association.

The Association shall indemnify and save harmless all present and former officers and Directors of the Association, as well as its General Manager, agents and employees, of and from all actions, claims, demands, suits or proceedings against any of them arising out of or resulting from the exercise of their duties as such an officer, Director, General Manager, agent, or employee, of the Association except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. The Association shall also indemnify and reimburse such officer, Director, General Manager, agent or employee all expenses and fees reasonably incurred by any of them in the defense of such action, claim, demand, suit or proceeding.

## ARTICLE VII

### MISCELLANEOUS

1. None Of the provisions of these Articles may be altered or amended in whole or in part in such a way as to bring them into conflict with the restrictive covenants and deed restrictions applicable to Alpine Lake. With this exception, these Articles may be freely amended by a unanimous vote of the Board of Directors elected by the Association.
2. The following provision is hereby adopted for the purpose of defining, limiting and regulating the powers of the Association and of the directors and officers:
3. No contract or other transaction between this corporation and any other corporation and no act of this Corporation shall in any way be affected or invalidated by the fact that any of the Directors of this corporation are pecuniarily or otherwise interested in, or are directors or officers of, such other corporation; any directors individually, or any firm of any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the Corporation, provided that the fact he or such firms so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof; and any director of this Corporation who is also a director or officer of such other corporation or who is interested may be counted in determining the existence of a quorum at any meeting of the Board of Directors of this Corporation, which shall authorize any such contract or transaction, with like force and effect as if he were

not such director or officer of such corporation or not so interested.

#### ARTICLE VII

##### INITIAL INCORPORATORS

The names and addresses of the initial incorporators are as follows:

NAME	ADDRESS
J.W. Ruby	454 Grand Street Morgantown, West Virginia
Hazel L. Ruby	454 Grand Street Morgantown, West Virginia
Helen Galik	33 Orchard Avenue Morgantown, West Virginia
Geo. R. Farmer, Jr.	306 Lebanon Avenue Morgantown, West Virginia
Elmer W. Price	310 Wilson Avenue Morgantown, West Virginia

#### ARTICLE IX

The existence of this Corporation is to be perpetual.

We, the undersigned, pursuant to West Virginia Code Section 31-1-149, hereby state that the foregoing RESTATED ARTICLES OF INCORPORATION correctly set forth without change, the corresponding provisions of the Articles of Incorporation as theretofore amended, and hereby declare that the foregoing restated Articles of Incorporation, as amended, for Alpine Lake Property Owners Association, Inc., to supercede the original Articles of Incorporation and all amendments thereto.

In Witness Whereof, we have hereunto affixed our signatures this 4th day of November, 1998.

Alpine Lake Property Owners  
Association, Inc.

By: Wayne A. Nelson  
Wayne Nelson, its President

By: Frank Buczek  
Frank Buczek, its Vice-President

By: Ralph Nelson  
Ralph Nelson, its Secretary

By: Willard B. Brown  
Willard Brown, its Treasurer

By: David E. White  
David White, Member, Board of Directors

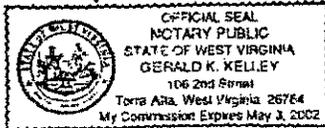
By: Ceci Brandner  
Ceci Brandner, Member, Board of Directors

By: Richard J. Roberts  
Richard Roberts, Member, Board of Directors

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

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Wayne Nelson, President of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

My Commission expires: 3 MAY 2002.

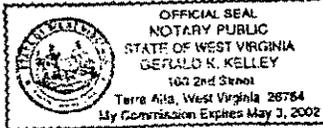


*Gerald K. Kelley*  
Notary Public

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

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Frank Buczek, Vice-President of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

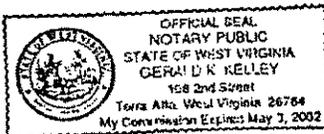
My Commission expires: 3 MAY 2002.



*Gerald K. Kelley*  
Notary Public

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Ralph Nelson, Secretary of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

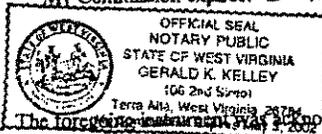
My Commission expires: 3 MAY 2002.



*Gerald K. Kelley*  
Notary Public

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Willard Brown, Treasurer of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

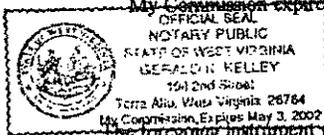
My Commission expires: 3 MAY 2002.



Gerald K. Kelley  
Notary Public

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by David White, Member, Board of Directors of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

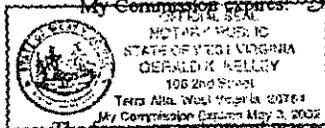
My Commission expires: 3 MAY 2002.



Gerald K. Kelley  
Notary Public

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Ceci Brandner, Member, Board of Directors of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

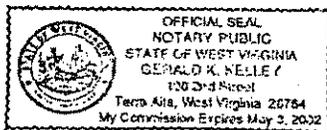
My Commission expires: 3 MAY 2002.



Gerald K. Kelley  
Notary Public

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Richard Roberts, Member, Board of Directors of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

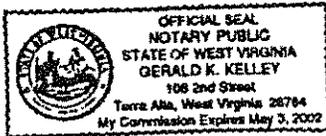
My Commission expires: 3 MAY 2002.



Gerald K. Kelley  
Notary Public

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Willard Brown, Treasurer of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

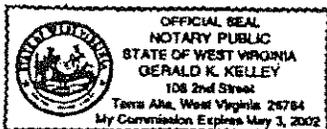
My Commission expires: 3 MAY 2002.



*Gerald K. Kelley*  
Notary Public

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by David White, Member, Board of Directors of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

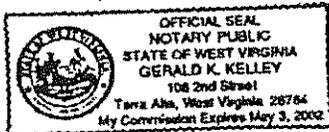
My Commission expires: 3 MAY 2002.



*Gerald K. Kelley*  
Notary Public

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Ceci Brandner, Member, Board of Directors of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

My Commission expires: 3 MAY 2002.



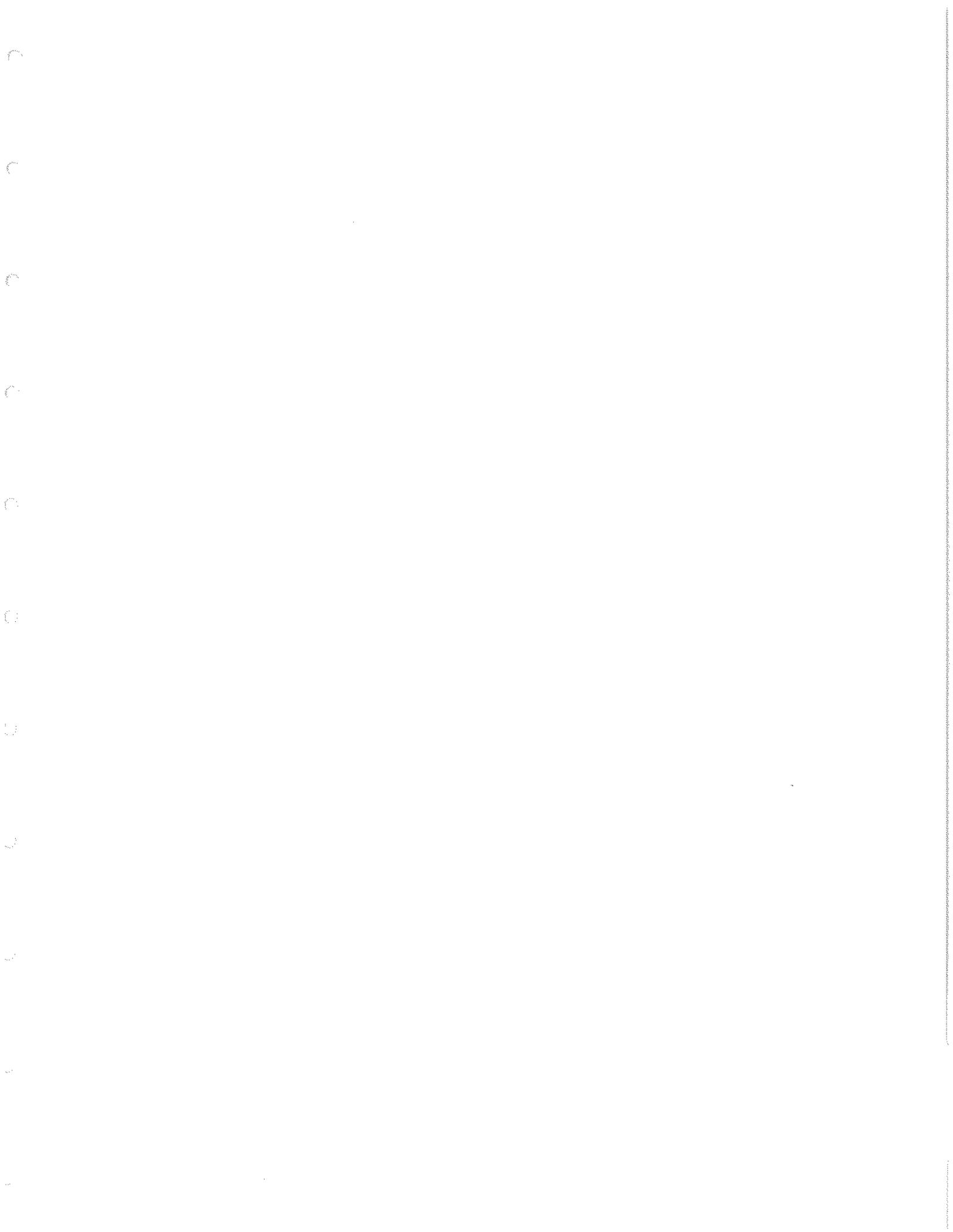
*Gerald K. Kelley*  
Notary Public

The foregoing instrument was acknowledged before me this 4th day of November, 1998, by Richard Roberts, Member, Board of Directors of Alpine Lake Property Owners Association, Inc., a West Virginia Corporation, on behalf of the corporation.

My Commission expires: 3 MAY 2002.



*Gerald K. Kelley*  
Notary Public



# BYLAWS

## ALPINE LAKE PROPERTY OWNERS ASSOCIATION

### Section 1. DEFINITIONS

For the purpose of these Bylaws — "Articles of Incorporation" means the Articles of Incorporation of the Association as amended. "Association" means the Alpine Lake Property Owners Association, Inc. "Subdivision" Means the subdivision called "Alpine Lake" in Portland District, Preston County, West Virginia.

### Section 2. SEAL

The seal of the Association is a disc inscribed with the name of the Corporation, the year in which it was incorporated, and the words "State of West Virginia".

### Section 3. FISCAL YEAR

The fiscal year of the Association begins on the first day of April each year and ends with the last day of March of the next year.

### Section 4. MEMBERSHIP

- (a) Qualifications: As prescribed in the Articles of Incorporation
- (b) Evidence of membership: The Board of Directors may issue evidence of membership, in a form prescribed by it, to members who are not in arrears in paying their assessments.
- (c) Privileges: In accordance with the restrictive covenants of the Subdivision, the Articles of Incorporation, and any rules prescribed by the Board, the following persons may use the streets in the Subdivision, the areas designated as parks or pedestrian easements on the plats thereof, and any other recreational facilities in the Subdivision that are owned by the Association.
  - (1) Any member or associate member.
  - (2) Any person who belongs to the family of a member or associate member and who has the same residence as that member or associate member.

PROPERTY OWNERS BYLAWS

- (3) Any person who is a guest of a member or associate member.
- (4) Any person authorized by the Board of Directors.
- (5) Notwithstanding any other provision of these Bylaws a person who is not already a member, and who rents a numbered residential lot is not entitled to any of the privileges set forth in this section.

### **Section 5. ANNUAL MEETING**

- (a) The annual meeting of the members for the election of Directors whose terms have expired, and for the transaction of other proper business, shall be held at 10:00 A.M. on the fourth Saturday of June of each year. However, if that day is a legal holiday, the meeting shall be held on the next following day that is not a legal holiday.
- (b) Failure to hold the annual meeting does not forfeit the Articles of Incorporation or cause the Association to dissolve.

### **Section 6. SPECIAL MEETINGS**

A special meeting of the members may be called by a majority vote of the Board of Directors, or by written petition signed by a person who has, or persons who have, the right (under the Articles of Incorporation and these Bylaws) to cast one-half of the votes on any question upon which the vote of the members is required or desirable.

### **Section 7. PLACE OF MEETING**

A meeting of the members shall be held within the boundaries of Alpine Lake and stated in the notice of the meeting.

### **Section 8. NOTICE OF MEETINGS**

- (a) Delivery: At least 10 days before the date of meeting, a written or printed notice stating the place, day, and hour of an annual meeting, and the place, day, hour and purpose of any special meeting, shall be delivered by or at the direction of the Board of Directors, to each person (or group of joint tenants in common) who own a numbered lot in the subdivision.
- (b) Constructive notice: Unless the person concerned notifies the Secretary otherwise in writing, each member is considered to have notice of a meeting if the notice is mailed to the address on the member's membership application or which was supplied to

the Association by the member for purposes of notice.

- (c) Waiver of notice: Any member may waive the requirement of notice of a meeting by a written waiver filed with the Secretary before, at, or after the meeting, or by attending the meeting.
- (d) Publication: In place of delivery of notice as prescribed in this section, the Board may publish notice at least once a week for two consecutive calendar weeks in a newspaper published in the county in which the registered office is located, or having a general circulation in that county. The first publication must be not more than fifty days, and the second not less than seven days, before the meeting.

### **Section 9. VOTING AT MEETINGS**

- (a) Rights: As prescribed in the Articles of Incorporation.
- (b) Method: A vote attributable to a numbered lot must be cast as follows:
  - (1) If the lot is owned by one person, that person shall cast the vote.
  - (2) If the lot is owned by joint tenants or tenants in common then the vote attributable to the lot may be cast by one of the tenants, if there is no objection or contrary vote by another tenant. However, if two or more of them want the vote for the lot cast in different ways, or one of them wants the vote not to be cast, then the vote is properly cast if cast by a majority of the tenants.

### **Section 10. ABSENTEE BALLOTS**

Any member who is entitled to vote at any meeting of the members may vote by absentee ballot. The Board of Directors shall give adequate notice to members of their right to so vote before each meeting at which there will be voting. The Board shall also prescribe the dates by which those ballots are to be made available and must be returned by the Wednesday preceding the Annual Meeting.

### **Section 11. QUORUMS**

A quorum at any meeting of members consists of no less than forty Association Members. For the purpose of this section, a person is considered to be present if there in person or by absentee ballot.

## **Section 12. BOARD OF DIRECTORS: ELECTION**

The affairs of the Association are managed by a seven member Board of Directors, each of whom must be a member of the Association in good standing. Each Director serves for a term of three years, but continues to serve until a successor is elected and has qualified. However, the term of any director holding office after the 1990 annual meeting, which term would otherwise expire in October 1991, is hereby extended until the end of the 1992 annual meeting.

## **Section 13. BOARD OF DIRECTORS: REMOVAL OF MEMBER**

A member of the Board of Directors may be removed only as provided by the laws of the State of West Virginia.

## **Section 14. BOARD OF DIRECTORS: VACANCIES**

A vacancy on the Board of Directors is filled by the majority vote of the remaining directors. A director so elected serves the unexpired term of the director replaced.

## **Section 15. BOARD OF DIRECTORS: MEETINGS**

- (a) Annual meeting: The Board of Directors shall hold an annual meeting, immediately after the annual meeting of the members, to organize, elect officers, and conduct any other business.
- (b) Special meetings: The Board of Directors may hold a special meeting at any time called by the President. It shall hold a special meeting on the written request of at least two Directors.
- (c) Notice of meetings: The Secretary shall deliver or mail a written notice or printed notice of each annual or special meeting of the Board to each Director at least three days before the date of the meeting. Any Director may waive notice of the meeting, in writing filed with the Secretary, before, at, or after the meeting, or by attendance.
- (d) Place: Each meeting of the Board shall be held at the place specified in the notice of the meeting, or the waivers of notice of the meeting.
- (e) Quorum: A majority of the Board is a quorum. However, if the meeting is to fill a vacancy on the Board, a majority of the existing Directors is a quorum. The act of a majority of the Board present at a meeting at which a quorum is present constitutes the action of the Board.

**Section 16. BOARD OF DIRECTORS:  
POWERS AND DUTIES**

- (a) Powers: The powers and duties of the Board include, but are not limited to—
  - (1) Adopting and publishing rules governing the use of those parts of the Subdivision owned by, or under the control of, the Association.
  - (2) Exercising for the Association all power whose exercise is not reserved to or committed to the members of the Association by the Articles of Incorporation or these Bylaws.
- (b) Duties: The duties of the Board include but are not limited to, the fixing of the annual charge to be made against each member pursuant to the Articles of Incorporation and the restrictive covenants of the Subdivision. The Board shall fix the charges before February of each year.
- (c) Rules: The Board shall adopt rules for using the streets, parks, pedestrian easements and other recreational facilities of the Association in the Subdivision. The rules must include, but not limited to, a schedule of fines for violating the speed limits in the Subdivision.
- (d) Committees: The Board may create such temporary and standing committees as it considers necessary, and shall assign the duties of each committee. The Board shall choose the members of the committees from the members of the Association in good standing.
- (e) Informal action: Any action allowed or required to be taken at a meeting of the Board may be taken without a meeting if the Board members file a written consent with the minutes of the Board.

**Section 17. OFFICERS**

- (a) Number: The Board of Directors shall elect a Chairman, Vice Chairman, Secretary, and Treasurer. The members of the Board elected to those positions shall act as President, Vice President, Secretary and Treasurer, respectively, of the Association.
- (b) Election and term: The Board shall elect the officers each year, at the annual meeting of the Board. Each officer holds office until a successor has been elected and qualified, or until death, resignation or removal from office before that election or qualification.
- (c) Removal: The Board may remove any officer at any time, with or without cause, at a special meeting called for considering the removal.

- (d) **President:** The president is the active executive manager of the operations of the Association, subject to the control of the Board. The President, shall perform the duties incident to that office and such duties as are assigned by the Board.
- (e) **Vice President:** The Vice President has the powers and shall perform the duties that the Board prescribes or the President delegates. In case of the absence or disability of the President, the Vice President shall act in the President's place.
- (f) **Secretary:** The Secretary shall—
  - (1) Keep the minutes of the members and the Board.
  - (2) Keep the books in his or her custody.
  - (3) Keep at the registered office of the Association, a complete and accurate list of the names and addresses of the members.
  - (4) Give the notices required by law and these Bylaws.
  - (5) Be custodian of the records (except financial records) of the Association and the Seal of the Association.
  - (6) Affix the Seal of the Association to each document whose execution is to be under Seal.
  - (7) Perform all other duties incident to that office.
  - (8) Perform any duties prescribed by the Board.
- (g) **Treasurer:** The Treasurer is the financial officer of the Association and shall—
  - (1) Keep complete books showing the complete financial condition of the Association.
  - (2) Keep them in his or her custody.
  - (3) Keep a separate financial account for each member.
  - (4) Have charge and custody of, and be responsible for, all funds of the Association.
  - (5) Deposit all funds of the Association, in the name of the Association, in a depository selected by the Board.
  - (6) Receive and give receipts for all funds due and payable to the association.
  - (7) Disburse the funds of the Association in accordance with the instructions of the Board.
  - (8) Give to the President, on the President's request, an account of the Treasurer's transactions and the financial condition of the Association.
  - (9) Perform all other duties incident to the office.

(10) Perform other duties assigned by the Board.

### **Section 18. CORPORATE BOOKS AND RECORDS**

- (a) Except as otherwise provided by the laws of West Virginia or these Bylaws, the books and records of the association may be kept at places selected by the custodian thereof.
- (b) All books and records are open for inspection by any member of the Association, for proper purposes, at any reasonable time.

### **Section 19. ANNUAL BUDGET**

The Board of Directors shall adopt an annual budget before the beginning of each fiscal year. The Board shall make the budget available for examination by the membership before the Board adopts it.

### **Section 20. CONTRACTS AND CHECKS**

- (a) *Contracts:* Each contract to which the Association by party shall be executed in the name of the Association by the President or a Vice President, and be attested by the Secretary or an Assistant Secretary.
- (b) *Checks:* Each check in the amount of \$400.00 or more for the payment of money of the Association and each promissory note of the Association, must be signed by the Treasurer and the General Manager. Checks less than \$400.00 may be signed by the General Manager and a staff member approved by the Board of Directors. In the absence of the Treasurer or General Manager, another Board member may sign for either the Treasurer or General Manager. In the absence of both the Treasurer and General Manager, two other Board Members may sign for the Treasurer and General Manager, respectively.
- (c) *Loans:* The Association may borrow or lend money with the approval of the majority of the Board of Directors.

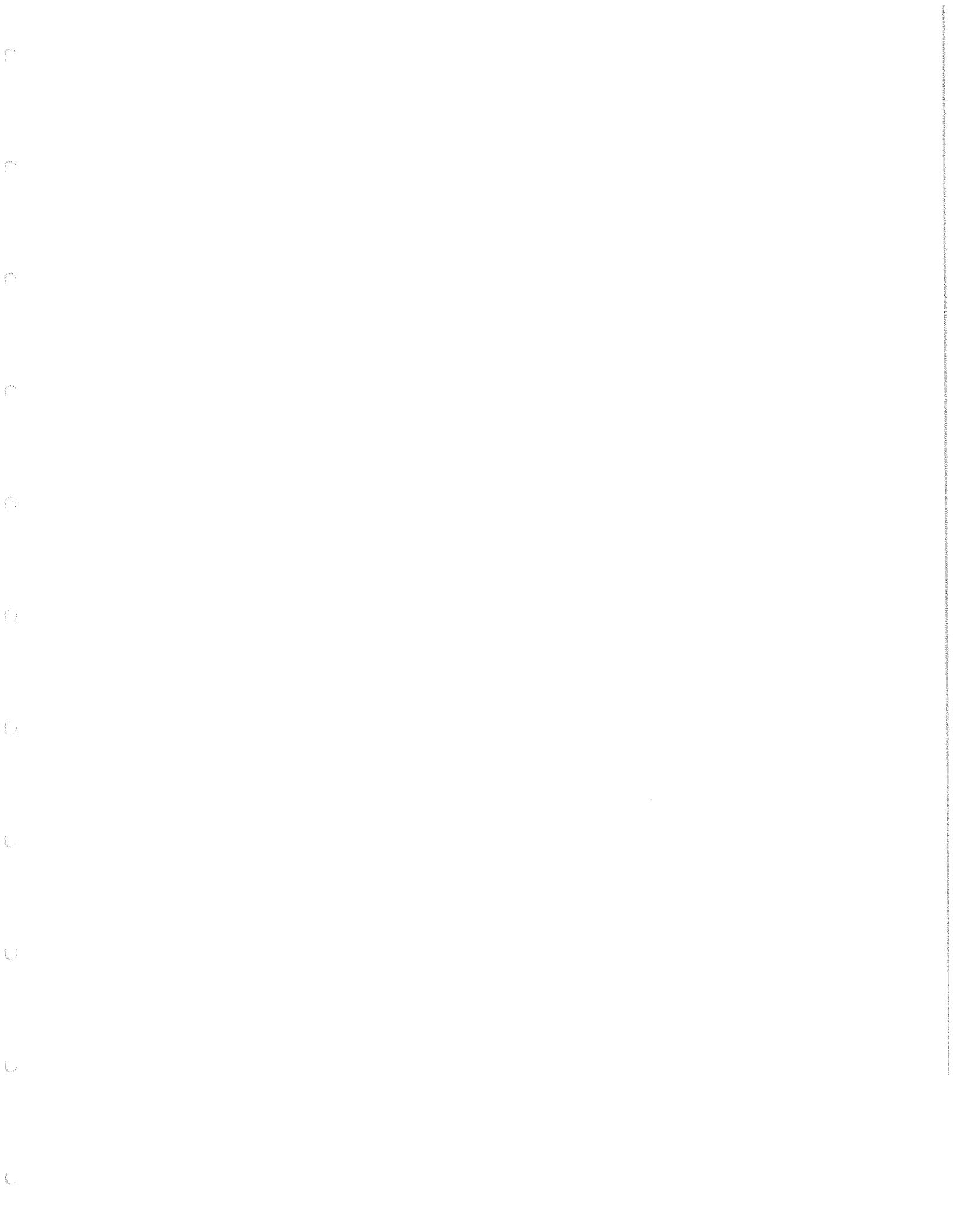
### **Section 21. AMENDMENTS**

These Bylaws may be amended by the majority vote of the members of the Association present or absentee ballot or attorney at the annual meeting of the Association or any special meeting called, not inconsistent with the Articles of Incorporation or the laws of West Virginia.

A portion of Sections 10 and 20 was inadvertently omitted when the booklet was printed. This corrected copy of the Bylaws of Alpine Lake Property Owners Association, Inc. was printed by the authority of the Board of Directors on March 24, 1990.

Amendments to these Bylaws were made in sections 4, 5, 10 and 12 and were approved by a vote of the majority of the membership at the Annual Meeting of Alpine Lake Property Owners Association, Inc. and were legally effective on Saturday, October 13, 1990.

The Bylaws contained in the complete document were approved by a vote of the majority of the membership at the Annual Meeting of Alpine Lake Property Owners Association, Inc. and were legally effective on Saturday, October 14, 1989.



# State of West Virginia



## Certificate

*I, Betty Ireland, Secretary of State of the  
State of West Virginia, hereby certify that*

**ALPINE LAKE PROPERTY OWNERS ASSOCIATION, INC.**

was incorporated under the laws of West Virginia and a Certificate of Incorporation was issued by the West Virginia Secretary of State's Office on April 13, 1971.

I further certify that the corporation has not been revoked by the State of West Virginia nor has the West Virginia Secretary of State issued a Certificate of Dissolution to the corporation.

Accordingly, I hereby issue this

### CERTIFICATE OF EXISTENCE



*Given under my hand and the  
Great Seal of the State of  
West Virginia on this day of  
February 9, 2006*

*Betty Ireland*

*Secretary of State*



ISSUE: Alpine Lake Public Utilities Company, Sewer Revenue Notes, Series 2008 A (United States Department of Agriculture)

ADDRESS: 700 West Alpine Drive, Terra Alta, WV 26764

COUNTY: Preston

PURPOSE OF ISSUE: New Money: X  
 Refunding: \_\_\_\_\_

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: January 10, 2008

CLOSING DATE: January 10, 2008

ISSUE AMOUNT: \$3,500,000

RATE: N/A

1ST DEBT SERVICE DUE: N/A

1ST PRINCIPAL DUE: N/A

1ST DEBT SERVICE AMOUNT: N/A

PAYING AGENT: Issuer

**BOND**

COUNSEL: Steptoe & Johnson PLLC  
 Contact Person: John C. Stump, Esquire  
 Phone: (304) 353-8196

**UNDERWRITERS**

COUNSEL: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Phone: \_\_\_\_\_

CLOSING BANK: N/A  
 Contact Person: \_\_\_\_\_  
 Phone: \_\_\_\_\_

ESCROW TRUSTEE: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Phone: \_\_\_\_\_

**KNOWLEDGEABLE ISSUER CONTACT**

Contact Person: Ann Nelson  
 Position: President  
 Phone: (304) 789-2481

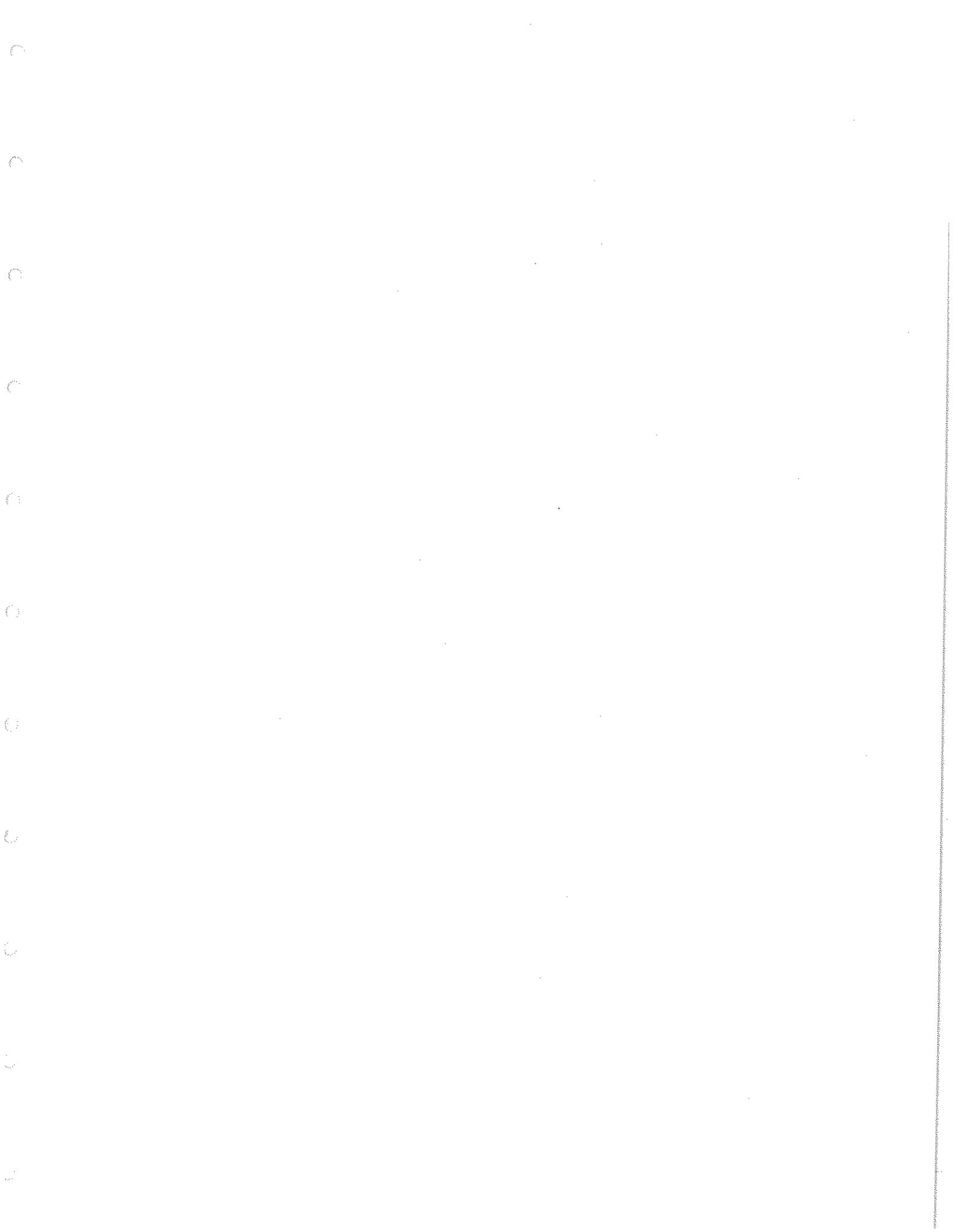
OTHER: United States Department of Agriculture  
 Contact Person: Joe Crickenberger  
 Function: Rural Development Specialist  
 Phone: (304) 636-2158

DEPOSITS TO MBC AT CLOSE:	Accrued Interest:	\$ _____
By: _____ Wire	Capitalized Interest:	\$ _____
_____ Check	Reserve Account:	\$ _____
_____ Other:	Other:	\$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE	To Escrow Trustee:	\$ _____
By: _____ Wire	To Issuer:	\$ _____
_____ Check	To Cons. Invest. Fund:	\$ _____
_____ IGT	To Other:	\$ _____

NOTES: Monthly debt service payments will be made by the District directly to the National Finance Office. The Municipal Bond Commission will only hold the Series 2008 A Notess Reserve Account. Payments to the Series 2008 A Notes Reserve Account will commence upon completion of construction.

**FOR MUNICIPAL BOND COMMISSION USE ONLY:**  
 DOCUMENTS REQUIRED: \_\_\_\_\_  
 TRANSFERS REQUIRED: \_\_\_\_\_





United States Department of Agriculture  
Rural Development  
West Virginia State Office

DATE: December 21, 2007

SUBJECT: Alpine Lake Public Utility Company  
Wastewater Improvements Project  
Construction Contract Concurrence

TO: Craig Burns, Area Director  
Attention: Joe Crickenberger, RDS  
Elkins, West Virginia

We have reviewed the bidding documents for the subject project and hereby concur with Alpine Lake PUC in the award of the following contracts:

Contract 1	Heritage Contracting, LLC	\$ 898,403.10
Contract 2	Michel, Inc.	\$1,561,992.00
Contract 3	Michel, Inc.	\$ 216,915.00

A preconstruction conference has been arranged for 11:00 a.m. on January 8, 2008 at the Alpine Lake Lodge in Terra Alta, WV. By copy of this memorandum to Greenhorne and O'Mara, Inc. we are requesting that they arrange for the contractor, the job superintendent, and themselves to be present at the conference. At that time, the engineer must have available five (5) sets of contract documents for the contract to be distributed as follows: **USDA RD - two (2) small sets**; Borrower - one (1) set; Contractor - one (1) set; and the Project Engineer - one (1) set. Additional copies must be provided as required by other interested parties.

The documents should include the following:

1. A reproduced copy of the contractor's bid.
2. The contract agreement, completely filled in, signed by the contractor and the President for January 6, 2008.
3. Performance and payment bonds in the amount of 100 percent of the contract amount and dated January 6, 2008. The form of performance and payment bonds as provided in the specifications must be used as the bonds for the project. The payment bonds must be notarized so that they may be recorded at the local county courthouse.
4. Certificate of Insurance evidencing that payment into Workers' Compensation Fund is current.

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5. Certificate of Insurance evidencing contractors' general public liability and property damage coverage in the amounts listed in the specifications and containing the provisions preventing the cancellation without 15 days prior written notice to the owner. Coverage must be shown for blasting if it will be done on the project.
6. Certificate of Insurance evidencing contractual liability coverage so that the provisions of Paragraph 24 of the General Conditions will be met. The contractors may provide an owner's protective liability policy if they so choose.
7. Certificate of Insurance evidencing builder's risk insurance coverage on a 100 percent basis of the insurable portion of the project for the benefit of the owner and contractor as their interest may appear.
8. Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions."
9. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."

The engineer should assemble the above information and send one (1) copy to the State Office for review by January 3, 2008.

A representative from the West Virginia Department of Highways District Office, along with the representatives from the utility companies that could be involved with the subject project, should also be invited by the engineer to attend the preconstruction conference.

**The Project Budget is attached as attachment A.**

For the contracts on this project, you should send a signed copy of Form RD 400-3, with applicable attachments, to the engineer so that they may forward them to the contractors.

If you should have any questions, please contact Harry Taylor at 304-284-4887.

*for Susan L Newcomer*  
 RICKIE E. RICE  
 State Director

cc: Randy Plum, Program Director

Alpine Lake PUC, Inc.  
 Attention: Ann Nelson, President  
 700 West Alpine Drive  
 Terra Alta, WV 26764

Greenhorne & O'Mara, Inc.  
 Attention: Steven Cain, PE  
 111 Elkins Road.  
 Fairmont, WV 26554

Sheila Kae Williams, Esquire  
 Garden Towers  
 202 Tunnelton Street  
 Kingwood, WV 26537

Vince Collins, Esquire  
 Steptoe and Johnson, Attorney at Law  
 United Center, Suite 400  
 1085 Van Voorhis Road  
 Morgantown, WV 26507



**United States Department of Agriculture  
Rural Development  
West Virginia State Office**

**Attachment A**

The revised final project budget is as follows:

Project	RUS Loan	RUS Loan (from APLPUC Water Project)	Total
Construction Contract 1	\$ 898,403.10		\$ 898,403.10
Construction Contract 2	\$1,561,992.00		\$1,561,992.10
Construction Contract 3	\$ 216,915.00	\$ 88,900.00	\$ 305,815.00
Construction Contingency	\$ 175,000.00		\$ 175,000.00
Legal Fees (Local Attorney)	\$ 13,300.00		\$ 13,300.00
Legal Fees (PSC Attorney)	\$ 12,500.00		\$ 12,500.00
Bond Counsel	\$ 21,700.00		\$ 21,700.00
Accounting	\$ 5,300.00		\$ 5,300.00
Engineering	\$ 443,000.00		\$ 443,000.00
Basic(\$229,000)			
Insp.(\$196,000)			
Special (18,000)			
Interest	\$ 74,000.00		\$ 74,000.00
Project Contingency	\$ 77,889.90		\$ 77,889.90
<b>Total</b>	<b>\$3,500,000.00</b>	<b>\$ 88,900.00</b>	<b>\$3,588,900.00</b>

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United States Department of Agriculture  
Rural Development  
Elkins Area Office

December 17, 2007

Alpine Lake Public Utilities Company  
Attention: Ann Nelson, President  
700 West Alpine Drive  
Terra Alta, WV 26764

Dear President Nelson:

This letter is to confirm that the pre-closing meeting for the USDA Rural Development, Rural Utilities Service (RUS) loan on the Alpine Lake Public Utilities Company (ALPUC) Sewer System Improvement Project is scheduled for January 8, 2008, at 10:00 a.m. in the Lodge at Alpine Lake Resort. A pre-construction conference will follow at 11:00 a.m. The official loan closing date for ALPUC's RUS loan for this project will be January 10, 2008. The project attorney should attend the pre-closing meeting, and the project accountant should be available for consultation if needed.

Reference is made to the RUS Letter of Conditions dated February 18, 2005, and Amendment No. 1 to the Letter of Conditions dated April 1, 2005. All of the requirements set forth in these letters must be met and the loan must be closed in accordance with RUS Instruction 1780. Many of the aforementioned items from the Letter of Conditions have already been addressed. Those items remaining to be satisfied prior to loan closing include:

1. The certification on the RUS Bulletin 1780-28, "Loan Resolution Security Agreement", for each of the two loans associated with the project must be completed at the pre-closing meeting.
2. ALPUC's bond counsel will assist the Company in approving the necessary resolutions and in executing the appropriate security instruments.
3. ALPUC's attorney will need to provide Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way", showing no exceptions. This form should be dated January 10, 2008. It should include an attached list of all of the rights-of-way needed for the project identifying which ones have been obtained and recorded.
4. ALPUC's attorney must furnish a Form RD 1927-10, "Final Title Opinion", on all land(s) being acquired. In addition, the attorney must provide a separate final title opinion(s) covering all existing property owned by the Company. The opinion(s) should be dated January 10, 2008, and they should include legal descriptions (and plats if they are available).

---

Randolph Center Building • 1200 Harrison Avenue, Suite 150 • Elkins, West Virginia 26241  
Phone: (304) 636-2158 • Fax: (304) 636-5902 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

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Washington, DC 20250-9410 or call (800)795-3272(voice) or (202) 720-6382 (TDD).

5. In accordance with Item 8(c) of the Letter of Conditions, the Company's attorney must furnish a narrative opinion addressing all permits, certifications, and other items necessary to show that all legal requirements can be met and stating how they will be met. The narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled. If the Company was unable to obtain the necessary property rights for any tract or right-of-way, a "right of entry" must be obtained for all properties before the pre-closing.
6. In accordance with the Legal Services Agreement, the project attorney should be on hand during the pre-construction conference to review construction contracts, and contracting procedure, as well as surety and contractual bonds in connection with the project.
7. No later than the date of the pre-closing meeting, the Company must provide written evidence that all required insurance coverage and fidelity bond coverage has been obtained in accordance with Item 11 of the original Letter of Conditions.
8. Any required permits from the West Virginia Department of Highways must be on hand at the closing. The Company should proceed to obtain the necessary bond and forward it to the WVDOH with a request that the permit be issued if this has not already been done.
9. The Company must provide RUS with a current copy of their Workers' Compensation Certificate or other proof of good standing in regards to Workers' Compensation. (if applicable).
10. The Contractors involved in the construction of the project will need to complete Form AD 1048, "Certification Regarding Debarment - Lower Tier Covered Transactions".
11. The first requisition for Rural Development funds should be created and submitted for Rural Development review as soon as possible. Once it is approved, the bond counsel will need to know the amount so that the note can be completed.
12. Please be prepared to have a properly called meeting of the Company's Board of Directors during the pre-closing process. Also please bring any official seal that the Company uses for authenticating documents.
13. All applicable Public Service Commission certificates and/or approvals must be obtained prior to closing, and a copy provided to RUS.

Alpine Lake Public Utilities Company

December 17, 2007

Page 3

14. Nancy Taylor, our Rural Development Technician, is planning to complete a Civil Rights Compliance Review with the Company at the pre-closing. This is normally in the format of an informal interview to help her gather the information for the review.

Thank you for doing business with USDA Rural Development. If you have any questions regarding these or any other matters pertaining to your loan and grant, please contact our office at your earliest convenience.

Sincerely,

Joseph D. Crickenberger  
Rural Development Specialist

cc: State Director  
USDA- Rural Development

Thomas Aman, Jr., Esquire ✓  
Stephoe & Johnson  
P.O. Box 2190  
Clarksburg, WV 26302-2190

Angie Vealey, C.P.A.  
Smith, Cochran, & Hicks  
405 Capitol Street, Suite 908  
Charleston, WV 25301

Steven Cain, P.E.  
Greenhome & O'Mara, Inc  
111 Elkins Street  
Fairmont, WV 26554

Jeff Dunham, Esquire  
Reeder & Dunham  
PO Box 1027  
Hurricane, WV 25526

**USDA** UNITED STATES DEPARTMENT OF AGRICULTURE  
**RURAL DEVELOPMENT**

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April 1, 2005

Ann Nelson, President  
Alpine Lake Public Utilities Company  
700 West Alpine Drive  
Terra Alta, WV 26764

RE: Amendment No. 1  
Letter of Conditions

Dear Mrs. Nelson:

This letter, with Attachment Number 1 amends the Letter of Conditions dated February 18, 2005, and further establishes the conditions which must be understood and agreed to by the Corporation before further consideration may be given to the Corporation's application. The loan will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of \$3,500,000, for a total project cost of \$3,500,000.

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

Subject to the requirements noted herein, all of the conditions of the February 18, 2005 Letter of Conditions remain in effect and must be satisfied prior to loan closing.

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

Attachment No. 1 -- Project Construction Budget, Operating Budget, Use and Income Analysis. (All Copies)

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**COMMITTED TO THE FUTURE OF RURAL COMMUNITIES**

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.25% interest rate and a monthly amortization factor of .00443, which provides for a monthly payment of \$15,505.00. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.
2. At a properly called meeting, the Alpine Lake Public Utilities Company must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

Form RD 1942-46, "Letter of Intent to Meet Conditions"  
Form 1940-1, "Request for Obligation of Funds"

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

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

Sincerely yours,

  
JENNY N. PHILLIPS  
State Director

Attachment

cc: Rural Development Specialist  
Elkins, WV

Greenhome & O'Mara, Inc.  
12 Moran Circle  
Fairmont, WV 26554

Smith, Cochran & Hicks  
405 Capitol Street, Suite 908  
Charleston, WV 25301

Stephoe & Johnson  
United Center, Suite 400  
1085 Van Voorhis Road  
Morgantown, WV 26507-1616

Reeder & Dunham  
P.O. Box 1027  
Hurricane, WV 25526

Guide - Revised 1/04  
Attachment No. 1 to Letter of Conditions  
For: Alpine Lake Public Utility Company (Sewer)  
Date:

Project Construction Budget

PROJECT COST

	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION		
CONST. CONTINGENCY	\$ 2,664,400	\$ 2,664,400
LEGAL FEES	\$ 186,500	\$ 186,500
BOND COUNSEL	\$ 20,000	\$ 20,000
ACCOUNTING	\$ 21,700	\$ 21,700
ENGINEERING FEES	\$ 5,300	\$ 5,300
Basic - \$229,000	\$ 443,000	\$ 443,000
Insp. - \$		
Special - \$		
INTEREST		
PROJECT CONTG.	\$ 79,000	\$ 79,000
	<u>\$ 80,100</u>	<u>\$ 80,100</u>
TOTAL	\$ 3,500,000	\$ 3,500,000

Rates

Available for general domestic, commercial, and industrial service.

Residential, including chalets	\$78.98
Commercial - Herron Apartments	\$315.92
Commercial - Lodge and Motel	\$3,384.59

Billing

The above rates and tariffs may be billed either on a monthly or quarterly basis.

Delayed Payment Penalty

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

Reconnection Charge

\$15.00

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

Attachment No. 1 to Letter of Conditions  
 For: Alpine Lake Public Utilities Company - Sewer  
 Date:

*Alpine Lake Public Utility Company Sewer Project*  
**USE AND INCOME ANALYSIS**  
**EXISTING SYSTEM--PROPOSED RATES**

Types of Customers	Numbers of Customers	Monthly Rates	Monthly Revenue	Annual Revenue	Adjustment Factor	Adjusted Annual Revenue
Residential	374	78.98	29,538.52	354,462.24		
Commercial - Herron Apts.	1	315.92	315.92	3,791.04		
Commercial - Lodge & Motel	1	3,384.59	3,384.59	40,615.08		
<b>Totals</b>	<b>376</b>		<b>33,239.03</b>	<b>398,868.36</b>	<b>0.999873</b>	<b>\$ 398,818.00</b>

Attachment No.1 to Letter of Conditions  
 For: Alpine Lake Public Utilities Company - Sewer  
 Date:

**ALPINE LAKE PUBLIC UTILITIES COMPANY SEWER PROJECT  
 OPERATING BUDGET - PROPOSED RATES**

<b>OPERATING INCOME</b>		
Metered Sales	\$	398,818
Penalties	\$	2,008
Other Income	\$	3,621
Reconnect Fees		
<b>TOTAL OPERATING INCOME</b>		<u>\$ 404,447</u>
<b>NON OPERATING INCOME</b>		
Interest income	\$	1,603
ALPOA Contribution	\$	33,500
<b>TOTAL NON OPERATING INCOME</b>		<u>\$ 35,103</u>
<b>TOTAL INCOME</b>		<u>\$ 439,550</u>
<b>EXPENSES</b>		
O & M	\$	168,146
Taxes	\$	10,675
<b>TOTAL EXPENSES</b>		<u>\$ 178,821</u>
<b>INCOME AVAILABLE FOR D/S (A)</b>		<u>\$ 260,729</u>
<b>DEBT SERVICE</b>		
Existing Debt P & I (B)	\$	19,854
Proposed Debt P & I (B) (1)	\$	186,060
<b>TOTAL DEBT SERVICE</b>		<u>\$ 205,914</u>
<b>DEBT SERVICE RESERVE</b>		
Debt Service Reserve Existing	\$	-
Debt Service Reserve Proposed	\$	18,606
<b>RENEWAL &amp; REPLACEMENT RESERVE</b>	\$	10,111
<b>TOTAL ANNUAL RESERVE PAYMENTS</b>		<u>\$ 28,717</u>
<b>SURPLUS (DEFICIT)</b>		<u>\$ 26,098</u>
<b>DEBT COVERAGE (A/B)</b>		\$ 1.27

(1) Based on RUS loan of \$3,500,000 @ 4.25% for 38 years.

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Engineers  
Copy

February 18, 2005

Ann Nelson, President  
Alpine Lake Public Utilities Company  
700 West Alpine Drive  
Terra Alta, WV 26764

COPY

WV VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

2005 MAY 17 AM 8:41

RECEIVED

Dear Mrs. Nelson:

This letter, with Attachments 1 through 13 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of \$3,500,000, for a total project cost of \$3,500,000.

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

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

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

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- Attachment No. 8 - Government Auditing Standards (Revision 2003) (Accountant Copy)
- Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
- Attachment No. 10 - RUS Bulletin 1780-31, "Water Programs Compliance Supplement for OMB Circular A-133 Audits"
- Attachment No. 11 - Sample Credit Agreement (Applicant Copy)
- Attachment No. 12 - RUS Policy regarding Use of Remaining Funds
- Attachment No. 13 - Various other RD Forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.5% interest rate and a monthly amortization factor of 0.00459, which provides for a monthly payment of \$16,065. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

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

2. Security - The loan must be secured by a Deed of Trust having first lien priority, a financing statement on all personal property now owned or hereafter acquired, a pledge of all gross revenues of the system, and other agreements between you and RUS as forth in the "Loan Resolution Security Agreement" (RUS Bulletin 1780-28) which must be adopted and executed by the appropriate Applicant officials. Your attorney must provide us with a description of the facility which should be included in the Deed of Trust.
3. Users - This conditional commitment is based upon you providing evidence that there will be at least 376 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a certification from you that identifies and attests to the number of users that are actually connected to the Company's existing sewer system which is to be partially replaced by the new system, at the time you request authorization to advertise the project for construction bids.

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

The RUS loan commitment is based on the Company providing service to two large volume users (Herron Apartments and the motel/lodge). Evidence must be provided to show those users will actually be connected to the system when it is completed and that the monthly water usage projected by the engineer for those users is reasonable. In the event any of those users refuse the offered

service, the Company must obtain enough additional revenue (i.e., increase in user rates, sign up of an adequate number of other users, reduction in project scope to reduce debt service and O&M, etc.) to make up the projected income that would be lost by not having those users on the system.

4. Bond Counsel Services - The services of a recognized bond counsel are required. The bond counsel will prepare the form of resolution to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.
5. Engineering Services - It will be necessary for you to obtain the services of an engineer. EJCDC No. 1910-1-FA, "Standard Form of Agreement between Owner and Engineer for Professional Services" (Funding Agency Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RUS.
6. Legal Services - It will be necessary for you to obtain the services of a local attorney. For your convenience RUS Bulletin 1780-7, "Legal Services Agreement" is enclosed for your use.
7. Accounting Services - It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:
  - a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).
  - b. Prior to loan/grant closing, your accountant must certify that the accounts and records as required by your bond [resolution] [ordinance] have been established and are operational.

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

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

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

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:
  - a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.

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

- a. A Certificate of Convenience and Necessity.
- b. Approval of user charges that are acceptable to you and the Rural Utilities Service.
- c. Approval of financing for the project's proposed financing arrangements.

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

11. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:

- a. Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.
- b. Workers' Compensation - In accordance with appropriate State laws.
- c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. During the construction phase of your project, this maximum amount will be much greater than normal; therefore, it is our recommendation that you temporarily increase your coverage to \$300,000. Once construction is complete, you may decrease the amount of your coverage. Please note that the cost of the temporary increase in coverage is an eligible project cost.

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

- d. National Flood Insurance - In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:
  - (1) If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.
  - (2) Applicants whose buildings, machinery or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.
- e. Real Property Insurance - Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.

12. Contract Documents, Final Plans and Specifications -

- a. The contract documents should consist of the following:
  - (1) EJCDC Document No. 1910-8-A-1-FA, 1997 Edition, "Standard Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. 1910-8-FA, "Standard General Conditions of the Construction Contract - Funding Agency Edition" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.
  - (2) "RUS Supplemental General Conditions."

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance," is enclosed for use by your engineer in the preparation of the contract documents (Attachment No. 7).

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

- (1) Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. This coverage must include indemnification of the Company and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.
- (2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.
- (3) Workers' Compensation - In accordance with applicable State laws.

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

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

13. State Prevailing Wage Law - You should ensure that all requirements of Article 5A of the West Virginia State Prevailing Wage Law, "Wages for Construction of Public Improvements" are met during construction of the project.
14. Interim Financing - Interim financing will be used for the RUS loan if it is available at reasonable rates and terms. You must provide RUS with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RUS review. A Sample Credit Agreement is attached for your use in meeting this requirement (Attachment No. 12).
15. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of your Company, over 30 day periods. Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account.

Non-Profits - Interest earned on grant funds in excess of \$250 per year will be remitted to RUS annually as required in 7 CFR 3019.

The Company will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess of \$100,000 will be secured by a collateral pledge in accordance with 31 CFR 202.

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

16. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

Form RD 442-7 - "Operating Budget"  
Form RD 1940-1 - "Request for Obligation of Funds"  
RUS Bulletin 1780-28 - "Loan Resolution Security Agreement"  
Form RD 400-1 - "Equal Opportunity Agreement"  
Form RD 400-4 - "Assurance Agreement"  
Form AD 1047 - "Certification Regarding Debarment - Primary"  
Form AD 1049 - "Certification Regarding Drug-Free Workplace"  
Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"  
FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"  
Standard Form LLL - "Disclosure of Lobbying Activities" (If Applicable)  
Certification of Compliance  
Form RD 1942-46, "Letter of Intent to Meet Conditions"

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

The "RUS Policy Regarding Use of Remaining Funds" is attached for your information and use (Attachment No. 13). This policy should be adhered to when addressing the use of bid underrun funds, as well as any funds remaining after project construction is complete.

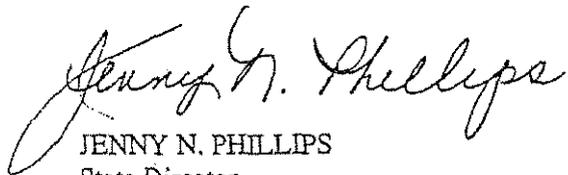
Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RUS project funds will be considered to be RUS loan funds and would be applied as an extra payment toward the loan balance.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the twelve-month period and it is determined the authority still wishes

to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

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

Sincerely yours,



JENNY N. PHILLIPS  
State Director

Enclosures

cc: Rural Development Specialist  
Elkins, WV

Smith, Cochran and Hicks  
Certified Public Accountants  
405 Capitol Street, Suite 908  
Charleston, WV

Reeder and Dunham  
Attorneys at Law  
P.O. Box 1027  
Hurricane, WV 25526

Greenhorn and O'Mara, Inc.  
12 Moran Circle  
Fairmont, WV 26554

Steptoe and Johnson  
Attorneys at Law  
P.O. Box 2190  
Clarksburg, WV 26302-2190

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SECRETARY'S OFFICE

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Attachment No.1 to Letter of Conditions  
For: Alpine Lake Public Utilities Company - Sewer  
Date: 2/18/05

<u>PROJECT COST</u>	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 2,664,400	\$ 2,664,400.00
CONST. CONTINGENCY	\$ 186,500	\$ 186,500
LAND & RIGHTS	\$ -	\$ -
LEGAL FEES	\$ 20,000	\$ 20,000
BOND COUNSEL	\$ 21,700	\$ 21,700
ACCOUNTING	\$ 5,300	\$ 5,300
ENGINEERING FEES	\$ 443,000	\$ 443,000
Basic - \$229,000	\$ -	\$ -
Insp. - \$196,000	\$ -	\$ -
Special - \$18,000	\$ -	\$ -
INTEREST -	\$ 79,000	\$ 79,000
EQUIPMENT	\$ -	\$ -
PROJECT CONTG.	\$ 80,100	\$ 80,100
<b>TOTAL</b>	<b>\$ 3,500,000</b>	<b>\$ 3,500,000</b>

Attachment No. 1 to Letter of Conditions  
 For: Alpine Lake Public Utilities Company - Sewer  
 Date: 2/18/05

*Alpine Lake Public Utility Company Sewer Project*  
**USE AND INCOME ANALYSIS**  
**EXISTING SYSTEM--PROPOSED RATES**

Types of Customers	Numbers of Customers	Monthly Rates	Monthly Revenue	Annual Revenue	Adjustment Factor	Adjusted Annual Revenue
Residential	374	78.98	29,538.52	354,462.24		
Commercial - Herron Apts.	1	315.92	315.92	3,791.04		
Commercial - Lodge & Motel	1	3,384.59	3,384.59	40,615.08		
<b>Totals</b>	<b>376</b>		<b>33,239.03</b>	<b>398,868.36</b>	<b>0.999873 \$</b>	<b>398,818.00</b>

W VA PUBLIC SERVICE  
 COMMISSION  
 SECRETARY'S OFFICE

Attachment No.1 to Letter of Conditions  
 For: Alpine Lake Public Utilities Company - Sewer  
 Date: 2/18/05

ALPINE LAKE PUBLIC UTILITIES COMPANY SEWER PROJECT  
 OPERATING BUDGET - PROPOSED RATES

OPERATING INCOME		
Metered Sales	\$	398,818
Penalties	\$	2,008
Other Income	\$	3,621
Reconnect Fees		
TOTAL OPERATING INCOME		<u>\$ 404,447</u>
NON OPERATING INCOME		
Interest income	\$	1,603
ALPOA Contribution	\$	33,500
TOTAL NON OPERATING INCOME		<u>\$ 35,103</u>
TOTAL INCOME		<u>\$ 439,550</u>
EXPENSES		
O & M	\$	168,146
Taxes	\$	10,675
TOTAL EXPENSES		<u>\$ 178,821</u>
INCOME AVAILABLE FOR D/S (A)		<u>\$ 260,729</u>
DEBT SERVICE		
Existing Debt P & I (B)	\$	19,854
Proposed Debt P & I (B) (1)	\$	192,780
TOTAL DEBT SERVICE		<u>\$ 212,634</u>
DEBT SERVICE RESERVE		
Debt Service Reserve Existing	\$	-
Debt Service Reserve Proposed	\$	19,278
RENEWAL & REPLACEMENT RESERVE		
	\$	10,111
TOTAL ANNUAL RESERVE PAYMENTS		<u>\$ 29,389</u>
SURPLUS (DEFICIT)		<u>\$ 18,706</u>
DEBT COVERAGE (A/B)		\$ 1.23

(1) Based on RUS loan of \$3,500,000 @ 4.5% for 38 years.

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Attachment No. 2 to Letter of Conditions - Guide - Revised 1/04  
 For: Alpine Lake Public Utilities Company (Sewer)  
 Date: February 18, 2005

2007 MAY 17 AM 8:41

W VA PUBLIC SERVICE  
 COMMISSION  
 SECRETARY'S OFFICE

UNITED STATES DEPARTMENT OF AGRICULTURE  
 RURAL UTILITIES SERVICE  
 Water and Waste Processing Checklist

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position	
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		Have	3	
	DUNS Number	1		Applicant		Have	3	
	CAIVRS Number	1		RUS		Have	CPAP Form	
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		Have	3	
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		Have	3	
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney		Have	5	
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney		Have	2	
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant			1	
	Staff Review Financial Statements	1	S.I. 1780.2	RUS		Have	1	
	EJCDC No. 1910-1-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer			6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney			5
(NPA's Only)	Organizational Documents	1	1780.33(e)	Applicant/ Attorney		Have	5
	Site Visit		S.I. 1780-2	RUS		Have	3
	Processing Conference	1	1780.39(a)	RUS		Have	3
	Environmental Report	2	1794	Applicant		Have	3
	Environmental Assessment	2	1794	RUS/ Engineer		Have	3
	FONSI/ Evidence of Publication	1	Exhibit 1 RUS 1794 News Ad	RUS/ Applicant		Have	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		Have	6
	Staff Engineer PER Review	1	1780.33(c)	RUS			3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer		Have	8
	Projected Bill Analysis	2	1780.33(c)	Applicant/ Engineer		Have	8
	Statement reporting the total number of potential users		1780.33(c)	Applicant/ Engineer		Have	8
	Rate Tariff	2	1780.33	Applicant		Have	8
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		Have	3

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		Have	3
	Documentation on Service Area	1	1780.11	RUS		Have	3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		Have	1
	Letter of Conditions	7	1780.41 (a)(5)	RUS		Have	3
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant			2
CPAP Form	Project Information	3	1780.41(a)	RUS		Have	1
RD 442-7	Operating Budget	3	1780.33(h)	Applicant		Have	3
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/ Applicant			2
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant			3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant			5
	Relationships/ Associations with Agency Employees	1	1780.1(f)	RUS			3
RD 1910-11	Applicant Certification, Federal Collection Policies	1	1780.33(h)	Applicant			3

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
Bulletin 1780-28	Loan Resolution (Security Agreement)	1	1780.39(f)	Applicant			5
RD 440-22	Promissory Note	3	1780.45 (a)(1)	RUS			2
	Deed of Trust	2	1780.14	RUS			5
	UCC Financing Statements	2	1780.14	RUS			5
	Loan Agreement	2	1780.14	RUS			5
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant			6
RD 400-4	Assurance Agreement	1	1901-E	Applicant			3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel		Have	5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant		Have	5
	Sewer Users Agreement or State Health Dept. Mandatory Hook-Up Commitment Ltr.	1	1780.39 (c)(3)	Applicant			5
	Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3
	Accountant's Certification	1	LOC	Applicant/ Accountant			3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant			3
Lender Agreement/ Bulletin 1780-10/ 1780-10a	Interim Financing Documentation	1	1780.39(d)	Applicant/ RUS			1
	DOH Permit	1	1780.15(d)	Applicant			6
	Railroad Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6
	Corps of Engineers Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RUS			6
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
	Waiver of Title Defects Letter	1	1780.44(g)	RUS			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
	Evidence of ALPOA's Contribution	1	1780.44(f)	Applicant			2
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
	Positive Program to Encourage Connections when Completed	1	1780.39 (c)(5)	Applicant			5
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5

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



01-0058-5-CN  
4

# State of West Virginia

## OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL and WASHINGTON STREETS

1 DAVIS SQUARE, SUITE 200  
TELEPHONE 304-558-2981

CHARLESTON, WEST VIRGINIA 25301

### PERMIT

PROJECT: (Sewage)  
Alpine Lake Resort

PERMIT NO.: 17,530

LOCATION: Terra Alta

COUNTY: Preston

DATE: 6-11-2007

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

**Alpine Lake Public Utility Company**  
700 West Alpine Drive  
Terra Alta, West Virginia 26764

is hereby granted approval to: install approximately 1,005 LF of 18", 842 LF of 14", 15 LF of 12" and 220 LF of 8" sewer line; necessary cleanouts and manholes; rehabilitate existing sewage pump stations A, B, C and D; add one (1) 200 G.P.M. duplex submersible sewage pump station; add one (1) 340 G.P.M. duplex submersible sewage pump station; and install approximately 1,310 LF of 4" force main. The existing sewage treatment facilities will be replaced with a 150,000 G.P.D. extended aeration sewage treatment plant with a 151,891 gallon (effective volume) flow equalization basin (primary and back-up chambers) with a fine screen, aeration and two (2) 322 G.P.M. pumps; two (2) aeration basins (total effective volume 153,490 gallons); two (2) clarifiers (total effective volume 40,931 gallons); a tertiary mixed media filter with two (2)-24 SF cells with two (2) 157 G.P.M. filter backwash pumps; two (2) 175 G.P.M. mudwell pumps; one (1) filter backwash clearwell/chlorine contact basin (effective volume 19,792 gallons); one (1) aerated sludge holding tank (effective volume 56,616 gallons); chlorination/de-chlorination; post aeration; with effluent discharge to Wardwell Run. A new billing office/administration building will be constructed. The sewage treatment facilities shall be enclosed by a minimum six (6) feet high fence with a locking gate.

Facilities are to serve the Alpine Lake Resort which consists of 365 residential customers and one (1) commercial customer (Alpine Lake Resort Lodge-35 room motel, bar & restaurant, pro-shop, pool, and conference center).

**Note: This permit is contingent upon maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum 18" vertical separation between crossing sewer and water lines, with the water line to be over the sewer line.**

The Office of Environmental Health Services **OEHS-Philippi District Office**, telephone (304) 457-2296, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

RECEIVED  
JUN 27 AM 11  
WV PUBLIC SERVICE COMMISSION  
SECRETARY'S OFFICE

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager  
Infrastructure and Capacity Development  
Environmental Engineering Division

PUBLIC SERVICE COMMISSION  
WATER & WASTEWATER DIVISION

WSH:emt

Greenhorne & O'Mara  
Katheryn Emery, P.E., DEP  
James W. Ellars, P.E., PSC  
Amy Swann, PSC  
Preston County Health Department  
OEHS-EED Philippi District Office

JUN 26 2007

RECEIVED



STATE OF WEST VIRGINIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
DIVISION OF WATER AND WASTE MANAGEMENT  
601 57TH STREET SE  
CHARLESTON, WV 25304-2345

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM  
WATER POLLUTION CONTROL PERMIT

NPDES PERMIT NO.: WV0086665

SUBJECT: Sewage

ISSUE DATE: August 24, 2007

EFFECTIVE DATE : September 23, 2007

EXPIRATION DATE: June 30, 2011

SUPERSEDES: Permit No. WV0086665  
dated April 02, 1993

LOCATION: TERRA ALTA  
(City)

Preston  
(County)

Youghiogheny River  
(Drainage Basin)

See the next page for a list of Outlets.

**TO WHOM IT MAY CONCERN:**

This is to certify that: ALPINE LAKE PUBLIC UTILITIES CO., INC.  
700 W ALPINE DR  
TERRA ALTA, WV 26764

**is hereby granted a West Virginia NPDES Water Pollution Control Permit to:**

To operate and maintain an existing 60,000 gallon per day (gpd) wastewater collection and treatment system consisting of various lengths and diameters of gravity sewer line, approximately 800 manholes and 50 cleanouts, 6 lift stations, various lengths and diameter force main and a 60,000 gallon per day contact stabilization wastewater treatment facility consisting of a manual barscreen, a 7,500 gallon contact chamber, a 15,000 gallon re-aeration chamber, a 6,990 gallon clarifier, a 1,800 cubic foot aerobic sludge digester, chlorine-type disinfection, a 1,524 gallon chlorine contact tank, a dechlorination unit and all other necessary appurtenances. The system was designed to serve 600 persons or equivalents at the Alpine Lake Resort and Conference Center near Hopemont and to discharge treated and disinfected wastewater via Outlet No. 001 to Wardwell Run (0.7 miles from its mouth) of the North Branch of Snowy Creek of the Youghiogheny River.

Also, to acquire, construct, install, operate, and maintain a new 150,000 gpd sewage treatment facility that will replace the existing 60,000 gpd facility upon its completion. This new project will consist of the installation of approximately 1,005 linear feet (LF) of 18 inch diameter gravity sewer line, 842 LF of 14 inch diameter gravity sewer line, 15 LF of 12 inch diameter gravity sewer line, 220 LF of eight (8) inch diameter gravity sewer line, necessary manholes and cleanouts, the rehabilitation of four (4) existing lift stations (A,B,C,D), the installation of a new 200 GPM duplex submersible lift station, the installation of a new 340 GPM duplex submersible lift station, and the installation of approximately 1,310 LF of four (4) inch diameter force main. The new treatment facility will consist of a 151,891 gallon flow equalization basin containing a fine screen, aeration and two 322 GPM pumps; two (2) aeration basins with a total volume of 153,490 gallons; two (2) secondary clarifiers with a total volume of 40,931 gallons; a two (2)- cell (24 sq ft per cell) tertiary mixed media filter with two 157 GPM filter backwash pumps; a chlorine disinfection unit; a 19,792 gallon chlorine contact tank; a dechlorination unit; a post aeration unit; an effluent flowmeter; a 56,616 gallon aerated sludge holding tank; and all other necessary appurtenances. The new system is designed to serve the Alpine Lake Resort Lodge, pro shop, pool, conference center and the residential customers at the Alpine Lakes Resort and to discharge treated and disinfected wastewater via Outlet No. 002 to Wardwell Run (0.7 miles from its mouth) of the North Branch of Snowy Creek of the Youghiogheny River.

**This permit is subject to the following terms and conditions :**

The information submitted on and with Permit Application No. WV0086665 dated August 29, 2006 and the plans and specifications as approved by the Bureau of Public Health on June 11, 2007 is all hereby made terms and conditions of this Permit with like effect as if all such Permit application information was set forth herein, and with other terms and conditions set forth in Sections A, B, C, D and Appendix A.

Bureau of Public Health Permit No. 17,530 dated June 11, 2007 for the new plant.

Plans, Specifications, and Reports:

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Date Approved: June 11, 2007  
Prepared by: Greenhorne & O'Mara, Inc.  
12 Moran Circle  
Fairmont, WV 26554

Title: Alpine Lakes Public Utilities Company  
Preston County, West Virginia  
Sanitary System Improvements Construction Plans  
Contract #1 - Lift Station Upgrades  
Contract #2 - Wastewater Treatment Plant

**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.**



**Westfield Companies**One Park Circle PO Box 5001  
Westfield Center OH 44251-5001COMMERCIAL PACKAGE POLICY  
RENEWAL  
COMMON POLICY DECLARATIONS

SR

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

NAMED INSURED AND MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537-0459  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

| 40 |

WIC Account Number: 4701425495

| A

Policy  
PeriodFrom 07/01/07  
To 07/01/08at 12:01 A.M. Standard Time at your  
mailing address shown above.

Business: WATER/SEWAGE TREATMENT PLANTS

Named Insured is: Municipality

In return for the payment of the premium, and subject to all terms of this  
policy, we agree with you to provide the insurance as stated in this policy.

## THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS

COMMERCIAL PROPERTY COVERAGE PART	\$	964.00
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$	5,617.00
COMMERCIAL AUTO COVERAGE PART	\$	3,611.00
COMMERCIAL INLAND MARINE COVERAGE PART	\$	755.00
TERRORISM INSURANCE COVERAGE	\$	103.00

Policy Annual Premium \$ 11,050.00

West Virginia Surcharge \$ 56.65

Total Advance Annual Policy Premium \$ 11,106.65

The above is a summary of your coverages. For more detail,  
please refer to the individual coverage parts inside your policy.

Forms and Endorsements applicable to all coverage parts:

IL0019 0488 , IL0017 1198 , ID7004 0893 , IL0003 0702 .

COUNTERSIGNED:

July 16, 2007  
Date

BY

Camela N. O. Bryant  
Authorized Representative



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

## RENEWAL COMMERCIAL PROPERTY DECLARATIONS

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

NAMED INSURED AND MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
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TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

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WIC Account Number: 4701425495

| A

Policy  
Period

From 07/01/07  
To 07/01/08

at 12:01 A.M. Standard Time at your  
mailing address shown above.

### DESCRIPTION OF PREMISES

Loc Bldg Address, City & State

Construction

Occupancy

Loc	Bldg	Address, City & State	Construction	Occupancy
001	001	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764	Non- Combustible	SEWAGE TREATMENT PLANT 1
001	002	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764	Non- Combustible	WATER PLANT BLDG
001	003	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764	Frame	WELL HOUSE
001	004	700 W ALPINE DR GENTIAN SEC TERRA ALTA, WV 26764	N/A	WATER STORAGE TANK
001	005	700 W ALPINE DR TEABERRY SEC TERRA ALTA, WV 26764	N/A	WATER STORAGE TANK
001	006	700 W ALPINE DR SNAGGY SEC TERRA ALTA, WV 26764	N/A	WATER STORAGE TANK
001	007	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764	Frame	WATER PUMP STATION
001	008	700 W ALPINE DR TEABERRY SEC TERRA ALTA, WV 26764	N/A	WATER PUMP STATION
001	009	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764	N/A	SEWAGE LIFT STATION
001	010	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764	N/A	SEWAGE LIFT STATION
001	011	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764	N/A	SEWAGE LIFT STATION
001	012	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764	N/A	SEWAGE LIFT STATION
001	013	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764	N/A	SEWAGE LIFT STATION
001	014	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764	N/A	SEWAGE LIFT STATION
001	015	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764	Frame	OFFICE EQUIPMENT
001	016	700 W ALPINE LAKE DR TERRA ALTA, WV 26764	N/A	WATER PUMP
001	017	700 W ALPINE LAKE DR TERRA ALTA, WV 26764	N/A	WATER PUMP



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

## RENEWAL COMMERCIAL PROPERTY DECLARATIONS (Continued)

### COMPANY PROVIDING COVERAGE

### WESTFIELD INSURANCE COMPANY

#### NAMED INSURED AND MAILING ADDRESS

#### AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537-0459  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

|40|

WIC Account Number: 4701425495

| A

Policy From 07/01/07  
Period To 07/01/08

at 12:01 A.M. Standard Time at your  
mailing address shown above.

COVERAGES PROVIDED - Insurance at the described premises applies only for coverages for which a limit of insurance is shown. OPTIONAL COVERAGES applicable only when entries are made in the schedules below:

Loc	Bldg	Coverage	Coins	Infl. Guard	Repl. Cost	Cause of Loss Form	Limit of Insurance
001	001	Building	90%	N/A	Yes	Special	\$ 228,145
001	001	Business Personal Property	90%	N/A	Yes	Special	\$ 35,000
001	002	Building	90%	N/A	Yes	Special	\$ 13,905
001	002	Business Personal Property	90%	N/A	Yes	Special	\$ 10,000
001	003	Building	90%	N/A	Yes	Special	\$ 13,390
001	003	Business Personal Property	90%	N/A	Yes	Special	\$ 10,000
001	004	Steel Tanks Above Ground	90%	N/A	Yes	Special	\$ 46,350
001	005	Steel Tanks Above Ground	90%	N/A	Yes	Special	\$ 46,350
001	006	Steel Tanks Above Ground	90%	N/A	Yes	Special	\$ 30,900
001	007	Building	90%	N/A	Yes	Special	\$ 27,180
001	007	Business Personal Property	90%	N/A	Yes	Special	\$ 20,000
001	008	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 9,270
001	009	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 5,150
001	010	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 5,150
001	011	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 5,150
001	012	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 5,150
001	013	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 5,150
001	014	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 5,150
001	015	Business Personal Property	90%	N/A	Yes	Special	\$ 46,350
001	016	Steel Tanks Above Ground	90%	N/A	Yes	Special	\$ 9,270
001	017	Steel Tanks Above Ground	90%	N/A	Yes	Special	\$ 9,270

Total Advance Annual Property Premium \$ 964.00

Deductible is \$500

#### Forms and Endorsements applicable to this coverage part:

CP0090 0788 , CP0299 1185 , CP7017 0402 , IL0952 1102 , CP0112 0902 ,  
CP7000 0987 , CP0140 0706\* , CP1030 0402 , CP0010 0402 , CP7023 1094 ,  
CP1218 0695\*.

**Westfield Companies**One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

**RENEWAL  
GENERAL LIABILITY DECLARATIONS**

<b>COMPANY PROVIDING COVERAGE</b>		<b>WESTFIELD INSURANCE COMPANY</b>		
<b>NAMED INSURED AND MAILING ADDRESS</b>	<b>AGENCY</b>	47-05072	<b>PROD.</b>	000
ALPINE LAKE PUBLIC UTILITIES 700 WEST ALPINE DRIVE TERRA ALTA WV 26764	HARTLEY INSURANCE AGENCY INC PO BOX 459 KINGWOOD WV 26537-0459 TELEPHONE 304-329-2161			
<b>Policy Number: CSP 3 694 287</b>	40	<b>NIC Account Number: 4701425495</b>		A
<b>Policy Period</b>	<b>From To</b>	07/01/07 07/01/08	<b>at 12:01 A.M. Standard Time at your mailing address shown above.</b>	

**LIMITS OF INSURANCE -**

General Aggregate Limit (Other Than Products/Completed Operations)	\$2,000,000
Products/Completed Operations Aggregate Limit	\$1,000,000
Personal & Advertising Injury Limit (Per Person Or Organization)	\$1,000,000
Each Occurrence Limit	\$1,000,000
Damage to Premises Rented to You Limit (Any One Premises)	\$100,000
Medical Expense Limit (Any One Person)	\$5,000

<b>TOTAL ADVANCE ANNUAL GENERAL LIABILITY PREMIUM</b>	<b>\$5,617.00</b>
---	-------------------

**Deductible Liability Insurance Applies****Forms And Endorsements Applicable To This Coverage Part:**

CG2250 1188 , CG2162 0998 , CG2149 0999 , CG0300A 0196\* , CG2409 0798\* ,  
 CG2167 1204\* , CG0001 1204 , IL0021 0702 , CG7003 1204 , CG7000 1298 ,  
 CG2503 0397 , CG2504A 0397 , CG2147 0798 , CG2662 1204 , CG0067 0305 ,  
 CG2426 0704 , CG2170 1102 , CG7017 1298 .



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

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## RENEWAL GENERAL LIABILITY DECLARATIONS (Continued)

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

NAMED INSURED AND MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537-0459  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

|40|

WIC Account Number: 4701425495

| A

Policy  
Period

From  
To

07/01/07  
07/01/08

at 12:01 A.M. Standard Time at your  
mailing address shown above.

Location Of All Premises Owned By, Rented To Or Controlled By The Named Insured  
Are The Same As The Mailing Address Of The Policy Declarations Unless Otherwise  
Indicated.

### GENERAL LIABILITY SCHEDULE

#### PREMIUM BASIS LEGEND -

S = GROSS SALES PER \$1,000  
P = PAYROLL PER \$1,000  
O = OTHERS PER \$1,000

A = AREA PER 1,000 SQ. FT.  
C = TOTAL COST PER \$1,000  
M = ADMISSIONS PER 1,000

U = UNITS PER UNIT  
T = SEE CLASSIFICATION  
NOTES

#### RATE LEGEND -

PREM/OP = PREMISES AND OPERATIONS  
PROD = PRODUCTS AND COMPLETED OPERATIONS  
CMPOPS = COMPOSITE PREMISES AND OPERATIONS  
CMPPRO = COMPOSITE PRODUCTS AND COMPLETED OPERATIONS  
CMPCBN = COMPOSITE PREMISES/PRODUCTS COMPLETED OPERATIONS

MP = MINIMUM PREMIUM

CLASSIFICATION	CODE	PREMIUM BASIS	RATE	PREMIUM
WEST VIRGINIA				
700 WEST ALPINE DRIVE TERRA ALTA WV 26764 PRODUCTS/COMPLETED OPS. (NOC)	44444	IF ANY	PROD.	
SEWERS - INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS. PRODUCTS-COMPLETED OPERATIONS INCLUDED IN THIS CLASSIFICATION ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT.	48039	T 35	PREM/OP 82.609	\$2,891
BUILDINGS OR PREMISES - OFFICE - PREMISES OCCUPIED BY EMPLOYEES OF THE INSURED - NOT-FOR-PROFIT ONLY - INCLUDIN PRODUCTS AND/OR COMPLETED OPERATIONS. PRODUCTS-COMPLETED OPERATIONS INCLUDED IN THIS CLASSIFICATION ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT.	61225	A 400	PREM/OP 73.029	\$29
SEWAGE DISPOSAL - PLANT OPERATIONS - INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS. PRODUCTS-COMPLETED OPERATIONS INCLUDED IN THIS CLASSIFICATION ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT.	98810	P 50,920	PREM/OP 11.911	\$607



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

## RENEWAL GENERAL LIABILITY DECLARATIONS (Continued)

COMPANY PROVIDING COVERAGE		WESTFIELD INSURANCE COMPANY		
NAMED INSURED AND MAILING ADDRESS		AGENCY	47-05072	PROD. 000
ALPINE LAKE PUBLIC UTILITIES 700 WEST ALPINE DRIVE TERRA ALTA WV 26764		HARTLEY INSURANCE AGENCY INC PO BOX 459 KINGWOOD WV 26537-0459 TELEPHONE 304-329-2161		
Policy Number: CSP 3 694 287		40	WIC Account Number: 4701425495   A	

Policy Period From 07/01/07 To 07/01/08 at 12:01 A.M. Standard Time at your mailing address shown above.

CLASSIFICATION	CODE	PREMIUM BASIS	RATE	PREMIUM
WATER COMPANIES - INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS. PRODUCTS-COMPLETED OPERATIONS INCLUDED IN THIS CLASSIFICATION ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT.	99943	P	PREM/OP 28.587	\$2,090
				73,127
PREM/OP MP			\$109	
<b>TOTAL</b>				
TOTAL PREMIUM - PREMISES AND OPERATIONS				\$5,617
TOTAL ADVANCE ANNUAL GENERAL LIABILITY PREMIUM				\$5,617



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

## RENEWAL BUSINESS AUTO COVERAGE DECLARATIONS

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

ITEM ONE-NAMED INSURED & MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537-0459  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

| 40

NIC Account Number: 4701425495

| A

Policy  
Period

From  
To

07/01/07  
07/01/08

at 12:01 A.M. Standard Time at your  
mailing address shown above.

ITEM TWO

SCHEDULE OF COVERAGES AND COVERED AUTOS

Each Of These Coverages Will Apply Only To Those "Autos" Shown As Covered "Autos".  
"Autos" Are Shown As Covered "Autos" For A Particular Coverage By The Entry Of One  
Or More Of The Symbols From The Covered Auto Section Of The Business Auto  
Coverage Form Next To The Name Of The Coverage.

COVERAGES	COVERED AUTO SYMBOLS	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
Liability	01	Bodily Injury and Property Damage \$1,000,000 Each Accident	\$1,333
Uninsured Motorists	06	Bodily Injury and Property Damage \$1,000,000 Each Accident	\$28
Underins. Motorists	07	Bodily Injury and Property Damage \$1,000,000 Each Accident	\$281
Physical Damage Comprehensive Coverage	07	Actual Cash Value or Cost of Repair Whichever is Less Minus the Ded. for Each Covered Auto as Indicated in the Schedule for Covered Autos. No Deductible Applies to Loss Caused by Fire or Lightning.	\$502
Physical Damage Collision Coverage	07	Actual Cash Value or Cost of Repair Whichever is Less Minus the Deductible for Each Covered Auto as Indicated in the Schedule for Covered Autos.	\$1,467
<b>TOTAL ADVANCE ANNUAL PREMIUM</b>			<b>\$3,611</b>

Audit Period (If Applies)

Annual

Semi-Annual

Quarterly

Monthly

Forms And Endorsements Attached To This Coverage Form:

CA0001 0306 , CADS03 0306 , CA7001 0797 , IL0021 0702 , CA0252 0394 ,  
PA0235 1104 , CA0183 0902 , CA0189 0394\* , CA2356 1102 , CA2394 0306 ,  
CA9944 1293 , CA2122 0306 , CA7007 1087 .



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

RENEWAL  
BUSINESS AUTO COVERAGE DECLARATIONS  
(Continued)

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

ITEM ONE-NAMED INSURED & MAILING ADDRESS

AGENCY

47-05072

PROD.

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ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
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HARTLEY INSURANCE AGENCY INC  
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Policy Number: CSP 3 694 287

|40|

WIC Account Number: 4701425495

| A

Policy  
Period

From  
To

07/01/07  
07/01/08

at 12:01 A.M. Standard Time at your  
mailing address shown above.

ITEM THREE

SCHEDULE OF COVERED AUTOS YOU OWN

The Insurance Afforded For Any One Automobile Is Only With Respect To Such And So Many Of The Coverages As Are Indicated In Item Two Unless A Specific Limit Or Deductible Is Indicated In This Schedule Of Automobiles.

AUTO	ST	TER	YR	DESCRIPTION	SERIAL NUMBER	AGE	COST SYM	CLASS	STATED AMT	GVW
001	WV	118	04	CHEV K3500 4X4 DP	1GBJK34U24E192659	4	29700	03179		
002	WV	118	05	GMC SIERRA	1GDHK24UX5E261065	3	30001	01199		
003	WV	118	06	CHEVY K2500 PU	1GCHK24U76E147742	2	30000	03179		
004	WV	118	05	CARRY ON CRGO TRL	4YMCL12165V092853	3	28000	68199		

PREMIUMS- AUTO LIAB	FPB/ PIP	MED PY/EX	UN-UD MTRST	UD COMP	SPEC PERIL	TOW & COLL	LABOR	* ENDTS	DEDUCTIBLE COMP	COLL	TOTAL PREMIUM
001	\$444			\$107	\$144		\$424		250	500	\$1119
002	\$319			\$101	\$138		\$363		250	500	\$921
003	\$444			\$101	\$151		\$499		250	500	\$1195
004	\$33				\$69		\$181		250	500	\$283

### HIRED AUTO LIABILITY

STATE	ESTIMATED COST OF HIRE IF ANY	RATE PER \$100 COST OF HIRE	PREMIUM
WV		1.269	

Cost Of Hire Means The Total Amount You Incur For The Hire Of Autos You Do Not Own (Not Including Autos You Borrow Or Rent From Your Partners Or Employees Or Their Family Members). Cost Of Hire Does Not Include Charges For Services Performed By Motor Carriers Of Property Or Passengers.

### NON-OWNERSHIP LIABILITY

RATING BASIS-NUMBER OF EMPLOYEES	ESTIMATED NUMBER OF EMPLOYEES	PREMIUM
	0-25	\$93

**TOTAL ADVANCE ANNUAL AUTO PREMIUM \$3,611**



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

## RENEWAL BUSINESS AUTO COVERAGE DECLARATIONS (Continued)

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

ITEM ONE-NAMED INSURED & MAILING ADDRESS

AGENCY

47-05072

PROD.

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ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
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TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287 | 40 |

WIC Account Number: 4701425495 | A

Policy From 07/01/07  
Period To 07/01/08

at 12:01 A.M. Standard Time at your  
mailing address shown above.

If A Loss Payee Is Shown Below, The Following Is Applicable:  
Except For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee  
Named Below As Interests May Appear At The Time Of Loss-

AUTO	LOSS PAYEE	
001	TERRA ALTA BANK PO BOX 65 TERRA ALTA	WV 26764
003	CLEAR MOUNTAIN BANK PO BOX 65 TERRA ALTA	WV 26764

AUTO	LOSS PAYEE	
002	TERRA ALTA BANK PO BOX 65 TERRA ALTA	WV 26764



**Westfield Companies**  
 One Park Circle PO Box 5001  
 Westfield Center OH 44251-5001

**COMMERCIAL INLAND MARINE  
 RENEWAL DECLARATIONS  
 SCHEDULE OF COVERAGE FORMS**

SR

<b>COMPANY PROVIDING COVERAGE</b>		<b>WESTFIELD INSURANCE COMPANY</b>		
<b>NAMED INSURED AND MAILING ADDRESS</b>		<b>AGENCY</b>	47-05072	<b>PROD.</b> 000
ALPINE LAKE PUBLIC UTILITIES 700 WEST ALPINE DRIVE TERRA ALTA WV 26764		HARTLEY INSURANCE AGENCY INC PO BOX 459 KINGWOOD WV 26537-0459 TELEPHONE 304-329-2161		
<b>Policy Number: CSP 3 694 287</b>		40	<b>WIC Account Number: 4701425495</b>   A	
<b>Policy Period</b>	<b>From To</b>	07/01/07 07/01/08	at 12:01 A.M. Standard Time at your mailing address shown above.	

This policy contains the following Inland Marine Coverage Forms:

Coverage Forms	Premium
Contractors Equipment	\$ 662.00
Valuable Papers and Records	\$ 5.00
Data Processing	\$ 88.00

**Total Advance Annual Inland Marine Premium \$ 755.00**

**All Forms and Endorsements applicable to Inland Marine Coverages:**  
 CM0106 0902 , CM0001 0904 , CM7079 0695 , CM7090 0300\* , IL0952 1102 ,  
 CM7093 0588\* , CM7020 0292 , CM7018 0904 , CM7086 0292 , CM7088 0904 ,  
 CM0067 0904 , CM7000 0292 .



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

COMMERCIAL INLAND MARINE  
RENEWAL DECLARATIONS  
CONTRACTORS EQUIPMENT COVERAGE

SR

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

NAMED INSURED AND MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537-0459  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

|40|

WIC Account Number: 4701425495

A

Policy  
Period

From  
To

07/01/07  
07/01/08

at 12:01 A.M. Standard Time at your  
mailing address shown above.

SPECIAL FORM



Covered Property You own:

Item No.	Description, Make/Model, & Serial No.	Functional Repl. Cost	Limit of Insurance
1	2002 TEREX TX760 BACKHOE WITH 12" & 8" BUCKETS #6847 #32778 #32710	N/A \$	42,000
2	2006 DAEWOOD 460 PLUS SKID LOADER S# SNAM01116 W/BRADCO BUCKET W/BOLT EDGE S# 97223	N/A \$	25,334
3	2006 TOP BRAND TRLR MODEL# S12/DFS18 VIN#5HLSF18216F061331	N/A \$	3,700

Covered Property that you lease, rent, or borrow from others:

Item No.	Description, Make/Model, & Serial No.	Limit of Insurance
		NIL

Covered Property that others lease, rent, or borrow from you

Limit of Insurance NIL

Contractors Extra Expense

Limit of Insurance NIL

DEDUCTIBLE: \$ 500

Total Advance Annual  
Contractors Equipment Premium \$ 662.00

Forms and Endorsements applicable to this coverage:  
CM7093 0588\*, CM7020 0292, CM7018 0904

**Westfield Companies**One Park Circle PO Box 5001  
Westfield Center OH 44251-5001COMMERCIAL INLAND MARINE  
RENEWAL DECLARATIONS  
DATA PROCESSING

SR

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

NAMED INSURED AND MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537-0459  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

|40|

WIC Account Number: 4701425495

| A

Policy From 07/01/07  
Period To 07/01/08at 12:01 A.M. Standard Time at your  
mailing address shown above.

## DESCRIPTION OF PREMISES

Loc Bldg Street Address, City & State  
001 001 700 WEST ALPINE DRIVE  
TERRA ALTA, WV 26764Occupancy  
SEWAGE TREATMENT PLANT 1

## COVERED PROPERTY AND LIMITS OF INSURANCE

## 1. Data Processing Equipment

Loc Bldg	Item	Quantity	Manufacturer, Serial, & Model No.	Limit of Insurance
001 001	1	1		\$ 10,000

## 2. Data, Media or Computer Programs

Specified Articles:

Loc Bldg	Item	Quantity	Specified Articles Description	Limit of Insurance
001 001	2	1		\$ 10,000

Deductible: \$500

Breakdown Deductible: \$1,000

Total Advance Annual  
Data Processing Premium \$ 88.00

## Forms and Endorsements applicable to this coverage:

CM7086 0292, CM7088 0904



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

COMMERCIAL INLAND MARINE  
RENEWAL DECLARATIONS  
VALUABLE PAPERS AND RECORDS COVERAGE

SR

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

NAMED INSURED AND MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537-0459  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

|40|

WIC Account Number: 4701425495

A

Policy From 07/01/07  
Period To 07/01/08

at 12:01 A.M. Standard Time at your  
mailing address shown above.

### DESCRIPTION OF PREMISES

Loc Bldg Street Address, City & State  
001 001 700 WEST ALPINE DRIVE  
TERRA ALTA, WV 26764

Occupancy  
SEWAGE TREATMENT PLANT 1

### COVERED PROPERTY AND LIMITS OF INSURANCE

Specifically Described Property

Loc Bldg Item Description

Limit of Insurance  
NIL

All Other Covered Property

Loc Bldg Item  
001 001 1

Limit of Insurance  
\$ 10,000

Property Away From Your Premises  
Item

Limit of Insurance  
\$ 5,000

Loc Bldg Item Class Label DESCRIPTION OF RECEPTACLES  
Issuer Manufacturer

Deductible: \$500

Total Advance Annual  
Valuable Papers and Records Premium

\$ 5.00

Forms and Endorsements applicable to this coverage:

CM0067 0904, CM7000 0292

THIS IS A CLAIMS  
MADE POLICY, READ  
IT CAREFULLY.



INSURANCE COMPANIES

580 WALNUT STREET, CINCINNATI, OHIO 45202

DECLARATIONS FOR  
NON-PROFIT ORGANIZATION  
EXECUTIVE PROTECTION AND  
EMPLOYMENT PRACTICES LIABILITY  
INSURANCE Policy

Insurance is afforded by the company indicated below: (Each a capital stock corporation)

- Great American Insurance Company                       Agricultural Insurance Company  
 American National Fire Insurance Company               Other \_\_\_\_\_

Policy Number: EPP8438947

Policy Form Number: D9100

Item 1. Name of Organization: ALPINE LAKE PUBLIC UTILITIES CO.  
Mailing Address: 700 W. ALPINE DRIVE  
City, State, Zip Code: TERRA ALTA, WV 26764  
Attn: ANN NELSON

Item 2. Policy Period: From 07/01/2007 To 07/01/2008  
*(Month, Day, Year)*                      *(Month, Day, Year)*  
(Both dates at 12:01 a.m. Standard Time at the address of the Organization as stated in Item 1)

Item 3. Limit of Liability: \$ 1,000,000                      Aggregate Limit of Liability for Each Policy Year

Item 4. Retention: \$ 2,500                      Each Claim

Item 5. Premium: \$ 1,530  
\$ 8                      WV Fire and Casualty Surcharge

Item 6. Endorsements Attached: D9500      D9713      D9714      D9714      D9718      D9800-1      D9876

Item 7. Notices: All notices required to be given to the Insurer under this Policy shall be addressed to:  
Great American Insurance Companies  
Executive Liability Division  
P.O. Box 66943  
Chicago, Illinois 60666

Item 8. Initial Coverage Date: 07/01/1997

These Declarations along with the completed and signed Proposal Form and Non-Profit Organization Executive Protection and Employment Practices Liability Insurance Policy, shall constitute the contract between the Insureds and the Insurer.

**Countersignature**

**Not Required**

\_\_\_\_\_  
*(Authorized Representative)*

\_\_\_\_\_  
*(Countersignature Date)*

**AMENDMENT TO DECLARATIONS PAGE**

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It is understood and agreed that the Declarations is hereby amended by the addition of the following:

Item 9. **Act of Terrorism Premium:**     \$ 0.00

It is further understood and agreed form TA0001 Policyholder Disclosure Offer of Terrorism Coverage is attached to and is to be considered as incorporated in and constituting a part of this Policy.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

---

Insured: ALPINE LAKE PUBLIC UTILITIES CO.

Policy Period: 07/01/07 to Policy expiration

Policy Number: EPP8438947

Countersigned by: \_\_\_\_\_  
*Authorized Representative*

Endorsement Effective Date: 07/01/07



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

COMMERCIAL PACKAGE POLICY  
RENEWAL  
COMMON POLICY DECLARATIONS

SR

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

NAMED INSURED AND MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

|40|

WIC Account Number: 4701425495

| A

Policy  
Period

From 07/01/06  
To 07/01/07

at 12:01 A.M. Standard Time at your  
mailing address shown above.

Business: WATER/SEWAGE TREATMENT PLANTS

Named Insured is: Municipality

In return for the payment of the premium, and subject to all terms of this  
policy, we agree with you to provide the insurance as stated in this policy.

### THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS

COMMERCIAL PROPERTY COVERAGE PART	\$	939.00
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$	5,791.00
COMMERCIAL AUTO COVERAGE PART	\$	3,693.00
COMMERCIAL INLAND MARINE COVERAGE PART	\$	755.00
TERRORISM INSURANCE COVERAGE	\$	107.00

Policy Annual Premium \$ 11,285.00

West Virginia Surcharge \$ 57.91

Total Advance Annual Policy Premium \$ 11,342.91

The above is a summary of your coverages. For more detail,  
please refer to the individual coverage parts inside your policy.

Forms and Endorsements applicable to all coverage parts:

IL0019 0488\*, IL0017 1198\*, ID7004 0893\*, IL0003 0702\*.

COUNTERSIGNED:

May 25, 2006  
Date

BY

*Pamela M. Crosby*  
Authorized Representative



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

## RENEWAL COMMERCIAL PROPERTY DECLARATIONS

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

NAMED INSURED AND MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

|40|

WIC Account Number: 4701425495

| A

Policy Period From 07/01/06 To 07/01/07

at 12:01 A.M. standard Time at your mailing address shown above.

### DESCRIPTION OF PREMISES

Loc Bldg Address, City & State

Construction

Occupancy

001 001	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764
001 002	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764
001 003	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764
001 004	700 W ALPINE DR GENTIAN SEC TERRA ALTA, WV 26764
001 005	700 W ALPINE DR TEABERRY SEC TERRA ALTA, WV 26764
001 006	700 W ALPINE DR SNAGGY SEC TERRA ALTA, WV 26764
001 007	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764
001 008	700 W ALPINE DR TEABERRY SEC TERRA ALTA, WV 26764
001 009	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764
001 010	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764
001 011	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764
001 012	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764
001 013	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764
001 014	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764
001 015	700 WEST ALPINE DRIVE TERRA ALTA, WV 26764
001 016	700 W ALPINE LAKE DR TERRA ALTA, WV 26764
001 017	700 W ALPINE LAKE DR TERRA ALTA, WV 26764

Non-Combustible
Non-Combustible Frame
N/A
N/A
N/A
Frame
N/A
Frame
N/A
N/A

SEWAGE TREATMENT PLANT 1
WATER PLANT BLDG
WELL HOUSE
WATER STORAGE TANK
WATER STORAGE TANK
WATER STORAGE TANK
WATER PUMP STATION
WATER PUMP STATION
SEWAGE LIFT STATION
SEWAGE LIFT STATION
SEWAGE LIFT STATION
SEWAGE LIFT STATION
SEWAGE LIFT STATION
SEWAGE LIFT STATION
OFFICE EQUIPMENT
WATER PUMP
WATER PUMP



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

## RENEWAL COMMERCIAL PROPERTY DECLARATIONS (Continued)

COMPANY PROVIDING COVERAGE	WESTFIELD INSURANCE COMPANY			
NAMED INSURED AND MAILING ADDRESS	AGENCY	47-05072	PROD.	000
ALPINE LAKE PUBLIC UTILITIES 700 WEST ALPINE DRIVE TERRA ALTA WV 26764	HARTLEY INSURANCE AGENCY INC PO BOX 459 KINGWOOD WV 26537 TELEPHONE 304-329-2161			

Policy Number: CSP 3 694 287 | 40 | WIC Account Number: 4701425495 | A

Policy From 07/01/06 To 07/01/07 at 12:01 A.M. Standard Time at your mailing address shown above.

COVERAGES PROVIDED - Insurance at the described premises applies only for coverages for which a limit of insurance is shown. OPTIONAL COVERAGES applicable only when entries are made in the schedules below:

Loc Bldg	Coverage	Coins	Infl. Guard	Repl. Cost	Cause of Loss Form	Limit of Insurance
001 001	Building	90%	N/A	Yes	Special	\$ 221,500
001 001	Business Personal Property	90%	N/A	Yes	Special	\$ 35,000
001 002	Building	90%	N/A	Yes	Special	\$ 13,500
001 002	Business Personal Property	90%	N/A	Yes	Special	\$ 10,000
001 003	Building	90%	N/A	Yes	Special	\$ 13,000
001 003	Business Personal Property	90%	N/A	Yes	Special	\$ 10,000
001 004	Steel Tanks Above Ground	90%	N/A	Yes	Special	\$ 45,000
001 005	Steel Tanks Above Ground	90%	N/A	Yes	Special	\$ 45,000
001 006	Steel Tanks Above Ground	90%	N/A	Yes	Special	\$ 30,000
001 007	Building	90%	N/A	Yes	Special	\$ 27,000
001 007	Business Personal Property	90%	N/A	Yes	Special	\$ 20,000
001 008	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 9,000
001 009	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 5,000
001 010	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 5,000
001 011	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 5,000
001 012	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 5,000
001 013	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 5,000
001 014	Metal Water/Sewage Lift Pump	90%	N/A	Yes	Special	\$ 5,000
001 015	Business Personal Property	90%	N/A	Yes	Special	\$ 45,000
001 016	Steel Tanks Above Ground	90%	N/A	Yes	Special	\$ 9,000
001 017	Steel Tanks Above Ground	90%	N/A	Yes	Special	\$ 9,000

Total Advance Annual Property Premium \$ 939.00

Deductible is \$500

Forms and Endorsements applicable to this coverage part:

CP0090 0788\*, CP0299 1185\*, CP7017 0402\*, IL0952 1102\*, CP0112 0902\*,  
CP7000 0987\*, CP1030 0402\*, CP0010 0402\*, CP7023 1094\*, CP1218 0695\*.



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

## RENEWAL GENERAL LIABILITY DECLARATIONS

COMPANY PROVIDING COVERAGE		WESTFIELD INSURANCE COMPANY		
NAMED INSURED AND MAILING ADDRESS		AGENCY	47-05072	PROD. 000
ALPINE LAKE PUBLIC UTILITIES 700 WEST ALPINE DRIVE TERRA ALTA WV 26764		HARTLEY INSURANCE AGENCY INC PO BOX 459 KINGWOOD WV 26537 TELEPHONE 304-329-2161		

Policy Number: CSP 3 694 287 | 40 | WIC Account Number: 4701425495 | A

Policy Period From 07/01/06 To 07/01/07 at 12:01 A.M. standard Time at your mailing address shown above.

### LIMITS OF INSURANCE -

General Aggregate Limit (Other Than Products/Completed Operations)	\$2,000,000
Products/Completed Operations Aggregate Limit	\$1,000,000
Personal & Advertising Injury Limit (Per Person Or Organization)	\$1,000,000
Each Occurrence Limit	\$1,000,000
Damage to Premises Rented to You Limit (Any One Promises)	\$100,000
Medical Expense Limit (Any One Person)	\$5,000

TOTAL ADVANCE ANNUAL GENERAL LIABILITY PREMIUM \$5,791.00

### Deductible Liability Insurance Applies

#### Forms And Endorsements Applicable To This Coverage Part:

CG2250 1188\*, CG2162 0998\*, CG2149 0999\*, CG0300A 0196\*, CG0001 1204\*,  
 IL0021 0702\*, CG7003 1204\*, CG7000 1298\*, CG2503 0397\*, CG2504A 0397\*,  
 CG2147 0798\*, CG2662 1204\*, CG0067 0305\*, CG2426 0704\*, CG2170 1102\*,  
 CG7017 1298\*.



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

## RENEWAL GENERAL LIABILITY DECLARATIONS (Continued)

COMPANY PROVIDING COVERAGE		WESTFIELD INSURANCE COMPANY		
NAMED INSURED AND MAILING ADDRESS		AGENCY	47-05072	PROD. 000
ALPINE LAKE PUBLIC UTILITIES 700 WEST ALPINE DRIVE TERRA ALTA WV 26764		HARTLEY INSURANCE AGENCY INC PO BOX 459 KINGWOOD WV 26537 TELEPHONE 304-329-2161		

Policy Number: CSP 3 694 287	40	WIC Account Number: 4701425495	A
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Policy Period	From 07/01/06 To 07/01/07	at 12:01 A.M. Standard Time at your mailing address shown above.
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Location Of All Premises Owned By, Rented To Or Controlled By The Named Insured Are The Same As The Mailing Address Of The Policy Declarations Unless Otherwise Indicated.

### GENERAL LIABILITY SCHEDULE

PREMIUM BASIS LEGEND -  
 S = GROSS SALES PER \$1,000  
 P = PAYROLL PER \$1,000  
 O = OTHERS PER \$1,000  
 A = AREA PER 1,000 SQ. FT.  
 C = TOTAL COST PER \$1,000  
 M = ADMISSIONS PER 1,000  
 U = UNITS PER UNIT  
 T = SEE CLASSIFICATION NOTES

RATE LEGEND -  
 PREM/OP = PREMISES AND OPERATIONS  
 PROD = PRODUCTS AND COMPLETED OPERATIONS  
 CMPOPS = COMPOSITE PREMISES AND OPERATIONS  
 CMPPRO = COMPOSITE PRODUCTS AND COMPLETED OPERATIONS  
 CMPCBN = COMPOSITE PREMISES/PRODUCTS COMPLETED OPERATIONS  
 MP = MINIMUM PREMIUM

CLASSIFICATION	CODE	PREMIUM BASIS	RATE	PREMIUM
WEST VIRGINIA				
700 WEST ALPINE DRIVE TERRA ALTA WV 26764 PRODUCTS/COMPLETED OPS. (NOC)	44444	IF ANY	PROD.	
SEWERS - INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS. PRODUCTS-COMPLETED OPERATIONS INCLUDED IN THIS CLASSIFICATION ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT.	48039	T 35	PREM/OP 85.160	\$2,981
BUILDINGS OR PREMISES - OFFICE - PREMISES OCCUPIED BY EMPLOYEES OF THE INSURED - NOT-FOR-PROFIT ONLY - INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS. PRODUCTS-COMPLETED OPERATIONS INCLUDED IN THIS CLASSIFICATION ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT.	61225	A 400	PREM/OP 75.284	\$30
SEWAGE DISPOSAL - PLANT OPERATIONS - INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS. PRODUCTS-COMPLETED OPERATIONS INCLUDED IN THIS CLASSIFICATION ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT.	98810	P 50,920	PREM/OP 12.279	\$625



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

## RENEWAL GENERAL LIABILITY DECLARATIONS (Continued)

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

NAMED INSURED AND MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

|40|

WIC Account Number: 4701425495

| A

Policy From 07/01/06  
Period To 07/01/07

at 12:01 A.M. Standard Time at your  
mailing address shown above.

CLASSIFICATION	CODE	PREMIUM BASIS	RATE	PREMIUM
WATER COMPANIES - INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS. PRODUCTS-COMPLETED OPERATIONS INCLUDED IN THIS CLASSIFICATION ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT.	99943	P	PREM/OP 29.469	\$2,155
				73,127

PREM/OP MP \$112

TOTAL  
TOTAL PREMIUM - PREMISES AND OPERATIONS \$5,791

TOTAL ADVANCE ANNUAL GENERAL LIABILITY PREMIUM \$5,791



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

RENEWAL  
BUSINESS AUTO COVERAGE DECLARATIONS

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

ITEM ONE-NAMED INSURED & MAILING ADDRESS	AGENCY	47-05072	PROD.	000
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ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

| 40

WIC Account Number: 4701425495

| A

Policy From 07/01/06  
Period To 07/01/07

at 12:01 A.M. Standard Time at your  
mailing address shown above.

## ITEM TWO SCHEDULE OF COVERAGES AND COVERED AUTOS

Each Of These Coverages Will Apply Only To Those "Autos" Shown As Covered "Autos".  
"Autos" Are Shown As Covered "Autos" For A Particular Coverage By The Entry Of One  
Or More Of The Symbols From The Covered Auto Section Of The Business Auto  
Coverage Form Next To The Name Of The Coverage.

COVERAGES	COVERED AUTO SYMBOLS	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
Liability	01	Bodily Injury and Property Damage \$1,000,000 Each Accident	\$1,333
Uninsured Motorists	06	Bodily Injury and Property Damage \$1,000,000 Each Accident	\$28
Underins. Motorists	07	Bodily Injury and Property Damage \$1,000,000 Each Accident	\$281
Physical Damage Comprehensive Coverage	07	Actual Cash Value or Cost of Repair Whichever is Less Minus the Ded. for Each Covered Auto as Indicated in the Schedule for Covered Autos. No Deductible Applies to Loss Caused by Fire or Lightning.	\$509
Physical Damage Collision Coverage	07	Actual Cash Value or Cost of Repair Whichever is Less Minus the Deductible for Each Covered Auto as Indicated in the Schedule for Covered Autos.	\$1,542
<b>TOTAL ADVANCE ANNUAL PREMIUM</b>			<b>\$3,693</b>

Audit Period (If Applies)  Annual  Semi-Annual  Quarterly  Monthly

### Forms And Endorsements Attached To This Coverage Form:

CA0001 0306\*, CADS03 0306\*, CA7001 0797\*, IL0021 0702\*, CA0252 0394\*,  
PA0235 1104\*, CA0183 0902\*, CA0189 0394\*, CA2356 1102\*, CA2394 0306\*,  
CA9944 1293\*, CA2122 0306\*, CA7007 1087\*.



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

RENEWAL  
BUSINESS AUTO COVERAGE DECLARATIONS  
(Continued)

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

ITEM ONE-NAMED INSURED & MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

40

WIG Account Number: 4701425495

A

Policy  
Period

From 07/01/06  
To 07/01/07

at 12:01 A.M. Standard Time at your  
mailing address shown above.

### ITEM THREE

### SCHEDULE OF COVERED AUTOS YOU OWN

The Insurance Afforded For Any One Automobile Is Only With Respect To Such And So Many Of The coverages As Are Indicated In Item Two Unless A Specific Limit Or Deductible Is Indicated In This Schedule Of Automobiles.

AUTO	ST	TER	YR	DESCRIPTION	SERIAL NUMBER	AGE	COST SYM	CLASS	STATED AMT	GVW
001	WV	118	04	CHEV K3500 4X4 DP	1GBJK34U24E192659	3	29700	03179		
002	WV	118	05	GMC SIERRA	1GDHK24UX5E261065	2	30001	01199		
003	WV	118	06	CHEVY K2500 PU	1GCHK24U78E147742	1	30000	03179		
004	WV	118	05	CARRY ON CRGO TRL	4YMCL12165V092853	2	28000	68199		

PREMIUMS- AUTO	FPB/ LIAB	PIP	PPI	MED PY/EX	UN-UD MTRST	SPEC COMP	SPEC PERIL	TOW & COLL	LABOR	* ENDTS	DEDUCTIBLE COMP	COLL	TOTAL PREMIUM
001	\$444				\$107	\$151		\$499			250	500	\$1201
002	\$319				\$101	\$138		\$363			250	500	\$921
003	\$444				\$101	\$151		\$499			250	500	\$1195
004	\$33					\$69		\$181			250	500	\$283

### HIRED AUTO LIABILITY

STATE	ESTIMATED COST OF HIRE	RATE PER \$100	COST OF HIRE	PREMIUM
WV	IF ANY		1.269	

Cost Of Hire Means The Total Amount You Incur For The Hire Of Autos You Do Not Own (Not Including Autos You Borrow Or Rent From Your Partners Or Employees Or Their Family Members). Cost Of Hire Does Not Include Charges For Services Performed By Motor Carriers Of Property Or Passengers.

### NON-OWNERSHIP LIABILITY

RATING BASIS-NUMBER OF EMPLOYEES	ESTIMATED NUMBER OF EMPLOYEES	PREMIUM
	0-25	\$93

**TOTAL ADVANCE ANNUAL AUTO PREMIUM \$3,693**



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

SR

## RENEWAL BUSINESS AUTO COVERAGE DECLARATIONS (Continued)

COMPANY PROVIDING COVERAGE		WESTFIELD INSURANCE COMPANY		
ITEM ONE-NAMED INSURED & MAILING ADDRESS	AGENCY	47-05072	PROD.	000
ALPINE LAKE PUBLIC UTILITIES 700 WEST ALPINE DRIVE TERRA ALTA WV 26764	HARTLEY INSURANCE AGENCY INC PO BOX 459 KINGWOOD WV 26537 TELEPHONE 304-329-2161			
Policy Number: CSP 3 694 287	[40]	WIC Account Number: 4701425495	A	
Policy Period	From 07/01/06 To 07/01/07	at 12:01 A.M. Standard Time at your mailing address shown above.		

If A Loss Payee Is Shown Below, The Following Is Applicable:  
Except For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee  
Named Below As Interests May Appear At The Time Of Loss-

AUTO	LOSS PAYEE	AUTO	LOSS PAYEE
001	TERRA ALTA BANK PO BOX 65 TERRA ALTA WV 26764	002	TERRA ALTA BANK PO BOX 65 TERRA ALTA WV 26764
003	CLEAR MOUNTAIN BANK PO BOX 65 TERRA ALTA WV 26764		



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

COMMERCIAL INLAND MARINE  
RENEWAL DECLARATIONS  
SCHEDULE OF COVERAGE FORMS

SR

COMPANY PROVIDING COVERAGE		WESTFIELD INSURANCE COMPANY		
NAMED INSURED AND MAILING ADDRESS		AGENCY	47-05072	PROD. 000
ALPINE LAKE PUBLIC UTILITIES 700 WEST ALPINE DRIVE TERRA ALTA WV 26764		HARTLEY INSURANCE AGENCY INC PO BOX 459 KINGWOOD WV 26537 TELEPHONE 304-329-2161		
Policy Number: CSP 3 694 287		40	WIC Account Number: 4701425495	A
Policy Period	From 07/01/06 To 07/01/07	at 12:01 A.M. Standard Time at your mailing address shown above.		

This policy contains the following Inland Marine Coverage Forms:

Coverage Forms		Premium
Contractors Equipment	\$	662.00
Valuable Papers and Records	\$	5.00
Data Processing	\$	88.00

Total Advance Annual Inland Marine Premium \$ 755.00

All Forms and Endorsements applicable to Inland Marine Coverages:

CM0106	0902*	CM0001	0904*	CM7079	0695*	CM7090	1287*	IL0952	1102*
CM7093	0588*	CM7020	0292*	CM7018	0904*	CM7086	0292*	CM7088	0904*
CM0067	0904*	CM7000	0292*						



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

COMMERCIAL INLAND MARINE  
RENEWAL DECLARATIONS  
CONTRACTORS EQUIPMENT COVERAGE

SR

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

NAMED INSURED AND MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

|40|

WIC Account Number: 4701425495

| A

Policy From 07/01/06  
Period To 07/01/07

at 12:01 A.M. standard Time at your  
mailing address shown above.

SPECIAL FORM



Covered Property You own:

Item No.	Description, Make/Model, & Serial No.	Functional Repl. Cost	Limit of Insurance
1	2007 TEREX TX760 BACKHOE WITH 12" & 8" BUCKETS #6847 #32778 #32710	N/A \$	42,000
2	2006 DAEWOOD 460 PLUS SKID LOADER S# SNAM01116 W/BRADCO BUCKET W/BOLT EDGE S# 97223	N/A \$	25,334
3	2006 TOP BRAND TRLR MODEL# S12/DFS18 VIN#5HLSF18216F061331	N/A \$	3,700

Covered Property that you lease, rent, or borrow from others:

Item No.	Description, Make/Model, & Serial No.	Limit of Insurance
		NIL

Covered Property that others lease, rent, or borrow from you

Limit of Insurance NIL

Contractors Extra Expense

Limit of Insurance NIL

DEDUCTIBLE: \$ 500

Total Advance Annual  
Contractors Equipment Premium \$ 662.00

Forms and Endorsements applicable to this coverage:  
CM7093 0588\*, CM7020 0292\*, CM7018 0904\*.



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

COMMERCIAL INLAND MARINE  
RENEWAL DECLARATIONS  
DATA PROCESSING

SR

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

NAMED INSURED AND MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

|40|

WIC Account Number: 4701425495

| A

Policy From 07/01/06  
Period To 07/01/07

at 12:01 A.M. Standard Time at your  
mailing address shown above.

### DESCRIPTION OF PREMISES

Loc Bldg Street Address, City & State  
001 001 700 WEST ALPINE DRIVE  
TERRA ALTA, WV 26764

Occupancy  
SEWAGE TREATMENT PLANT 1

### COVERED PROPERTY AND LIMITS OF INSURANCE

#### 1. Data Processing Equipment

Loc	Bldg	Item	Quantity	Manufacturer, Serial, & Model No.	Limit of Insurance
001	001	1	1		\$ 10,000

#### 2. Data, Media or Computer Programs

Specified Articles:					Limit of Insurance
Loc	Bldg	Item	Quantity	Specified Articles Description	
001	001	2	1		\$ 10,000

Deductible: \$500

Breakdown Deductible: \$1,000

Total Advance Annual

Data Processing Premium

\$

88.00

Forms and Endorsements applicable to this coverage:

CM7086 0292\*, CM7088 0904\*.



# Westfield Companies

One Park Circle PO Box 5001  
Westfield Center OH 44251-5001

COMMERCIAL INLAND MARINE  
RENEWAL DECLARATIONS  
VALUABLE PAPERS AND RECORDS COVERAGE

SR

COMPANY PROVIDING COVERAGE

WESTFIELD INSURANCE COMPANY

NAMED INSURED AND MAILING ADDRESS

AGENCY

47-05072

PROD.

000

ALPINE LAKE PUBLIC UTILITIES  
700 WEST ALPINE DRIVE  
TERRA ALTA WV 26764

HARTLEY INSURANCE AGENCY INC  
PO BOX 459  
KINGWOOD WV 26537  
TELEPHONE 304-329-2161

Policy Number: CSP 3 694 287

|40|

WIC Account Number: 4701425495

| A

Policy From 07/01/06  
Period To 07/01/07

at 12:01 A.M. Standard Time at your  
mailing address shown above.

### DESCRIPTION OF PREMISES

Loc Bldg Street Address, City & State  
001 001 700 WEST ALPINE DRIVE  
TERRA ALTA, WV 26764

Occupancy  
SEWAGE TREATMENT PLANT 1

### COVERED PROPERTY AND LIMITS OF INSURANCE

Specifically Described Property  
Loc Bldg Item Description

Limit of Insurance  
NIL

All Other Covered Property

Loc Bldg Item  
001 001 1

Limit of Insurance  
\$ 10,000

Property Away From Your Premises  
Item

Limit of Insurance  
\$ 5,000

### DESCRIPTION OF RECEPTACLES

Loc Bldg Item Class Label

Issuer

Manufacturer

Deductible: \$500

Total Advance Annual  
Valuable Papers and Records Premium

\$

5.00

Forms and Endorsements applicable to this coverage:  
CM0067 0904\*, CM7000 0292\*.



ALPINE LAKE PUBLIC UTILITIES COMPANY

Sewer Revenue Note, Series 2008 A  
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK

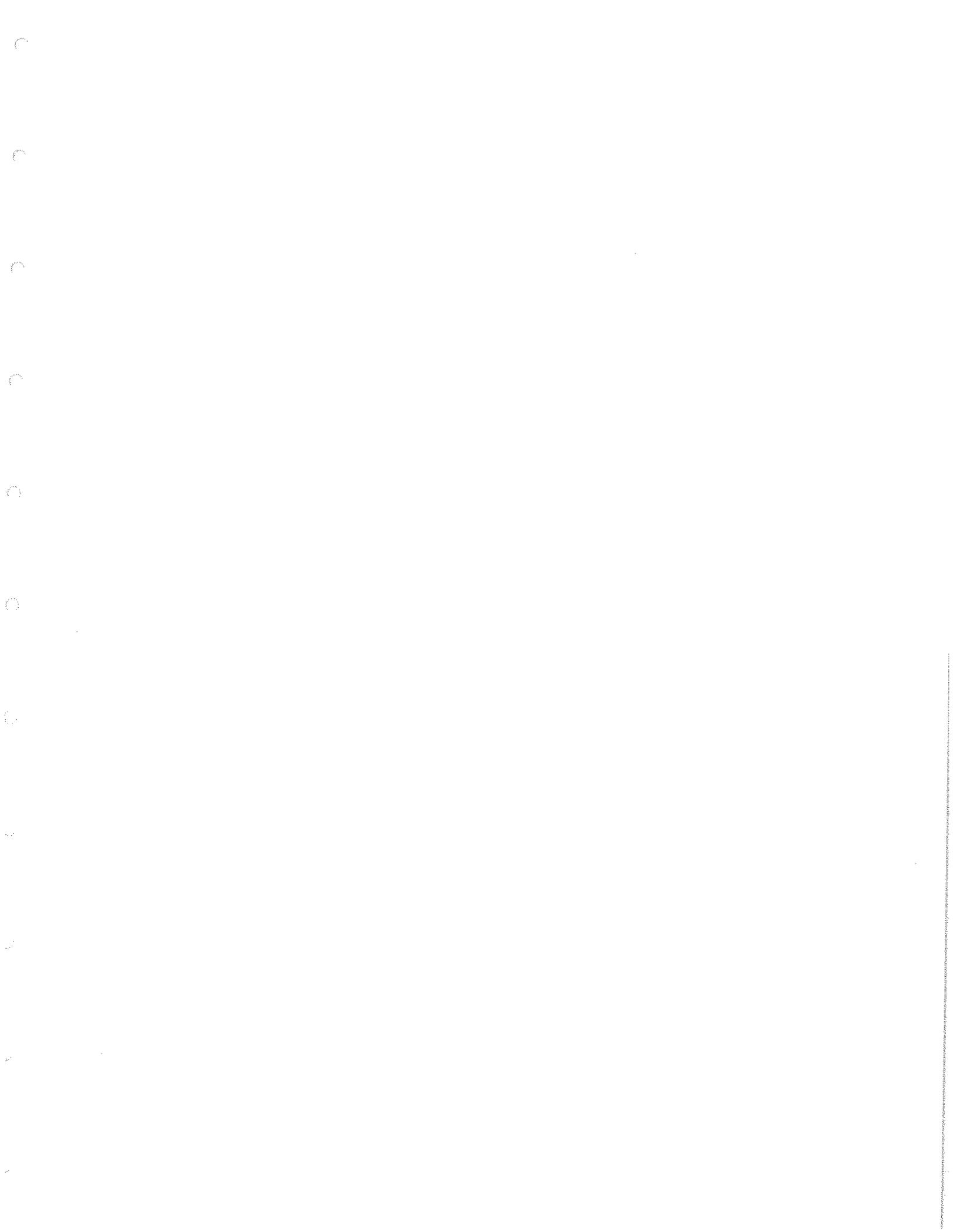
The undersigned duly authorized representative of Branch Banking & Trust Company, Terra Alta, West Virginia (the "Bank"), hereby certifies that on the 10th day of January, 2008, the Bank received an automated transfer in the amount of \$225,700 to the credit of the Project Construction Account, Account Number 0005175011295 for the Series 2008 A Note.

WITNESS my signature on this 10th day of January, 2008.

BRANCH BANKING & TRUST COMPANY

By:   
Its: Authorized Officer

06/07/07  
012210.00002



## SEWERAGE SYSTEM AGREEMENT

THIS AGREEMENT made this 21<sup>st</sup> day of July, 2007, by and between the ALPINE LAKE PROPERTY OWNERS ASSOCIATION, INC., a non-profit corporation and residential property owner's association organized and existing under the laws of the State of West Virginia (hereinafter, "ALPOA") and the ALPINE LAKE PUBLIC UTILITIES COMPANY, a non-profit corporation and a public utility organized and existing under the laws of the State of West Virginia (hereinafter, "ALPUC").

### WITNESSETH:

WHEREAS, ALPUC is a West Virginia non-stock non-profit corporation which owns and operates a sewerage system for the collection and treatment of wastewater pursuant to the provisions of Chapter 31E, Article 1 et seq. of the West Virginia Code;

WHEREAS, ALPOA is a residential property owner's association organized and existing under West Virginia law located near Terra Alta, Preston County, West Virginia;

WHEREAS, ALPUC provides sewage collection and treatment services to certain of the membership of ALPOA and the constituent tracts or parcels of real estate thereof, in exchange for which ALPOA currently pays user fees and charges to ALPUC;

## SEWERAGE SYSTEM AGREEMENT

THIS AGREEMENT made this 21<sup>st</sup> day of July, 2007, by and between the ALPINE LAKE PROPERTY OWNERS ASSOCIATION, INC., a non-profit corporation and residential property owner's association organized and existing under the laws of the State of West Virginia (hereinafter, "ALPOA") and the ALPINE LAKE PUBLIC UTILITIES COMPANY, a non-profit corporation and a public utility organized and existing under the laws of the State of West Virginia (hereinafter, "ALPUC").

### WITNESSETH:

WHEREAS, ALPUC is a West Virginia non-stock non-profit corporation which owns and operates a sewerage system for the collection and treatment of wastewater pursuant to the provisions of Chapter 31E, Article 1 et seq. of the West Virginia Code;

WHEREAS, ALPOA is a residential property owner's association organized and existing under West Virginia law located near Terra Alta, Preston County, West Virginia;

WHEREAS, ALPUC provides sewage collection and treatment services to certain of the membership of ALPOA and the constituent tracts or parcels of real estate thereof, in exchange for which ALPOA currently pays user fees and charges to ALPUC;

WHEREAS, ALPUC has determined that its sewerage facilities require upgrading in order to properly serve the current and future needs of the members of ALPOA, which upgrades shall consist of the construction of a new 150,000 GPD wastewater treatment plant with a 150,000 gallon flow equalization basin, upgrades or replacement of six existing sewage pumping stations, and construction of a new office facility to serve administrative and billing staff, as well as field crew facilities, together with all appurtenant facilities (collectively, the "Project");

WHEREAS, the Project will be financed exclusively by a loan from the United States Department of Agriculture, Rural Utilities Service, in the estimated amount of approximately \$3,500,000 (the "USDA Loan"), which indebtedness will be evidenced by ALPUC's Sewer Revenue Note, Series 2007 A (United States Department of Agriculture) (the "Note");

WHEREAS, the Note will be repaid, in part, pursuant to fees paid by the users of the sewerage system of ALPUC, as the same is hereafter improved pursuant to the Project (such existing sewerage system, together with the Project and all future additions and improvements thereto herein referred to as the "System");

WHEREAS, in order to supplement the fees paid by residential customers for use of the System and provide sufficient revenues to ALPUC so that it can operate and maintain the System, make the required monthly

payments of debt service on the Note, and payments into the funds and accounts required in connection with the Note, and maintain the required debt service coverage ratios, ALPOA desires to make a fixed monthly payment to ALPUC in exchange for its rendering of sewerage services to ALPOA, which monthly payment will be in addition to all existing user fees and charges paid by ALPOA to ALPUC for services of the sewerage system; and

WHEREAS, ALPOA and ALPUC enter into this Sewerage System Agreement in order to set forth the terms and provisions relating to the monthly payment to be made by ALPOA to ALPUC as set forth above.

NOW, THEREFORE, THIS AGREEMENT FURTHER WITNESSETH: That in consideration of the promises and the mutual benefits, agreements and covenants herein contained, ALPOA and ALPUC do hereby mutually agree as follows:

ARTICLE I  
Preconditions to Performance of Obligations

1. ALPOA and ALPUC shall have no obligations pursuant to this Agreement unless and until ALPOA and ALPUC receive all necessary approvals from the required regulatory agencies, whether local, state, or federal, including the West Virginia Public Service Commission, which approvals shall include but not be limited to, any required modifications of ALPUC's National Pollutant Discharge Elimination System ("NPDES") permit,

ALPUC's Office of Environmental Health Services Permit, and the approval of the construction of the Project, the sewer rates to be charged to users of the System, the approval of this Agreement, and the receipt of the USDA Loan and issuance of the Note.

2. ALPOA and ALPUC shall make good faith efforts to ensure that the preconditions set forth above are satisfied. In the event the preconditions set forth above are not met within one (1) year of the date of execution of this Agreement, either of the parties may terminate this Agreement by sending notice to the other via certified mail.

ARTICLE II  
Wastewater Treatment

1. ALPUC agrees to operate and maintain the System for the express purpose of providing facilities for the collection and treatment of waste and discharges in order to promote the health, safety and convenience of its customers, and for the safeguarding of water resources common to all its customers in accordance with its NPDES Permit.

2. ALPUC shall design, construct, operate, and maintain, at its sole cost, the Project in accordance with generally accepted sanitary engineering standards, which facilities will collect and treat wastewater generated by its customers in Alpine Lake, Preston County, West Virginia.

ALPUC will make its best efforts to ensure that the Project is constructed as soon as possible.

ARTICLE III  
Payment

1. In order to supplement the revenues that ALPUC receives from its residential customers for the provision of sewage collection and treatment services by the System, and provide sufficient revenues to ALPUC so that it can make the required monthly debt service payments on the Note, the payments into all of the funds and accounts required in connection with the Note, and maintain the required debt service coverage ratios, ALPOA agrees to make a fixed monthly payment to ALPUC as more particularly hereinafter set forth.

2. Commencing either (i) one (1) year following the date of the closing of the USDA Loan, or (ii) upon the date of substantial completion of the Project as certified by ALPUC's consulting engineer, whichever first occurs (the "Payment Commencement Date"), ALPOA shall pay monthly to ALPUC the amount of \$2791.67 as consideration for providing services of the System to ALPOA (the "Monthly Payment"). The Monthly Payment is to be used by ALPUC only for the purpose of making the required debt service payments on the Note, the payments into all of the funds and accounts required in

connection with the Note, and the maintenance of the required debt service coverage ratios for the Note, and for no other purpose.

3. The first Monthly Payment shall be made on the Payment Commencement Date and such payment shall be made monthly thereafter, by the same day of each month at which ALPOA's sewer treatment payment to ALPUC is currently due, such payment to continue monthly for thirty nine (39) consecutive years, or until such earlier time as the Bonds have been paid in full or ALPUC ceases to provide sewer services by the System to its customers.

4. The Monthly Payment shall be made from the general funds of ALPOA and provision shall be made in each annual budget of ALPOA for the tendering of the Monthly Payment to ALPUC.

#### ARTICLE IV Remedies upon Default

Subject to all applicable laws, in the event that ALPOA fails to make any payment due and remains in default for a period of sixty (60) days following such payment due date, or in the event that ALPOA fails to perform any other term, obligation, or condition of this Agreement, and fails to correct such default (or to commence correction of such default if correction shall reasonably require more than twenty (20) days), within twenty (20) days of receipt of written notice from ALPUC specifying such default, then ALPUC shall have, at its option, the following rights and remedies:

- (a) The right to require specific performance by ALPOA through institution of a civil action against ALPOA in the Circuit Court of Preston County, West Virginia;
- (b) The right to correct such default itself and to charge ALPOA for its cost plus a ten percent (10%) penalty. This penalty is not interest and is only to be collected once for each default as the same may be appropriate;
- (c) The right to seek damages from ALPOA through the institution of a civil action against ALPOA in the Circuit Court of Preston County, West Virginia; and
- (d) The right to pursue any other remedy against ALPOA which it may have under the laws of the State of West Virginia.

ARTICLE V  
Insurance

ALPUC shall keep its property and facilities insured against damage and destruction and shall obtain comprehensive general liability insurance, including public liability and property damage, with a qualified and sound insurer licenced by the state of West Virginia. Upon written request, ALPUC shall provide ALPOA with a certificate evidencing such insurance.

ARTICLE VI  
Notices

All notices which may be given hereunder shall be made in writing and sent by United States Mail to the parties hereto at the following addresses, or to such other address as shall hereafter be provided in writing to the other party:

If to ALPUC:

Alpine Lake Public Utilities Company  
700 West Alpine Drive  
Terra Alta, WV 26764  
Attention: President

If to ALPOA:

Alpine Lake Property Owners Association, Inc.  
700 West Alpine Drive  
Terra Alta, WV 26764  
Attention: President

Effective dates for such notices shall be the dates respectively that the same are deposited in the United States Mail, properly addressed, with postage prepaid.

ARTICLE VII  
Miscellaneous Provisions

1. This Agreement shall bind and benefit the respective parties, but shall not be assignable in whole or in part without first obtaining written consent of ALPUC and ALPOA.

2. This Agreement shall be subject to all present and future laws, orders, rules and regulations of the United States of America, the State of West Virginia, and any other regulatory entity or agency having jurisdiction.

3. If any provision, paragraph, word, section or article of this Agreement is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words, sections and articles shall not be affected and shall continue in full force and effect.

4. 16.4 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements with respect thereto as of the date of the execution of this Agreement, and no alteration, modification or interpretation of this Agreement shall be binding unless in writing and signed by both parties.

5. No failure by either party to insist upon the strict performance of any term, covenant or condition of this Agreement, or to exercise any right or remedy upon breach of any provision hereof, and no acceptance of payment or performance during the continuation of any such breach, shall constitute a waiver of any term, covenant or condition herein or waiver of any subsequent breach or default in the performance of any terms, covenant, or condition herein.

6. If any provision of this Agreement or its application to any party or circumstances shall be determined by any court of competent

jurisdiction to be invalid and/or unenforceable to any extent, the remainder of this Agreement, along with contemporaneously executed agreements, or the application of such provision to such party or circumstances, other than those determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law. In the event a provision of this Agreement, or contemporaneously executed agreements, is found to be invalid or unenforceable, the parties will negotiate in good faith to agree on a lawful provision having as near the same economic effect as the unenforceable provision.

7. All headings or captions appearing herein are for convenience only, shall not be considered a part of this Agreement, for any purpose or as, in any way interpreting, construing, varying, altering, or modifying this Agreement or any of the provisions hereof.

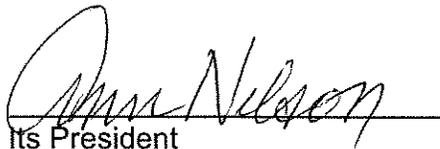
IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement by their appropriate officers as of the day and year first above written.

COMPANY

ALPINE LAKE PUBLIC UTILITIES

[SEAL]

By:

  
Its President

Attest:

John H. Evans  
Its Secretary

ALPINE LAKE PROPERTY OWNERS  
ASSOCIATION, INC.

[SEAL]

By: Living G. Perry  
Its President

Attest:

Skip Creamer  
John H. Evans JHE.  
Its Secretary

07/5/07  
012210.00002

Alpine Lake Public Utilities Company

Sewer Revenue Note, Series 2007 A  
(United States Department of Agriculture)

RESOLUTION APPROVING A SEWERAGE SYSTEM AGREEMENT BY AND BETWEEN ALPINE LAKE PUBLIC UTILITIES COMPANY ("ALPUC") AND ALPINE LAKE PROPERTY OWNERS ASSOCIATION INC. ("ALPOA") WHICH PROVIDES FOR A MONTHLY PAYMENT TO BE MADE BY ALPOA TO ALPUC FOR USE BY THE SEWER SYSTEM OF ALPUC; APPROVING THE EXECUTION OF THE SEWERAGE SYSTEM AGREEMENT BY THE APPROPRIATE OFFICERS OF ALPUC; AND AUTHORIZING THE TAKING OF ANY OTHER ACTION NECESSARY TO IMPLEMENT THE TERMS OF THE SEWERAGE SYSTEM AGREEMENT.

WHEREAS, ALPUC owns and operates wastewater collection and treatment facilities in the Alpine Lake area of Preston County, West Virginia (the "System"), for the benefit of its members, which include the residents of Alpine Lake Resort;

WHEREAS, ALPOA is the property owners association for the Alpine Lake Resort, the membership of which pays user fees to ALPUC in exchange for the wastewater collection and treatment services provided by ALPUC;

WHEREAS, ALPUC has determined that improvements and upgrades to its existing wastewater collection and treatment facilities are necessary in order to better serve its members and the membership of ALPOA, consisting of the following (hereinafter, the "Project"): the construction of a new 150,000 GPD wastewater treatment plant with a 150,000 gallon flow equalization basin, upgrades or replacement of six existing sewage pumping stations, and construction of a new office facility to serve administrative and billing staff, as well as field crew facilities, together with all appurtenant facilities;

WHEREAS, ALPUC intends to finance the Project pursuant to a loan from the United States Department of Agriculture, Rural Utilities Service (the "USDA Loan"); and

WHEREAS, in order to provide sufficient rates and charges for the use of its sewerage system, and provide ALPUC with sufficient revenues to pay debt service on the USDA Loan, ALPOA and ALPUC desire to enter into the Sewerage System Agreement which is attached hereto as Exhibit A providing for the making of a monthly payment by ALPOA to ALPUC for the use of ALPUC's sewer system.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF ALPINE LAKE PUBLIC UTILITIES COMPANY:

Section 1. All of the terms and provisions of the Sewerage System Agreement, by and between ALPOA and ALPUC, the form of which is attached hereto as Exhibit A are hereby approved and ALPUC is authorized to enter into the Sewerage System Agreement upon the terms and conditions set forth therein.

Section 2. The President of the Board of Directors of ALPUC is hereby authorized to execute the Sewerage System Agreement on behalf of ALPUC and the Secretary of ALPUC is authorized to affix the seal of the corporation thereto and to attest the same.

Section 3. The officers and employees of ALPUC are directed to take all action as may be necessary to carry the Sewerage System Agreement into effect and to implement all of the terms of said Agreement.

Section 4. This Resolution shall be effective immediately following adoption hereof.

Adopted this 21<sup>st</sup> day of July, 2007.

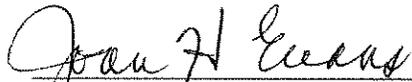
By:   
Its: President

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Board of Directors of  
Alpine Lake Public Utilities Company on the 21<sup>st</sup> day of July, 2007.

Dated: July 21, 2007.

[SEAL]

  
Secretary

7/16/07  
012210.00002

Alpine Lake Public Utilities Company  
Sewer Revenue Note, Series 2007 A  
(United States Department of Agriculture)

MINUTES OF ALPUC BOARD ON  
APPROVAL OF SEWER AGREEMENT

*Joan Evans* SECRETARY of the ALPINE LAKE PUBLIC UTILITIES COMPANY Board of Directors, hereby certify that the following is a true and correct excerpt of the minutes of a regular meeting of the Alpine Lake Public Utilities Company Board of Directors:

.....

The members of the Alpine Lake Public Utilities Company Board of Directors met in regular session, pursuant to notice duly given, on July 21, 2007, at the Board's office at 700 West Alpine Drive, Terra Alta, West Virginia, at the hour of 9 AM .m.

PRESENT: Ann Nelson, Chairman  
Joan Evans  
Judy Hay  
Leonard Wierzbicki

ABSENT: I. Dean Riley

Ann Nelson, President, presided and Joan Evans acted as Secretary.

The President announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the President then presented a proposed resolution for consideration of adoption by the board which was entitled as follows:

RESOLUTION APPROVING A SEWERAGE SYSTEM AGREEMENT BY AND BETWEEN ALPINE LAKE PUBLIC UTILITIES COMPANY ("ALPUC") AND ALPINE LAKE PROPERTY OWNERS ASSOCIATION INC. ("ALPOA") WHICH PROVIDES FOR A MONTHLY PAYMENT TO BE MADE BY ALPOA TO ALPUC FOR USE BY THE SEWER SYSTEM OF ALPUC; APPROVING THE EXECUTION OF THE SEWERAGE SYSTEM AGREEMENT BY THE APPROPRIATE OFFICERS OF ALPUC; AND AUTHORIZING THE TAKING OF ANY OTHER ACTION NECESSARY TO IMPLEMENT THE TERMS OF THE SEWERAGE SYSTEM AGREEMENT.

Thereupon, on motion of John Hays seconded by Leonard  
was unanimously ordered that said resolution be adopted, and that the same be in full force  
and effect on and from the date hereof. Winstone

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

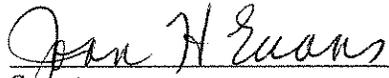
Ann Nelson  
President

Jan H. Evans  
Secretary

CERTIFICATION

The undersigned hereby certifies that they are the duly elected qualified and acting SECRETARY of the Board of Directors of ALPINE LAKE PUBLIC UTILITIES COMPANY, and that the foregoing is a true, accurate and complete copy of the minutes of a regular meeting of the Alpine Lake Public Utilities Company held July 21, 2007.

Dated: July 21, 2007.

  
\_\_\_\_\_  
Secretary

7/17/07  
012210.00002

Alpine Lake Property Owners Association, Inc.

Sewer Revenue Note, Series 2007 A  
(United States Department of Agriculture)

RESOLUTION APPROVING A SEWERAGE SYSTEM AGREEMENT BY AND BETWEEN ALPINE LAKE PUBLIC UTILITIES COMPANY ("ALPUC") AND ALPINE LAKE PROPERTY OWNERS ASSOCIATION INC. ("ALPOA") WHICH PROVIDES FOR A MONTHLY PAYMENT TO BE MADE BY ALPOA TO ALPUC FOR USE BY THE SEWER SYSTEM OF ALPUC; APPROVING THE EXECUTION OF THE SEWERAGE SYSTEM AGREEMENT BY THE APPROPRIATE OFFICERS OF ALPOA; AND AUTHORIZING THE TAKING OF ANY OTHER ACTION NECESSARY TO IMPLEMENT THE TERMS OF THE SEWERAGE SYSTEM AGREEMENT.

WHEREAS, ALPUC owns and operates wastewater collection and treatment facilities in the Alpine Lake area of Preston County, West Virginia (the "System"), for the benefit of its members, which include the residents of Alpine Lake Resort;

WHEREAS, ALPOA is the property owners association for the Alpine Lake Resort, the membership of which pays user fees to ALPUC in exchange for the wastewater collection and treatment services provided by ALPUC;

WHEREAS, ALPUC has determined that improvements and upgrades to its existing wastewater collection and treatment facilities are necessary in order to better serve its members and the membership of ALPOA, consisting of the following (hereinafter, the "Project"): the construction of a new 150,000 GPD wastewater treatment plant with a 150,000 gallon flow equalization basin, upgrades or replacement of six existing sewage pumping stations, and construction of a new office facility to serve administrative and billing staff, as well as field crew facilities, together with all appurtenant facilities;

WHEREAS, ALPUC intends to finance the Project pursuant to a loan from the United States Department of Agriculture, Rural Utilities Service (the "USDA Loan"); and

WHEREAS, in order to provide sufficient rates and charges for the use of its sewerage system, and provide ALPUC with sufficient revenues to pay debt service on the USDA Loan, ALPOA and ALPUC desire to enter into the Sewerage System Agreement which is attached hereto as Exhibit A providing for the making of a monthly payment by ALPOA to ALPUC for the use of ALPUC's sewer system.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF ALPINE LAKE PROPERTY OWNERS ASSOCIATION, INC.:

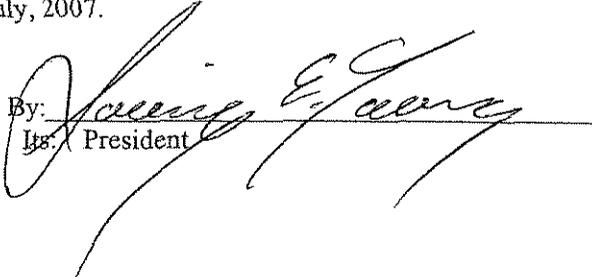
Section 1. All of the terms and provisions of the Sewerage System Agreement, by and between ALPOA and ALPUC, the form of which is attached hereto as Exhibit A are hereby approved and ALPOA is authorized to enter into the Sewerage System Agreement upon the terms and conditions set forth therein.

Section 2. The President of the Board of Directors of ALPOA is hereby authorized to execute the Sewerage System Agreement on behalf of ALPOA and the Secretary of ALPOA is authorized to affix the seal of the corporation thereto and to attest the same.

Section 3. The officers and employees of ALPOA are directed to take all action as may be necessary to carry the Sewerage System Agreement into effect and to implement all of the terms of said Agreement.

Section 4. This Resolution shall be effective immediately following adoption hereof.

Adopted this 21<sup>st</sup> day of July, 2007.

By:   
Its: President

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Board of Directors of Alpine  
Lake Property Owner's Association, Inc. on the 21<sup>st</sup> day of July, 2007.

Dated: July 21, 2007.

 [SEAL]  
Secretary

7/16/07  
012210.00002

Alpine Lake Public Utilities Company  
Sewer Revenue Note, Series 2007 A  
(United States Department of Agriculture)

MINUTES OF ALPOA BOARD ON  
APPROVAL OF SEWER AGREEMENT

I, SKIP CREAMER SECRETARY of the ALPINE LAKE PROPERTY OWNERS ASSOCIATION, INC. Board of Directors, hereby certify that the following is a true and correct excerpt of the minutes of a regular meeting of the Alpine Lake Property Owner's Association, Inc. Board of Directors:

.....

The members of the Alpine Lake Property Owner's Association, Inc. Board of Directors met in regular session, pursuant to notice duly given, on July 21, 2007, at the Board's office at 700 West Alpine Drive, Terra Alta, West Virginia, at the hour of 10.00 A.m.

PRESENT: Loring Young  
SKIP CREAMER  
DARRELL SHAFER  
PAT ARNONE  
JOE MURTA  
GRACE ATHEY  
MARVIN GONZALEZ

ABSENT: \_\_\_\_\_

Loring Young, President, presided and SKIP CREAMER acted as Secretary.

The President announced that a quorum of members was present and that the meeting was open for any business properly before it.

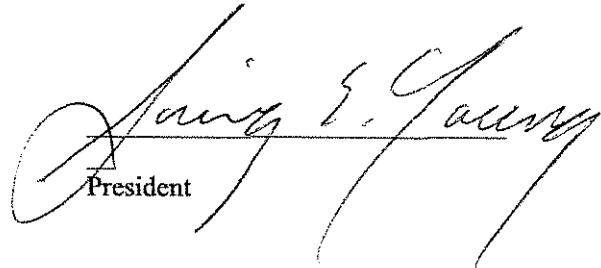
Thereupon, the President then presented a proposed resolution for consideration of adoption by the board which was entitled as follows:

RESOLUTION APPROVING A SEWERAGE SYSTEM AGREEMENT BY AND BETWEEN ALPINE LAKE PUBLIC UTILITIES COMPANY ("ALPUC") AND ALPINE LAKE PROPERTY OWNERS ASSOCIATION INC. ("ALPOA") WHICH PROVIDES FOR A MONTHLY PAYMENT TO BE MADE BY ALPOA TO ALPUC FOR USE BY THE SEWER SYSTEM OF ALPUC; APPROVING THE EXECUTION OF THE SEWERAGE SYSTEM AGREEMENT BY THE APPROPRIATE OFFICERS OF ALPOA; AND AUTHORIZING THE TAKING OF ANY OTHER ACTION NECESSARY TO IMPLEMENT

THE TERMS OF THE SEWERAGE SYSTEM  
AGREEMENT.

Thereupon, on motion of DARRELL SHAFER, seconded by GRACE ATHEY, it was unanimously ordered that said resolution be adopted, and that the same be in full force and effect on and from the date hereof.

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

  
President

CERTIFICATION

The undersigned hereby certifies that they are the duly elected qualified and acting SECRETARY of the Board of Directors of ALPINE LAKE PROPERTY OWNERS ASSOCIATION, INC., and that the foregoing is a true, accurate and complete copy of the minutes of a regular meeting of the Alpine Lake Property Owners Association, Inc. held July 21, 2007.

Dated: July 21, 2007.

  
Secretary

7/17/07  
012210.00002

CL1178289.1

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 5<sup>th</sup> day of September, 2007.

CASE NO. 07-1503-S-PC

ALPINE LAKE PUBLIC UTILITIES COMPANY

Petition for consent and approval of a waterworks system agreement between Alpine Lake Public Utilities Company and Alpine Lake Property Owners Association, Inc., whereby the Association will make certain financial contributions to Alpine Lake Public Utilities Company in order to ease the rate burden on Petitioner's customers due to the certificate project for the construction of additions and improvements to the existing sewer system.

COMMISSION ORDER

FINDINGS OF FACT

1. The utility has requested the Commission's consent to enter into a proposed agreement, pursuant to West Virginia Code § 24-2-12.
2. Staff recommends approval of the filing, because the terms and conditions thereof are reasonable, no party is given an undue advantage, and the public is not adversely affected.

CONCLUSION OF LAW

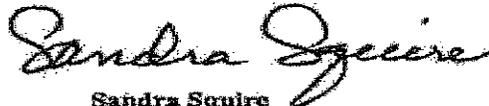
It is reasonable for the Commission to grant its prior consent for the utility to enter into the agreement, without approving the underlying terms and conditions of the agreement.

ORDER

IT IS THEREFORE ORDERED that, without approving the underlying terms and conditions, the Commission grants its prior consent for the utility to enter into the agreement, and this matter is removed from the Commission's docket of active cases.

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

A True Copy, Teste:

  
Sandra Squire  
Executive Secretary

LAS/s  
071503c.wpd





**United States Department of Agriculture**  
**Rural Development**  
West Virginia State Office

Lien Parity Consent

January 10, 2008

Alpine Lake Public Utilities Company  
Sewer Revenue Note, Series 2008 A  
(United States Department of Agriculture)

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the beneficiary of that certain Credit Line Deed of Trust, Fixture Filing and Security Agreement dated January 8, 2008, but effective January 10, 2008, whereby Alpine Lake Public Utilities Company granted the property described therein (the "Collateral") unto Rickie E. Rice, State Director of the United States Department of Agriculture or his successor in office, as trustee, to secure unto the United States of America, acting through Rural Utilities Service, the repayment of the sum of \$3,500,000 (the "Deed of Trust"), hereby consents to a parity lien position upon the Collateral to the lien thereon created by that certain Credit Line Deed of Trust, Fixture Filing and Security Agreement, dated August 8, 2006, and recorded in the Office of the Clerk of the County Commission of Preston County in Trust Deed Book No. 425, at Page 800, whereby Alpine Lake Public Utilities Company granted the property described therein unto Robert M. Steptoe, III, or his successor in office as State Director of the United States Department of Agriculture, as trustee, to secure the United States of America, acting through Rural Utilities Service, in the repayment of the sum of \$2,613,000 (the "Prior Deed of Trust").

UNITED STATES DEPARTMENT OF  
AGRICULTURE, RURAL UTILITIES SERVICE

A handwritten signature in black ink, appearing to read "Rickie E. Rice", written over a horizontal line.

Rickie E. Rice  
State Director

Federal Building • 75 High Street • Suite 320 • Morgantown, WV 26705-7500  
Phone: (304) 284-4860 OR 1-800-295-8228 • Fax: (304) 284-4893 • TDD: (304) 284-4836  
Web: <http://www.rurdev.usda.gov/wv>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."  
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.,  
Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).



**RESOLUTION OF THE ALPINE LAKE PUBLIC UTILITIES COMPANY ("ALPUC") APPROVING INVOICES RELATING TO DESIGN SERVICES FOR THE PROPOSED WASTEWATER PROJECT AND AUTHORIZING PAYMENT THEREOF,**

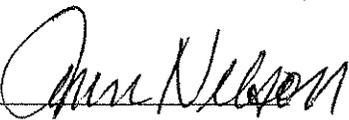
WHEREAS, the ALPUC, has reviewed the invoices attached hereto and incorporated herein by reference relation to the Project funded by the United States Department of Agriculture Rural Utilities Service (RUS) and find as follows:

- a) That none of the items for which 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 paid 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.
- d) That the payment for each of the items proposed is due and owing.

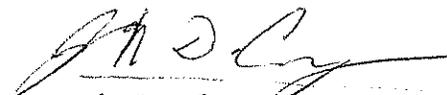
NOW, THEREFOR, BE IT RESOLVED ALPUC by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	RUS	Other (Water)
Steptoe & Johnson (Bond Counsel)	21,700.00	21,700.00	
Steptoe & Johnson (Local Counsel)	13,300.00	13,300.00	
Greenhorne & O,Mara	183,200.00	183,200.00	
Reed & Dunham	7,500.00	7,500.00	
<b>Total</b>	<b>225,700.00</b>	<b>225,700.00</b>	

ADOPTED BY the ALPUC, at the meeting held on the 8th day of January, 2008.

By: 

Its: President

 1/8/08  
 USDA Rural Development

CHARLESTON, WEST VIRGINIA 25326

IN ACCOUNT WITH

**STEPTOE & JOHNSON PLLC**

Attorneys at Law

FEIN 55-0286140

January 10, 2008

Alpine Lake Public Utilities Company  
Sewer System Revenue Notes, Series 2008 A  
(United State Department of Agriculture)

Services as Bond Counsel and Out-of-pocket expenses	\$21,700.00
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<b>TOTAL DUE</b>	<b><u>\$ 21,700.00</u></b>
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012210.00002

CH937666.1

CHARLESTON, WEST VIRGINIA 25326

IN ACCOUNT WITH

**STEPTOE & JOHNSON PLLC**

Attorneys at Law

FEIN 55-0286140

January 10, 2008

Alpine Lake Public Utilities Company  
Sewer System Revenue Notes, Series 2008 A  
(United State Department of Agriculture)

Services as Special Project Counsel  
and Out-of-pocket expenses

\$ 13,300.00

**TOTAL DUE**

\$ 13,300.00

012210.00002

CH937666.1

**Alpine Lake Public Utilities Company  
Sewer Project**

Requisition No. 1

August 30, 2007

Payee	RUS Loan	RUS Grant	Total
Greenhorne & O'Mara, Inc. Consulting Engineer	\$ 183,200.00	\$ -	\$ 183,200.00
<b>Total This Request</b>	<b>\$ 183,200.00</b>	<b>\$ -</b>	<b>\$ 183,200.00</b>
<b>Total Requested to Date</b>	<b>\$ 183,200.00</b>	<b>\$ -</b>	<b>\$ 183,200.00</b>

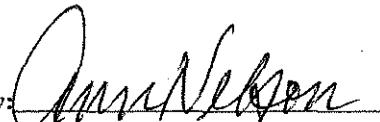
Recommended for Payment: By:  Date: 8-30-07  
Greenhorne & O'Mara, Inc.

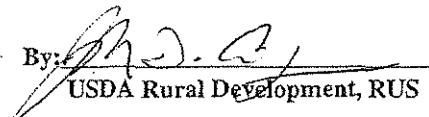
**Resolution of Alpine Lake Public Utilities Company**

Whereas the Alpine Lake Public Utilities Company has reviewed the attached invoices relating to the project and finds as follows:

1. That none of the items for which payment is proposed under this requisition has formed the basis disbursement heretofore made.
2. 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.
3. That each of such costs has been otherwise properly incurred; and
4. That payment for each of the items proposed is then due and owing.

Now, therefore, be it resolved by the Alpine Lake Public Utilities Company that the payment of the attached invoices, as summarized above, is hereby authorized and directed.

By:  Date: 1/8/2008  
Ann Nelson, President

Approved for Payment: By:  Date: 1/8/2008  
USDA Rural Development, RUS

# Alpine Lake Public Utilities Company Sewer Project

INVOICE NO:

PAY REQUISITION # 1

## ENGINEERING FEE BREAKDOWN

PHASE	TOTAL FEE	CONST %	FEE DUE
Engineering Design	\$183,200.00	100%	\$183,200.00
Engineering During Construction	\$34,350.00	0%	\$0.00
Engineering Post Construction	\$11,450.00	0%	\$0.00
<b>SUB-TOTAL (Engineering Design Fees)</b>	<b>\$229,000.00</b>	<b>80%</b>	<b>\$183,200.00</b>
Engineering - Inspection	\$196,000.00	0%	\$0.00
Engineering - Special	\$18,000.00	0%	\$0.00
<b>TOTALS</b>	<b>\$443,000.00</b>	<b>41%</b>	<b>\$183,200.00</b>

# Alpine Lake Public Utilities Company

## Project Budget Engineering Fees

### Pay Requisition # 1

PHASE	USDA-RD BUDGET	PREVIOUSLY INVOICED	CURRENT INVOICE	TOTAL	PERCENT COMPLETE
Engineering Design	\$ 183,200.00		\$ 183,200.00	\$183,200.00	100.000%
Engineering During Construction	\$ 34,350.00		\$ -	\$0.00	0.000%
Engineering Post Construction	\$ 11,450.00		\$ -	\$0.00	0.000%
<b>SUB-TOTAL (Engineering Design Fees)</b>	<b>\$ 229,000.00</b>		<b>\$ 183,200.00</b>	<b>\$183,200.00</b>	<b>80.000%</b>
Engineering - Inspection	\$ 196,000.00		\$ -	\$0.00	0.000%
Engineering - Special	\$ 18,000.00		\$ -	\$0.00	0.000%
<b>TOTALS</b>	<b>\$ 443,000.00</b>	<b>\$ -</b>	<b>\$ 183,200.00</b>	<b>\$ 183,200.00</b>	<b>41.354%</b>

# REEDER & DUNHAM, PLLC

3772 TEAYS VALLEY ROAD, SUITE 3

P.O. Box 1027

HURRICANE, WEST VIRGINIA 25526

(304) 757-7320

(304)757-7707 FAX

INVOICE DATE: DECEMBER 20, 2007

TAX ID #: 02-0712225

RE: ALPINE LAKE PUBLIC UTILITIES COMPANY

CASE No. 07-0058-S-CN

**\*I\*N\*V\*O\*I\*C\*E\***

ACTIVITY	AMOUNT
Advised as to options with respect to obtaining Public Service Commission approval for the Project; Prepare necessary documentation for filing with the Public Service Commission, including all necessary petitions, legal briefs and other documentation; Consulted with you and other participants in the Project to delineate and accomplish the tasks required to obtain Public Service Commission approval for the Project; Explained the regulatory process and steps which must be taken to obtain a certificate of convenience and necessity from the Public Service Commission for the Project.	\$7,500.00