HUTTONSVILLE PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1984 A and Series 1984 B

BOND TRANSCRIPT

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02/27/84
HUTT1-K

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED-12-1C

GRANT AMENDMENT
(Optional)
(Please read ...ructions on reverse before completing)

C-540203-02
AMENDMENT NO.
2

NOTE: The original Amendment with one copy must be executed and returned to the Grants Administration Division for He quarters grant awards and to the Grants Administration Branches for State and local assistance awards within 3 weeks af receipt or within any extension of time as may be granted in writing by EPA. Except as may be otherwise provided, no costs a result of the Amendment may be incurred prior to the execution of the Grant Amendment by the parties thereto.

Receipt of a written refusal, or failure to receive the properly executed document within the prescribed time will result in t termination of consideration of the Grant Amendment by EPA.

GENERAL INFORMATION

APPROPRIATION AND ACCOUNTING DATA

APPROPRIATION NUMBER	ACCOUNT NUMBER	OBJECT CLASS CODE
68-11X0090	X169036006	41.11

DESCRIPTION OF AMENDMENT: PURSUANT TO EPA GRANT REGULATION 40 CFR 30.900 "PROJECT CHANGES AND GRANT MODIFIC TIONS" AND 40 CFR 30.900-1 "FORMAL GRANT AMENDMENTS," THE ABOVE NUMBERED GRANT AGREEMENT IS AMENDED AS FOLL

Increase obligation by $92,325, from $2,410,950 to $2,503,275, due to supplemental increase of ARC funds.

Funding

EPA	$2,410,950	75%
ARC-Section 214 Supplemental	92,325	3%
Non-Federal (State)	641,944	20%
Non-Federal (Local)	69,381	2%
Total Eligible Project Cost	$3,214,600	100%

Section 214 assistance is limited to the lessor of:
(1) the amount specified above; or
(2) the difference between the actual eligible project costs and the sum of the actual basic grant and the non-federal funds specified above.

All other terms and conditions remain unchanged.

AWARD APPROVAL OFFICE	ISSUING OFFICE
ORGANIZATION Water Division	ORGANIZATION Virginia/West Virginia Branch
ADDRESS Environmental Protection Agency Curtis Building, 6th & Walnut Streets Philadelphia, Pennsylvania 19106	ADDRESS Environmental Protection Agency Curtis Building, 6th & Walnut Streets Philadelphia, Pennsylvania 19106

GRANTEE ORGANIZATION

NAME	ADDRESS
Huttonsville Public Service District	P.O. Box 65 Mill Creek, West Virginia 26273

Except as provided herein all terms and conditions of the basic grant agreement, including prior amendments, remain unchanged a d in full for and effect and subject to all applicable provisions of 40 CFR Chapter I, Subpart B.

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
Fred B. Grantler	Greene A. Jones Director, Water Division	MAY 9 1973

BY AND ON BEHALF OF THE DESIGNATED GRANTEE ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
Keith Hilsberry	CHAIRMAN	MAY 14 1973

EPA Form 5700-20B (7-76)

1

C | 3 | 4 | 0 | 2 | 0 | 3 | 0 | 2 | 1

CHECK APPLICABLE BOX(S)	DATE OF AWARD (Obligation date)
[ ] GRANT AGREEMENT	MAR 29 1979
[X] GRANT AMENDMENT	TYPE OF ACTION
[ ] SUBSEQUENT RELATED PROJECT (WWT)	Increase

PART I—GENERAL INFORMATION

1. GRANT PROGRAM	2. STATUTE REFERENCE	3. REGULATION REFERENCE
Municipal Wastewater Treatment Works	33 USC 1281 et. seq.	40 CFR Parts 30 & 35

4. GRANTEE ORGANIZATION

a. NAME	c. ADDRESS
Huttonsville Public Service District	P.O. Box 65 Mill Creek, West Virginia 26273
b. EMPLOYER I.D. NO. (EIN)	

5. PROJECT MANAGER (Grantee Contact)

a. NAME	d. ADDRESS
Keith Holsberry	Huttonsville Public Service District P.O. Box 65 Mill Creek, West Virginia 26273
b. TITLE	
Chairman	
c. TELEPHONE NO. (Include Area Code)	
304/335-4947	

6. PROJECT OFFICER (EPA Contact)

a. NAME	d. ADDRESS
James Topsale	Environmental Protection Agency Water Division Curtis Building 6th & Walnut Streets Philadelphia, Pennsylvania 19106
b. TITLE	
Team Leader, West Virginia Section	
c. TELEPHONE NO. (Include Area Code)	
215/597-8243	

7. PROJECT TITLE AND DESCRIPTION

No change in project scope.

PROJECT STEP (WWT): III

8. DURATION

PROJECT PERIOD (Dates)	BUDGET PERIOD (Dates)
May, 1976 - September, 1980	N/A

9. DOLLAR AMOUNTS

TOTAL PROJECT COSTS	$3,612,060	EPA GRANT AMOUNT ~~XXXXXXXXXXXXXXXX~~	$2,410,950
TOTAL ELIGIBLE COSTS (WWT)	$3,214,600	UNEXPENDED PRIOR YR. BAL. (EPA Funds)	N/A
TOTAL BUDGET PERIOD COSTS	N/A	THIS ACTION (This obligation amount)	$1,026,080

10. ACCOUNTING DATA

APPROPRIATION	DOC CONTROL NO.	ACCOUNT NO.	OBJ CLASS	AMOUNT CHARGED
68X0103.A	W78033	Y779036006	11	$1,026,080

11. PAYMENT METHOD

[ ] ADVANCES: ____% of award [X] REIMBURSEMENT

[ ] OTHER _____

SEND PAYMENT REQUEST TO: Financial Management Branch

12. PAYEE (Name and mailing address. Include ZIP Code)

Huttonsville Public Service District
P.O. Box 65
Mill Creek, West Virginia 26273

TABLE . OBJECT CLASS CATEGORY (Non-construction)	TOTAL APPROVED ALLOWABLE BUDGET PERIOD COST
1. PERSONNEL	N/A
2. FRINGE BENEFITS	
3. TRAVEL	
4. EQUIPMENT	
5. SUPPLIES	
6. CONTRACTUAL	
7. CONSTRUCTION	
8. OTHER	
9. TOTAL DIRECT CHARGES	
10. INDIRECT COSTS: RATE % BASE	
11. TOTAL (Share: Grantee _____ % Federal _____ %)	
12. TOTAL APPROVED GRANT AMOUNT	$

TABLE B - PROGRAM ELEMENT CLASSIFICATION (Non-construction)	
1.	N/A
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10. TOTAL (Share: Grantee _____ % Federal _____ %)	
11. TOTAL APPROVED GRANT AMOUNT	$

TABLE C - PROGRAM ELEMENT CLASSIFICATION (Construction)	
1. ADMINISTRATION EXPENSE	15,000
2. PRELIMINARY EXPENSE	
3. LAND STRUCTURES, RIGHT-OF-WAY	
4. ARCHITECTURAL ENGINEERING BASIC FEES	208,000
5. OTHER ARCHITECTURAL ENGINEERING FEES	
6. PROJECT INSPECTION FEES	
7. LAND DEVELOPMENT	
8. RELOCATION EXPENSES	
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES	
10. DEMOLITION AND REMOVAL	
11. CONSTRUCTION AND PROJECT IMPROVEMENT	2,840,179
12. EQUIPMENT	
13. [redacted] Legal & Fiscal	9,440
14. TOTAL (Lines 1 thru 13)	
15. ESTIMATED INCOME (If applicable)	
16. NET PROJECT AMOUNT (Line 14 minus 15)	
17. LESS: INELIGIBLE EXCLUSIONS	
18. ADD: CONTINGENCIES	141,981
19. TOTAL (Share: Grantee 25 % Federal 75 %)	$3,214,600
20. TOTAL APPROVED GRANT AMOUNT	$ 2,410,950

PART III - GRANT CONDITIONS

a. General Conditions:

The grantee covenants and agrees that it will expeditiously initiate and timely complete the project work for which assistance has been awarded under this grant, in accordance with all applicable provisions of 40 CFR Chapter I, Subpart B. The grantee warrants, represents, and agrees that it, and its contractors, subcontractors, employees and representatives, will comply with: (1) all applicable provisions of 40 CFR Chapter I, Subchapter B, INCLUDING BUT NOT LIMITED TO the provisions of Appendix A to 40 CFR Part 30. and (2) any special conditions set forth in this grant agreement or any grant amendment pursuant to 40 CFR 30.425.

b. Special Conditions:

A. Part III, Special Conditions, Number 1, "Subagreements" is hereby deleted in its entirety and the following substituted in lieu thereof:

"1. Subagreement

The engineering subagreements for this project shall not be considered approved by EPA until such time as documentation supporting the overhead cost rate is submitted through the State to EPA and is found to be acceptable. Payment on engineering services will not be made until these agreements or any revisions are approved."

B. Part III, Special Condition, "Schedule of Grant Payments is hereby deleted in its entirety and the following substituted in lieu thereof:

"4. Revised Schedule of Grant Payment

The grantee may submit requests for payments in accordance with the payment schedule dated January 9, 1979 and submitted in conjunction with the construction grant application. The schedule can be amended by an exchange of letters between the grantee and the Project Officer."

All other terms and conditions remain unchanged.

PART IV

NOTE: The Grant Agreement must be completed in duplicate and the Original returned to the Grants Administration Division for Headquarters grant awards and to the appropriate Grants Administration Office for state and local awards within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA.

Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the automatic withdrawal of the grant offer by the Agency. Any change to the Grant Agreement by the grantee subsequent to the document being signed by the EPA Grant Award Official which the Grant Award Official determines to materially alter the Grant Agreement shall void the Grant Agreement.

OFFER AND ACCEPTANCE

The United States of America, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers a grant/amendment to the Huttonsville Public Service District (GRANTEE ORGANIZATION) for 75 % of all approved costs incurred up to and not exceeding $2,410,950 (GRANT AMOUNT) for the support of approved budget period effort described in application *(including all application modifications)* C-540203-02 Huttonsville Public Service Dist. 1/9/79 (TITLE AND DATE) included herein by reference.

ISSUING OFFICE *(Grants Administration Office)*	AWARD APPROVAL OFFICE
ORGANIZATION ADDRESS Environmental Protection Agency Virginia/West Virginia Branch Curtis Building, 6th & Walnut Streets Philadelphia, Pennsylvania 19106	ORGANIZATION/ADDRESS Environmental Protection Agency Water Division Curtis Building, 6th & Walnut Streets Philadelphia, Pennsylvania 19106

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
Greene A. Jones	Greene A. Jones Director, Water Division	MAR 29 1979

This Grant Agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and grant regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the grantee organization, and (2) the grantee agrees (a) that the grant is subject to the applicable provisions of 40 CFR Chapter I, Subchapter B and of the provisions of this agreement (Parts I thru IV), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any, found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED GRANTEE ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE

DEPARTMENT OF FINANCE AND ADMINISTRATION
PURCHASING DIVISION

PURCHASE ORDER

FOR: Governor's Office of Economic and Community Development

File: 42

D[illegible] 3-78

State Acct. No.: 1210-11-029-01

Fiscal Year: 1979

B. R. Acct. No.:

Vendor Name & Address:

F.E.I.N. ~~000 000 888 8~~

Huttonsville Public Service District

Mill Creek, West Virginia 26280

Ship To: Governor's Office of Economic and Community Developme
West Wing 148 - State Capitol
Charleston, West Va. 25305

Invoice in Quintuplicate To:

Same as above

P. O. Date:	Terms:	F.O.B.	Shipping Date:

Item No. 1/14/78 Quantity	Description	Unit Price	Amount

AGREEMENT

This Agreement constitutes the acceptance of contract made by and between the State of West Virginia by the Commissioner of Finance and Administration for and on behalf of Economic and Community Development and Huttonsville Public Service District, for Construct a complete sewage treatment and collection system as well as necessary appurtenances to serve the Huttonsville Public Service District.

Service beginning October 25, 1978 and extending until June 30, 1979. All in accordance with standard form of agreement attached hereto as a part hereof.

SCHEDULE OF PAYMENT

$ _____ per _____

FEE:	$ 150,000.00
TRAVEL EXPENSE:	$
OTHER EXPENSE:	$
TOTAL:	$ 150,000.00

STATE OF WEST VIRGINIA
Department of Finance and Administration
MILES DEAN

by William K. Bunner
Commissioner

APPROVED AS TO FORM THIS 20 DAY OF Nov, 1978

CHAUNCEY H. BROWNING, JR.
Attorney General

BY Fredric J. Goeze
Assistant Attorney General

APPROVED AS TO PROVISIONS AND TERMS

STATE OF WEST VIRGINIA

Department of Finance and Administration
PURCHASING DIVISION

SEE TERMS AND CONDITIONS ON BACK

TOTAL AMOUNT OF THIS PURCHASE ORDER $ 150,000.00

Director, Purchasing Division

TERMS AND CONDITIONS

1. Vendor's Federal Employer Identification Number or Social Security Number, Purchasing Division file number, purchase order number, and name of Spending Unit specified on the purchase order must appear on all invoices, correspondence, containers, drums, shipping tags, boxes and etc.

2. AN ORIGINAL TYPED INVOICE AND FOUR COPIES MUST BE SUBMITTED FOR PAYMENT AGAINST THIS PURCHASE ORDER TO SPENDING UNIT DESIGNATED ON THE FACE OF PURCHASE ORDER.

3. Any request for changes or corrections in the purchase order must be submitted to the Purchasing Division in writing. The unit price on all purchase orders not containing a price adjustment agreement will remain firm for the life of the contract.

4. Vendors offering items claimed as equal to those specified on the purchase order, but which are not equal, may be subject to the Purchasing Director's recommendation that the right and privilege of the vendor to bid on State purchases be suspended.

5. All tangible property and/or services sold to the State of West Virginia on this purchase order is exempt from consumers sales and service tax or use tax. Vendor's file copy of this order will be accepted by the State Tax Department as an exemption certificate.

6. All sales of tangible property and/or services to the State of West Virginia, which are consummated in this State, are subject to West Virginia business and occupation tax.

7. All sales to the State of West Virginia are exempt from federal tax under Exemption No. A-108077.

8. The State of West Virginia may reject, revoke, or cancel this agreement or any part thereof, and, in the absence of provisions for liquidated damages as set forth in the body of this agreement, shall have the right to recover any and all damages sustained as a result of the vendor's failure to perform, in whole or in part, the terms and conditions of this agreement. The State may withhold from any remittance due the vendor under the terms and conditions of this agreement an amount equal to the damages sustained by such failure of performance on the part of the vendor.

9. The Director of Purchasing reserves the right to cancel this contract upon fifteen (15) days written notice to the vendor, subject to the following qualifications:

   Allowances may be made for delays in delivery or performance which are caused by shortages of materials or energy resources, strikes or by other causes beyond the control of the vendor. Provided, however, that the cause of such delay must be direct and that the vendor must submit to the Director of Purchasing, documented proof of the cause of any such delay.

   Notwithstanding the above provision, the Director of Purchasing reserves the right to cancel this contract forthwith if the commodities supplied as herein contracted for are of an inferior quality or if the commodities supplied are not in conformity with the specifications of the bid and contract herein.

White - Vendor Copy
Lt Green - Auditor's Copy
Canary - Budget Copy
Blue - Spending Unit Copy
Buff - Spending Unit Copy
Salmon - Spending Unit Copy
Dark Green - Spending Unit Copy
Goldenrod - Kardex Copy
Pink - File Copy

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

Partnership Grant

C O N T R A C T

Between

GOVERNOR'S OFFICE OF ECONOMIC AND

COMMUNITY DEVELOPMENT

And

HUTTONSVILLE PUBLIC SERVICE DISTRICT

THIS AGREEMENT, entered into this 25th Day of October, 1978, by the West Virginia Department of Finance and Administration on behalf of the Governor's Office of Economic and Community Development, hereinafter called the "GOECD", and the Huttonsville Public Service District and its authorized officers, agents, and representatives hereinafter called the "Grantee".

WITNESS THAT:

WHEREAS, the GOECD has promised and agreed to assist the Grantee to perform such tasks hereafter described in the scope of services, which is to be partially financed by funds made available through the Partnership Grants and Loans Program.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. Assistance of the Grantee. The GOECD hereby agrees to assist the Grantee including all authorized officers, agents, and representatives, to perform such tasks and functions as set forth below in the scope of services.

2. Scope of Services. The Grantee, or its designated agent, shall do, perform and carry out in a satisfactory and proper manner as determined by the GOECD all duties, tasks, and functions necessary to construct a complete sewage treatment and collection system as well as necessary appurtenances to serve the Huttonsville Public Service District.

3. Data to be Furnished to the the Grantee. All information, data, reports and records as are existing, available and necessary for the carrying out of the work as outlined above shall be furnished to the Grantee by the GOECD. The GOECD shall cooperate with the Grantee in every way possible in facilitating the completion of this Project.

4. Personnel. The Grantee represents that it has or will secure at its own expense personnel with the necessary qualifications and experience required to perform the services under this Contract. Such personnel shall not be employees of or have any contractural relationship with the GOECD.

5. Time of Performance. The Grantee will commence its duties under this Contract on October 25, 1978, and such duties shall be undertaken and completed in such sequences as to assure their expeditious completion in the light of the purpose of the Contract, but in any event, all of the services required hereunder shall be completed by June 30, 1979. Completion date of this Contract may only be extended by mutual written agreement of both parties dependent on the reappropriation of funds under the Partnership Grant Program.

6. Compensation. In consideration of the services rendered by the Grantee, the GOECD agrees to pay the Grantee the sum of One Hundred Fifty Thousand and no Hundredths ($150,000.00) Dollars. This amount constitutes complete compensation for all the services rendered. In no instances shall the agreed upon compensation exceed One Hundred Fifty Thousand and no Hundredths ($150,000.00) Dollars.

7. Method of Payment. The Grantee shall receive the above agreed upon compensation in the following manner:

(1.) Twenty Five Per Cent of the grant amount not to exceed $37,500 shall be advanced to the Grantee upon submission of a letter of request certifying that actual construction on the project has begun along with a copy of the notice to proceed to the contractor or contractors as well as copy of the permission to incure expenses from the various

Federal Agencies included.

(2) The remaining balance of the grant, up to Ninety Per Cent of the grant amount, shall be made available to the Grantee upon submission of periodic invoices detailing each segment of work completed under the auspices of this Contract.

(3.) With the remaining Ten Per Cent balance to be made available upon completion of construction and acceptance of the project by the Grantee.

It is expressly understood and agreed upon that in no event will the total compensation exceed the maximum One Hundred Fifty Thousand and no Hundredths ($150,000.00) Dollars for all work performed in accordance with the Contract without the written consent of the Governor of the State of West Virginia.

8. Credit of State Not Pledged. It is the understanding of all parties to this Contract that the GOECD, by joining in this Contract does not pledge or promise to pledge the credit of the State of West Virginia, nor does it promise to pay any part of the Contract sum provided for in this agreement from any monies of the Treasury of the State of West Virginia, except the monies as shall be granted to the Grantee under Paragraph 7 of this agreement.

9. Termination of Contract for Cause. If, through any cause, the Grantee shall fail to fulfill in a necessary and proper manner his obligations under this Contract, or if the Grantee shall violate any of the covenants, agreements, or stipulations of this Contract, the GOECD shall thereupon have the right to terminate this Contract by giving written notice to the Grantee of such termination and specifying the effective date thereof, at least fifteen days before the effective date of such termination. The Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on the described project.

Notwithstanding the above, the Grantee shall not be relieved of liability to the GOECD for damages sustained by the GOECD by virtue of any breach of the Contract by the

Grantee and the GOECD may withhold any payments to the Grantee for the purpose of set-off until such time as the exact amount of damages due the GOECD from the Grantee is determined.

10. Termination for Convenience of GOECD. The GOECD may terminate this Contract at any time by giving written notice to the Grantee of such termination and specifying the effective date of termination. If the Contract is terminated by the GOECD as provided herein, the Grantee will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Grantee covered by this Contract, less payments of compensation previously made.

11. Termination by the Grantee. The Grantee may unilaterally rescind this agreement at any time prior to the commencement of the project. After project commencement, this agreement may be rescinded, modified, or amended only by mutual agreement. A project shall be deemed commenced when the GOECD makes any expenditure or incurs any obligation with respect to the project.

12. Changes. The GOECD and the Grantee may, from time to time, require changes in the scope of the services of the work to be performed hereunder. Such changes, including any increase or decrease in the amount of the Grantee's compensation and work to be performed, which are mutually agreed upon by and between the GOECD and the Grantee, shall be incorporated in written amendments to this Contract.

13. Equal Employment Opportunity. With respect to employment in carrying out the program objectives, the Grantee agrees:

a. That it will not discriminate against any employee or applicant for employment because of race, color, age, religion, sex, or national origin;

b. That it shall take affirmative action to ensure that all contractors employed during this project treat all their employees, without regard to race, color, age, religion, sex, or national origin; and that such affirmative action shall include, but not be limited to the following: employment,

upgrading, demotions, transfers, recruitment, or recruitment of compensation, selection for training, including apprenticeship, and participation in recreational and educational activities, in all solicitations or advertisements for employees placed by or on behalf of the Grantee, state that all qualified applicants will receive consideration for employment without regard to race, color, age, religion, sex, or national origin, shall cause the provisions of this non-discrimination clause to be inserted in all subcontracts for any work covered by this notice of grant award so that such provisions will be binding upon each sub-contractor and shall keep such records and submit such reports concerning the racial and ethnic origin of employees and applicants for employment as the GOECD may require, and

c. That it shall comply with such rules, regulations or guidelines as the GOECD may issue to implement these requirements.

The Grantee shall cause any contractors and/or any subcontractors it engages on this project to comply with Title VI and Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et. seq.), Presidential Executive Order 11246 as amended by Presidential Executive Order 11375 and the provisions of the West Virginia Human Rights Act as amended (Section 5-11-1 of the Code of West Virginia).

14. Markings. The Grantee shall cause to be erected in a conspicious place upon completion of the project a sign provided by the GOECD evidencing State of West Virginia participation in the project through the Partnership Grants and Loans Program.

15. Competitive Bid Procedures. The Grantee shall solicit sealed bids for all construction related contracts or supplies related to this project which have an estimated value of over Two Thousand dollars. These bids shall be obtained by public notice as a Class II legal advertisement in compliance with the provisions of Article Three, Chapter Fifty-Nine of the Code of West Virginia. This notice shall be published by the Grantee within fourteen days next preceding the final date of submitting bids. The

Grantee may, alsc where feasible solicit s ed bids by sending requests by mail to prospective suppliers or contractors and by posting notice on a bulletin board in public place. The Grantee shall have available upon request for review by the GOECD or its designated representative bid documents and other evidence of compliance with these procedures.

16. Facilities Accessible to the Handicapped. The Grantee shall require any facilities constructed under the auspices of this Contract to be designed to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by the Physically Handicapped", Number A117.1-1961, as modified (41CFR101-17.1703) and (13CFR309.14). The Grantee shall be responsible for conducting inspections to insure compliance with these specifications.

17. Facilities Operation. The Grantee shall operate and maintain all facilities constructed under the auspices of this Contract in accordance with minimum standards as may be required or prescribed by the applicable Federal, State and local statute, law, ordinance or regulation as to actual construction procedures, as well as maintenance and operation of such facilities upon completion.

18. Interest of Members of GOECD and Others. No officer, member or employee of the GOECD or officer, member or employee of the Grantee who exercises any function or responsibilities in the review or approval of the undertaking or carrying out of this Project, shall participate in any decision relating to this Contract which affects his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested or have any personal or pecuniary interest nor shall any officer, member of, or employee of, the Grantee or any member of its governing body, or officer, member, or employee of the Contractor have any interest, direct or indirect, in these Contracts or the proceeds thereof.

19. Officials Not to Benefit. No member of or Delegate

The Grantee furth understands that if the roject is not under construction within a twelve month period that it must resubmit its application at which time the GOECD will re-evaluate its obligation to provide funds for the project.

25. Signing. This Contract shall be signed by the Executive Assistant to the Governor and by the Chairman of the Huttonsville Public Service District upon authorization of the governing body of the Huttonsville Public Service District by adoption and passage of a resolution, motion or similar official action.

IN WITNESS WHEREOF, the GOECD and the Grantee have executed this Agreement as of the date first above written.

STATE OF WEST VIRGINIA
GOVERNOR'S OFFICE OF ECONOMIC
AND COMMUNITY DEVELOPMENT

Thomas R. Goodwin
Executive Assistant to
the Governor

STATE OF WEST VIRGINIA
Department of Finance and
Administration

by William K. Brunner
Miles E. Dean, Commissioner

By: Keith Holsberry
Keith Holsberry, Chairman

Approved as to the Provisions
and Terms of the State of
West Virginia
Department of Finance and
Administration
Purchasing Division

Glenn R. Cummings
Director

Approved as to form the _____
day of _____, 1978.

CHAUNCEY H. BROWNING, JR.

BY:

Fredric J. George
Attorney General

STATE OF WEST VIRGINIA
DEPARTMENT OF FINANCE AND ADMINISTRATION
PURCHASING DIVISION

PURCHASE ORDER

Par ___ Pages | P. O. No.:

File: | Date: 1 | State Acct. No.: 91

43 | Fiscal Year: 1-04-80 | B. R. 9749-00-[illegible]

FOR:

Vendor Name & Address: Water Development Authority

000-000-888-8

Huttonsville PSD
P. O. Box [illegible]
Mill Creek, WV 26280

Ship To:

Water Development Authority
1201 Dunbar Avenue
Dunbar, WV 25064

Invoice in Quintuplicate To:

Water Development Authority
1201 Dunbar Avenue
Dunbar, WV 25064

P. O. Date:	Terms:	F.O.B.	Shipping Date:

Item No.	Quantity	Description	Unit Price	Amount
[illegible]				

RECEIVED
80 JAN 29 PM [illegible]
DIVISION OF PURCHASING
FILE ROOM

AGREEMENT

This Agreement constitutes the acceptance of contract made by and between the State of West Virginia by the Commissioner of Finance and Administration for and on behalf of Water Development Authority and Huttonsville PSD for a hardship grant for the construction of a wastewater facility

Service beginning December 15, 1979 and extending until June 30, 1980. All in accordance with standard form of agreement attached hereto as a part hereof.

SCHEDULE OF PAYMENT

$ 70,845.00 per agreement C-540203-02

FEE:	$	70,845.00
TRAVEL EXPENSE:	$	
OTHER EXPENSE:	$	
TOTAL:	$	70,845.00

STATE OF WEST VIRGINIA
Department of Finance and Administration
MILES DEAN

[signature]
Commissioner

APPROVED AS TO FORM THIS 24

DAY OF [illegible] 80

CHAUNCEY H. BROWNING, JR.
Attorney General

BY [signature]
Assistant Attorney General

APPROVED AS TO PROVISIONS AND TERMS

STATE OF WEST VIRGINIA
Department of Finance and Administration
PURCHASING DIVISION

TOTAL AMOUNT OF THIS PURCHASE ORDER

[illegible]

[signature]
Director, Purchasing Division

SEE TERMS AND CONDITIONS ON BACK

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TERMS AND CONDITIONS

1. Vendor's Federal Employer Identification Number or Social Security Number, Purchasing Division file number, purchase order number, and name of Spending Unit specified on the purchase order must appear on all invoices, correspondence, containers, drums, shipping tags, boxes and etc.

2. AN ORIGINAL TYPED INVOICE AND FOUR COPIES MUST BE SUBMITTED FOR PAYMENT AGAINST THIS PURCHASE ORDER TO SPENDING UNIT DESIGNATED ON THE FACE OF PURCHASE ORDER.

3. Any request for changes or corrections in the purchase order must be submitted to the Purchasing Division in writing. The unit price on all purchase orders not containing a price adjustment agreement will remain firm for the life of the contract.

4. Vendors offering items claimed as equal to those specified on the purchase order, but which are not equal, may be subject to the Purchasing Director's recommendation that the right and privilege of the vendor to bid on State purchases be suspended.

5. All tangible property and/or services sold to the State of West Virginia on this purchase order is exempt from consumers sales and service tax or use tax. Vendor's file copy of this order will be accepted by the State Tax Department as an exemption certificate.

6. All sales of tangible property and/or services to the State of West Virginia, which are consummated in this State, are subject to West Virginia business and occupation tax.

7. All sales to the State of West Virginia are exempt from federal tax under Exemption No. A-108077.

8. The State of West Virginia may reject, revoke, or cancel this agreement or any part thereof, and, in the absence of provisions for liquidated damages as set forth in the body of this agreement, shall have the right to recover any and all damages sustained as a result of the vendor's failure to perform, in whole or in part, the terms and conditions of this agreement. The State may withhold from any remittance due the vendor under the terms and conditions of this agreement an amount equal to the damages sustained by such failure of performance on the part of the vendor.

9. The Director of Purchasing reserves the right to cancel this contract upon fifteen (15) days written notice to the vendor, subject to the following qualifications:

   Allowances may be made for delays in delivery or performance which are caused by shortages of materials or energy resources, strikes or by other causes beyond the control of the vendor. Provided, however, that the cause of such delay must be direct and that the vendor must submit to the Director of Purchasing, documented proof of the cause of any such delay.

   Notwithstanding the above provision, the Director of Purchasing reserves the right to cancel this contract forthwith if the commodities supplied as herein contracted for are of an inferior quality or if the commodities supplied are not in conformity with the specifications of the bid and contract herein.

White - Vendor Copy
Lt Green - Auditor's Copy
Canary - Budget Copy
Blue - Spending Unit Copy
Buff - Spending Unit Copy
Salmon - Spending Unit Copy
Dark Green - Spending Unit Copy
Goldenrod - Receiving Copy
Pink - File Copy

NO. C-54-[illegible]-12

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

[illegible] GRANT AGREEMENT

1. GRANT RECIPIENT (NAME AND ADDRESS): COUNTY: Randolph

Huttonsville PSD
P. O. Box 65
Mill Creek, WV 26280

2. GRANT RECIPIENT REPRESENTATIVE (NAME, TITLE AND ADDRESS):

Mr. Keith Holsberry, Chairman
Huttonsville PSD
P. O. Box 65
Mill Creek, WV 26280

3. GRANT PAYEE (NAME AND ADDRESS):

Huttonsville PSD
P. O. Box 65
Mill Creek, WV 26280

4. APPROVED AMOUNT OF GRANT: $ 70,845.00

5. PAYMENTS WILL USUALLY BE INITIATED BY THE WDA UPON RECEIPT OF A COPY OF THE EPA APPROVED GRANT PAYMENT REQUEST IN AMOUNTS PROPORTIONATELY SIMILAR TO PAYMENTS MADE BY THE EPA.

ALL GRANTS ARE SUBJECT TO STATE APPROPRIATION AND AVAILABILITY OF [illegible] CONTRACT SHALL EXTEND UNTIL JUNE 30, 1980, AND IS SUBJECT TO AUDIT.

6. TITLE OF ACTIVITY FOR WHICH GRANT FUNDS ARE TO BE USED:

[illegible] increase reflects no change in the scope of the project.

7. TOTAL COSTS $ 3,612,060

ELIGIBLE COSTS $ 3,214,600

FEDERAL (EPA) GRANT AMOUNT $ 2,410,950
(% OF ELIGIBLE COSTS 75)

STATE (WDA) HARDSHIP GRANT AMOUNT $ 363,205*
(% OF ELIGIBLE COSTS 11.3)

*Less previous agreement for $292,360

8. GRANT OFFER AND ACCEPTANCE:

THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY HEREBY OFFERS A HARDSHIP GRANT TO Huttonsville PSD, SUCH GRANT NOT TO EXCEED $ 70,645 FOR SUPPORT OF COSTS DESCRIBED IN THIS GRANT AGREEMENT AND ITS APPLICATION WHICH IS HEREBY MADE A PART OF THIS AGREEMENT.

REPAYMENT OF LOANS. THE GRANT RECIPIENT AGREES TO PROVIDE IMMEDIATE PAYMENT IN FULL OF ANY LOANS OR SERVICE CHARGES DUE THE WATER DEVELOPMENT AUTHORITY IN ACCORDANCE WITH ADMINISTRATIVE REGULATIONS OF THE WATER DEVELOPMENT AUTHORITY.

TERMINATION. THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RESERVES THE RIGHT TO TERMINATE THIS AGREEMENT UPON GIVING THE RECIPIENT ORGANIZATION NOT LESS THAN SIXTY (60) DAYS PRIOR WRITTEN NOTICE. THE RECIPIENT ORGANIZATION MAY TERMINATE THIS AGREEMENT BY GIVING THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY SIXTY (60) DAYS PRIOR WRITTEN NOTICE. IN THE EVENT THIS AGREEMENT IS TERMINATED BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, OR IN THE EVENT THIS AGREEMENT IS TERMINATED BY THE RECIPIENT ORGANIZATION, THE ELIGIBLE PROJECT COSTS INCURRED PRIOR TO THE DATE OF COMPLETION OF THE WORK ON THE APPROVED PROJECT OR THE DATE OF SUCH TERMINATION, WHICHEVER IS EARLIER, SHALL BE PAID BY THE RECIPIENT ORGANIZATION OR ITS CONSTITUENTS. ANY MONEYS PAID BY EITHER PARTY PURSUANT TO THE AGREEMENT WHICH BECOMES THE OBLIGATION OF THE OTHER PARTY UNDER THE PROVISIONS OF THIS AGREEMENT SHALL BE REPAID IN NOT MORE THAN THREE (3) YEARS AFTER TERMINATION.

THIS GRANT AGREEMENT IS SUBJECT TO ALL STATUTORY PROVISIONS, ALL GRANT REGULATIONS OF THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND ALL PROVISIONS OF THIS AGREEMENT AND FURTHER IS SUBJECT TO THE CONDITIONS SET FORTH IN GRANT AGREEMENT NO. C-540203-02 CONSUMMATED BETWEEN THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND Huttonsville PSD OFFERED ON March 29, 1979 AND ACCEPTED ON April 13, 1979.

THE RECIPIENT ORGANIZATION AGREES THAT FUNDS AWARDED UNDER THIS AGREEMENT WILL BE USED SOLELY FOR THE PURPOSES OF THE PROJECT AS APPROVED.

9. NAME AND TITLE OF AWARD OFFICIAL: Edgar N. Henry

TITLE: Director

SIGNATURE: Edgar N. Henry

DATE: December 13, 1979

STATE OF WEST VIRGINIA, COUNTY OF KANAWHA.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS 13th DAY OF December 19 79.

NOTARY: Barbara A. Butcher

COMMISSION EXPIRES: January 3, 1984

10. NAME AND TITLE OF RECIPIENT ORGANIZATION REPRESENTATIVE: Mr. Keith Holsberry

TITLE: Chairman

SIGNATURE: Keith Holsberry

DATE: 12-15-79

STATE OF WEST VIRGINIA, COUNTY OF Randolph.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS 15th DAY OF December, 19 79.

NOTARY: Beth Jane Matthews

COMMISSION EXPIRES: May 4, 1985

NOTE: THE GRANT AGREEMENT MUST BE COMPLETED IN DUPLICATE AND RETURNED WITHIN 30 DAYS AFTER RECEIPT OR AS PROVIDED IN ANY TIME EXTENSION ARRANGED WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY. RECEIPT OF WRITTEN REFUSAL OR FAILURE TO RETURN WITHIN THE 30-DAY PERIOD WILL RESULT IN TERMINATION OF THE GRANT OFFER. NO AMENDMENTS MAY BE MADE TO THE AGREEMENT SUBSEQUENT TO SIGNING BY THE AUTHORITY.

ALL CORRESPONDENCE CONCERNING THIS OFFER AND AGREEMENT SHOULD BE ADDRESSED TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, 1201 DUNBAR AVENUE, DUNBAR, WV 25064.

W-38

STATE OF WEST VIRGINIA
DEPARTMENT OF FINANCE / DMINISTRATION
PURCHASING DIVISION

PURCHASE ORDER

Page ____ Pages

P. O. No.:

File: 43

Date:

State Acct. No.: 42

Fiscal Year: 5-03-79

B.P. Acct. No.: 5670-08-029-01

OR:

endor Name & Address: Water Development Authority

F.E.I.N. 000-000-888-8

Huttonsville PSD
P. O. Box 65
Mill Creek, WV 26273

Ship To:

Water Development Authority
1201 Dunbar Avenue
Dunbar, WV 25064

Invoice in Quintuplicate To:

Water Development Authority
1201 Dunbar Avenue
Dunbar, WV 25064

P. O. Date:	Terms:	F.O.B.	Shipping Date:

Item No.	Quantity	Description	Unit Price	Amount
17779				

AGREEMENT

This Agreement constitutes the acceptance of contract made by and between the State of West Virginia by the Commissioner of Finance and Administration for and on behalf of Water Development Authority and Huttonsville PSD, for a hardship grant for the construction of a wastewater facility

Service beginning May 2, 19 79 and extending until June 30, 19 79. All in accordance with standard form of agreement attached hereto as a part hereof.

SCHEDULE OF PAYMENT

$ 292,360.00 per agreement C-540302-02

FEE:	$	292,360.00
TRAVEL EXPENSE:	$	
OTHER EXPENSE:	$	
TOTAL:	$	292,360.00

STATE OF WEST VIRGINIA
Department of Finance and Administration
MILES DEAN

by William L. Bunner
Commissioner

APPROVED AS TO FORM THIS 18 DAY OF May, 19 79.

CHAUNCEY H. BROWNING, JR.
Attorney General

BY [signature]
Assistant Attorney General

APPROVED AS TO PROVISIONS AND TERMS

STATE OF WEST VIRGINIA
Department of Finance and Administration
PURCHASING DIVISION

SEE TERMS AND CONDITIONS ON BACK

TOTAL AMOUNT OF THIS PURCHASE ORDER $ 292,360.00

Director, Purchasing Division

[signature]

-17-79

TERMS AND CONDITIONS

1. Vendor's Federal Employer Identification Number or Social Security Number, Purchasing Division file number, purchase order number, and name of Spending Unit specified on the purchase order must appear on all invoices, correspondence, containers, drums, shipping tags, boxes and etc.

2. AN ORIGINAL TYPED INVOICE AND FOUR COPIES MUST BE SUBMITTED FOR PAYMENT AGAINST THIS PURCHASE ORDER TO SPENDING UNIT DESIGNATED ON THE FACE OF PURCHASE ORDER.

3. Any request for changes or corrections in the purchase order must be submitted to the Purchasing Division in writing. The unit price on all purchase orders not containing a price adjustment agreement will remain firm for the life of the contract.

4. Vendors offering items claimed as equal to those specified on the purchase order, but which are not equal, may be subject to the Purchasing Director's recommendation that the right and privilege of the vendor to bid on State purchases be suspended.

5. All tangible property and/or services sold to the State of West Virginia on this purchase order is exempt from consumers sales and service tax or use tax. Vendor's file copy of this order will be accepted by the State Tax Department as an exemption certificate.

6. All sales of tangible property and/or services to the State of West Virginia, which are consummated in this State, are subject to West Virginia business and occupation tax.

7. All sales to the State of West Virginia are exempt from federal tax under Exemption No. A-108077.

8. The State of West Virginia may reject, revoke, or cancel this agreement or any part thereof, and, in the absence of provisions for liquidated damages as set forth in the body of this agreement, shall have the right to recover any and all damages sustained as a result of the vendor's failure to perform, in whole or in part, the terms and conditions of this agreement. The State may withhold from any remittance due the vendor under the terms and conditions of this agreement an amount equal to the damages sustained by such failure of performance on the part of the vendor.

9. The Director of Purchasing reserves the right to cancel this contract upon fifteen (15) days written notice to the vendor, subject to the following qualifications:

   Allowances may be made for delays in delivery or performance which are caused by shortages of materials or energy resources, strikes or by other causes beyond the control of the vendor. Provided, however, that the cause of such delay must be direct and that the vendor must submit to the Director of Purchasing, documented proof of the cause of any such delay.

   Notwithstanding the above provision, the Director of Purchasing reserves the right to cancel this contract forthwith if the commodities supplied as herein contracted for are of an inferior quality or if the commodities supplied are not in conformity with the specifications of the bid and contract herein.

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Salmon - Spending Unit Copy
Dark Green - Spending Unit Copy
Goldenrod - Kardex Copy
Pink - File Copy

ID C-540203-02

RECEIVED

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

HARDSHIP GRANT AGREEMENT

WATER DEVELOPMENT AUTHORITY

1. GRANT RECIPIENT (NAME AND ADDRESS): COUNTY: Randolph

Huttonsville PSD
P. O. Box 65
Mill Creek, WV 26273

2. GRANT RECIPIENT REPRESENTATIVE (NAME, TITLE, ADDRESS AND TELEPHONE):

Mr. Keith Holsberry, Chairman
Huttonsville PSD
P. O. Box 65
Mill Creek, WV 26273

3. GRANT PAYEE (NAME, TITLE AND ADDRESS):

Huttonsville PSD
P. O. Box 65
Mill Creek, WV 26273

4. APPROVED AMOUNT OF GRANT: $ 292,360

5. PAYMENTS: PAYMENTS WILL USUALLY BE INITIATED BY THE AUTHORITY UPON RECEIPT (VIA DIVISION OF WATER RESOURCES, DEPARTMENT OF NATURAL RESOURCES) OF A COPY OF THE US EPA APPROVAL OF GRANT PAYMENT, WQC-4610-1, IN AMOUNTS PROPORTIONATELY SIMILAR TO PAYMENTS MADE BY THE US EPA.

ALL GRANTS ARE SUBJECT TO STATE APPROPRIATION AND AVAILABILITY OF FUNDS. Contract extends until June 30, 1979, and shall be subject to renewal.

6. TYPE OF ACTIVITY FOR WHICH GRANT FUNDS ARE TO BE USED:

The Step III project consists of construction of 45,000 LF of 8" sewer lines, 5100 LF of 10" sewer lines, 6500 LF of 6" force main and 1500 LF of 8" force main; 3 duplex pumping stations and a 0.25 mgd aerated lagoon to serve the Huttonsville PSD.

7. TOTAL COSTS $ 3,612,060

ELIGIBLE COSTS $ 3,214,600

FEDERAL (US EPA) GRANT AMOUNT (% OF ELIGIBLE COSTS 75) $ 2,410,950

STATE (WDA) GRANT AMOUNT (% OF ELIGIBLE COSTS 9.1) $ 292,360

8. GRANT OFFER AND ACCEPTANCE:

THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY HEREBY OFFERS A GRANT TO Huttonsville PSD, SUCH GRANT NOT TO EXCEED $ 292,360 FOR SUPPORT OF COSTS DESCRIBED IN THIS GRANT AGREEMENT AND ITS APPLICATION WHICH IS HEREBY MADE A PART OF THIS AGREEMENT.

PREPAYMENT OF LOANS. THE GRANT RECIPIENT AGREES TO PROVIDE IMMEDIATE PAYMENT IN FULL OF ANY LOANS OR SERVICE CHARGES DUE TO THE WATER DEVELOPMENT AUTHORITY UPON COMPLETION OF FINANCIAL ARRANGEMENTS FOR THE CONSTRUCTION OF THE PROJECT.

TERMINATION. THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RESERVES THE RIGHT TO TERMINATE THIS AGREEMENT UPON GIVING THE RECIPIENT ORGANIZATION NOT LESS THAN SIXTY (60) DAYS PRIOR WRITTEN NOTICE. THE RECIPIENT ORGANIZATION MAY TERMINATE THIS AGREEMENT BY GIVING THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY SIXTY (60) DAYS PRIOR WRITTEN NOTICE. IN THE EVENT THIS AGREEMENT IS TERMINATED BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, OR IN THE EVENT THIS AGREEMENT IS TERMINATED BY THE RECIPIENT ORGANIZATION, THE ELIGIBLE PROJECT COSTS INCURRED PRIOR TO THE DATE OF COMPLETION OF THE WORK ON THE APPROVED PROJECT OR THE DATE OF SUCH TERMINATION, WHICHEVER IS EARLIER, SHALL BE PAID BY THE RECIPIENT ORGANIZATION OR ITS CONSTITUENTS. ANY MONEYS PAID BY EITHER PARTY PURSUANT TO THE AGREEMENT WHICH BECOMES THE OBLIGATION OF THE OTHER PARTY UNDER THE PROVISIONS OF THIS AGREEMENT SHALL BE REPAID IN NOT MORE THAN THREE (3) YEARS AFTER TERMINATION.

THIS GRANT AGREEMENT IS SUBJECT TO ALL STATUTORY PROVISIONS, ALL GRANT REGULATIONS OF THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND ALL PROVISIONS OF THIS AGREEMENT AND FURTHER IS SUBJECT TO THE CONDITIONS SET FORTH IN GRANT AGREEMENT NO. C[illegible]302-02 CONSUMMATED BETWEEN THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND Huttonsville PSD OFFERED ON March 29, 1979, AND ACCEPTED ON April 13, 1979.

THE RECIPIENT ORGANIZATION AGREES THAT FUNDS AWARDED UNDER THIS AGREEMENT WILL BE USED SOLELY FOR THE PURPOSES OF THE PROJECT AS APPROVED.

9. NAME AND TITLE OF AWARD OFFICIAL: Edgar N. Henry

TITLE: Director

SIGNATURE: Edgar N. Henry

DATE: April 27, 1979

STATE OF WEST VIRGINIA, COUNTY OF KANAWHA.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS 27th DAY OF April, 1979.

NOTARY: Barbara A. Butcher

MY COMMISSION EXPIRES: January 3, 1984

10. NAME AND TITLE OF RECIPIENT ORGANIZATION REPRESENTATIVE: Mr. Keith Holsberry

TITLE: Chairman

SIGNATURE: Keith Holsberry

DATE: May 2 1979

STATE OF WEST VIRGINIA, COUNTY OF Randolph.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS ___ DAY OF _____, 19__.

NOTARY: _____

MY COMMISSION EXPIRES: _____

NOTE: THE GRANT AGREEMENT MUST BE COMPLETED IN DUPLICATE AND RETURNED WITHIN 30 DAYS AFTER RECEIPT OR IT IS SUBJECT TO ANY TIME EXTENSION ARRANGED WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY. RECEIPT OF GRANTEE REFUSAL OR FAILURE TO RETURN WITHIN THE 30-DAY PERIOD WILL RESULT IN TERMINATION OF THE GRANT OFFER. NO AMENDMENTS MAY BE MADE TO THE GRANT AGREEMENT SUBSEQUENT TO SIGNING BY THE WDA SIGNEE.

ALL CORRESPONDENCE CONCERNING THIS OFFER AND AGREEMENT SHOULD BE ADDRESSED TO:

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY
1601 DUNBAR AVENUE
DUNBAR, WV 25064

WDA-5
NO. C-540203-02

COPY

RECEIVED

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

HARDSHIP GRANT AGREEMENT

WATER DEVELOPMENT AUTHORITY

1. GRANT RECIPIENT (NAME AND ADDRESS): COUNTY: Randolph

Huttonsville Public Service District
P. O. Box 65
Mill Creek, WV 26280

2. GRANT RECIPIENT REPRESENTATIVE (NAME, TITLE AND ADDRESS):

Mr. Edgar B. Stalnaker, Chairman
Huttonsville Public Service District
P. O. Box 65
Mill Creek, WV 26280

3. GRANT PAYEE (NAME AND ADDRESS):

Huttonsville Public Service District
P. O. Box 65
Mill Creek, WV 26280

4. APPROVED AMOUNT OF GRANT: $ 90,000.00

5. PAYMENTS WILL USUALLY BE INITIATED BY THE WDA UPON RECEIPT OF A COPY OF THE EPA APPROVED GRANT PAYMENT REQUEST IN AMOUNTS PROPORTIONATELY SIMILAR TO PAYMENTS MADE BY THE EPA.

ALL GRANTS ARE SUBJECT TO STATE APPROPRIATION AND AVAILABILITY OF FUNDS. CONTRACT SHALL EXTEND UNTIL JUNE 30, 1984, AND IS SUBJECT TO RENEWAL.

6. TYPE OF ACTIVITY FOR WHICH GRANT FUNDS ARE TO BE USED:

This amendment reflects an increase in scope to fund eligible construction cost overruns and start-up and training services for the wastewater facilities.

7. TOTAL COSTS $ 3,687,460

ELIGIBLE COSTS $ 3,290,000

FEDERAL (EPA) GRANT AMOUNT $ 2,467,500

STATE (WDA) HARDSHIP GRANT AMOUNT $ 453,205*

*Less previous agreement for $363,205

2

8. GRANT OFFER AND ACCEPTANCE:

THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY HEREBY OFFERS A HARDSHIP GRANT TO Huttonsville Public Service District, SUCH GRANT NOT TO EXCEED $ 90,000.00 FOR SUPPORT OF COSTS DESCRIBED IN THIS GRANT AGREEMENT AND ITS APPLICATION WHICH IS HEREBY MADE A PART OF THIS AGREEMENT.

REPAYMENT OF LOANS. THE GRANT RECIPIENT AGREES TO PROVIDE IMMEDIATE PAYMENT IN FULL OF ANY LOANS AND SERVICE CHARGES DUE THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY IN ACCORDANCE WITH REGULATIONS OF THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY.

TERMINATION. THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RESERVES THE RIGHT TO TERMINATE THIS AGREEMENT UPON GIVING THE RECIPIENT ORGANIZATION NOT LESS THAN SIXTY (60) DAYS PRIOR WRITTEN NOTICE. THE RECIPIENT ORGANIZATION MAY TERMINATE THIS AGREEMENT BY GIVING THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY SIXTY (60) DAYS PRIOR WRITTEN NOTICE. IN THE EVENT SUCH AGREEMENT IS TERMINATED BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY PURSUANT TO, AND NOT IN BREACH OF, THE PROVISIONS OF SUCH AGREEMENT, OR BY SUBSEQUENT AGREEMENT OF THE PARTIES, OR IN THE EVENT SUCH AGREEMENT IS TERMINATED BY THE APPLICANT WHETHER OR NOT IN BREACH OF THIS AGREEMENT, THE STATE GRANT WILL BE IMMEDIATELY WITHDRAWN.

SPECIAL PROVISIONS: Huttonsville Public Service District AGREES TO THE FOLLOWING:

DURING THE CONSTRUCTION OF ITS SEWER FACILITY, THE GRANT RECIPIENT WILL PROVIDE AND MAINTAIN COMPETENT AND ADEQUATE ENGINEERING AND OVERSEEING SERVICES SATISFACTORY TO THE AUTHORITY COVERING THE SUPERVISION AND INSPECTION OF THE DEVELOPMENT AND CONSTRUCTION OF THE PROJECT AND BEARING THE RESPONSIBILITY FOR ENSURING THAT CONSTRUCTION CONFORMS WITH THE APPROVED FINANCING ARRANGEMENTS, SURVEYS, PLANS, PROFILES, CROSS SECTIONS AND SPECIFICATIONS AND CERTIFYING TO THE AUTHORITY, DURING AND AT COMPLETION OF CONSTRUCTION, THAT FINANCING AND CONSTRUCTION ARE IN ACCORDANCE WITH APPROVED FINANCIAL ARRANGEMENTS, SURVEYS, PLANS, PROFILES, CROSS SECTIONS AND SPECIFICATIONS OR APPROVED AMENDMENTS THERETO.

FINANCING OF THE SEWER PROJECT, INCLUDING THE ACQUISITION AND DOCUMENTATION OF ALL FUNDING AS WELL AS INITIATION OF CONSTRUCTION OF THE PROJECT, MUST TAKE PLACE WITHIN 120 DAYS OF THE DATE OF ISSUANCE OF THIS GRANT. FAILURE TO COMPLY WITH THIS REQUIREMENT WILL RESULT IN AUTOMATIC WITHDRAWAL OF THIS GRANT.

GENERAL. THIS GRANT AGREEMENT IS SUBJECT TO ALL STATUTORY PROVISIONS, ALL GRANT REGULATIONS OF THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND ALL PROVISIONS OF THIS AGREEMENT AND FURTHER IS SUBJECT TO THE CONDITIONS SET FORTH IN GRANT AGREEMENT NO. C-540203-02 CONSUMMATED BETWEEN THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND Huttonsville PSD OFFERED ON July 30, 1981 AND ACCEPTED ON August 10, 1981.

THE RECIPIENT ORGANIZATION AGREES THAT FUNDS AWARDED UNDER THIS AGREEMENT WILL BE USED SOLELY FOR THE PURPOSES OF THE PROJECT AS APPROVED.

9. NAME AND TITLE OF AWARD OFFICIAL: Edgar N. Henry

TITLE: Director

SIGNATURE: Edgar N. Henry

DATE: January 18, 1984

STATE OF WEST VIRGINIA, COUNTY OF KANAWHA.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS 18th DAY OF January, 19 84.

NOTARY: Barbara Butcher Meadows

COMMISSION EXPIRES: January 17, 1994

10. NAME AND TITLE OF RECIPIENT ORGANIZATION REPRESENTATIVE: Mr. Edgar B. Stalnaker

TITLE: Chairman, Huttonsville PSD

SIGNATURE: Edgar B. Stalnaker

DATE: 1/21/84

STATE OF WEST VIRGINIA, COUNTY OF Randolph.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS 21 DAY OF January, 19 84.

NOTARY: Irene X. Conrad

Irene X. Conrad

COMMISSION EXPIRES: May 19 1994

NOTE: THE GRANT AGREEMENT MUST BE COMPLETED IN DUPLICATE AND RETURNED WITHIN 30 DAYS AFTER RECEIPT OR AS PROVIDED IN ANY TIME EXTENSION ARRANGED WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY. RECEIPT OF WRITTEN REFUSAL OR FAILURE TO RETURN WITHIN THE 30-DAY PERI D WILL RESULT IN TERMINATION OF THE GRANT OFFER. NO AMENDMENTS MAY BE MADE TO THE AGREEMENT SUBSEQUENT TO SIGNING BY THE AUTHORITY.

ALL CORRESPONDENCE CONCERNING THIS OFFER AND AGREEMENT SHOULD BE ADDRESSED TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, 1201 DUNBAR AVENUE, DUNBAR, WV 25064.

January 18, 1984

CERTIFIED MAIL

Mr. Edgar B. Stalnaker, Chairman
Huttonsville Public Service District
P. O. Box 65
Mill Creek, WV 26280

The West Virginia Water Development Authority (WDA) is pleased to provide additional hardship grant funds in the amount of $90,000 to the Huttonsville PSD. This additional grant award, which was determined using current WDA regulations, is based on a net proceeds borrowing level of $455,000 which results in an average monthly sewer bill of $19.75. This grant (which brings the WDA's total hardship grant contribution to $453,205) is subject to the following conditions:

1) This grant is based on funding requirements which would result in a net proceeds bond borrowing of $545,000, if the $90,000 grant were not provided.

2) Verbal representations have been made to the WDA indicating that the net proceeds of $545,000 are to pay the following outstanding indebtedness and pending closing costs associated with the local bond issue:

WDA Bond Anticipation Notes	$426,000
Interim Loan - Mill Creek Bank (as of 2/01/84)	86,842
Audit - Krisher & Krisher	7,500
James Cain, Local Attorney	3,500
Steptoe & Johnson	3,500
WDA - Interest Penalties on Bond Proceeds	11,009
Miscellaneous (includes interest on WDA Bond Anticipation Notes as of 2/01/84)	6,649
	$545,000

At closing, confirmation will be required on the abovementioned items and costs. There are to be no significant deviations from these costs; however, minor adjustments may be approved. If necessary, the grant can be modified at that time.

3) Based on the information provided, the $90,000 award will reduce the net proceeds requirements from $545,000 to $455,000.

4) Additional representations have been made to the WDA indicating that the Huttonsville PSD is in receipt of the following grant funds:

EPA	$2,452,851
ARC	92,325
WDA Basic	160,730
WDA Hardship	363,205
Community Partnership Grant	150,000
	$3,219,111

Should the Huttonsville PSD receive grant funds in addition to these grant funds, the WDA award of $90,000 will be adjusted downward in compliance with WDA regulations. In the event other grant funds are received after disbursement of the $90,000 WDA hardship grant award, the Huttonsville PSD will be required to reimburse the WDA immediately.

5) The purpose and intent of the WDA hardship grant program is to provide utility rate relief. A final condition of this grant award requires that the Huttonsville PSD promptly take whatever measures are necessary to lower the existing rate structure that was approved by the Public Service Commission on September 20, 1983. The action necessary to reduce the rates is to be taken by the PSD on a timely basis, keeping the WDA cognizant of such action.

The conditions set forth in this letter are hereby made a part of the attached grant agreement document, and signing of the document is affirmation that the Huttonsville PSD will abide by the conditions set forth in both this letter and the attached grant agreement.

If you desire to further participate in the hardship grant program, please sign the enclosed agreement and forward the original and first copy to this office. Also, a copy of the resolution designating the signee of the agreement must be returned.

EDGAR N. HENRY, PE - DIRECTOR

bbm

c Senators
Delegates
Water Resources Division
Regional Planning Council
Economic & Community Development
Environmental Health Services
Consulting Engineer

LL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE. CRANFORD, NEW JERSEY 07016

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

GOVERNORS COMMUNITY PARTNERSHIP GRANT AGREEMENT

, STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1984 A and Series 1984 B

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, for West Virginia Water Development Authority (the "Purchaser"), hereby certifies as follows:

1. On the 28th day of February, 1984, at Dunbar, West Virginia, the undersigned received for and on behalf of the Purchaser, the Huttonsville Public Service District Sewer Revenue Bonds, Series 1984 A, and Series 1984 B, in the respective principal amounts of $380,000 and $144,089, both dated the date hereof, and issued in the form of two fully registered Bonds with payment record attached, both numbered R-1.

2. At the time of such receipt, the Bonds had been executed by Lynn R. Channell, as Acting Chairman of the public service board of the District and the seal of the District had been affixed to the Bonds and attested by Avis Forinash, as Secretary.

3. At the time of such receipt there was also received from the District, for and on behalf of the Purchaser, a check in the amount of $8,622.57 for payment of "negative arbitrage penalty" incurred by the District.

4. At the time of such receipt, there was paid to the District for the Series 1984 A Bond the sum of $310,911 (81.82% of par value), $281,911 of which was applied by the District to payment of its Bond Anticipation Notes and for the Series 1984 B Bond the sum of $144,089 (100% of par value), all of which was applied by the District to payment of its Bond Anticipation Notes.

5. At the time of such receipt, there was also received by the undersigned a set of Bond Transcript documents.

IN WITNESS WHEREOF, the West Virginia Water Development Authority has duly executed and delivered this Receipt for Bonds on this 28th day of February, 1984.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By _____
Its Director

The undersigned, Lynn R. Channel, Acting Chairman of the public service board of Huttonsville Public Service District, hereby certifies that on the date hereof, I received on behalf of the District, the sum of $455,000 as payment in full for the District's Sewer Revenue Bonds, Series 1984 A and Series 1984 B, in the respective principal amounts of $380,000 and $144,089, the purchase price of the Series 1984 A Bond being $310,911 and the purchase price of the Series B Bond being $144,089. A portion of such sum has been applied to payment of the District's Bond Anticipation Notes, heretofore issued.

Dated this 28th day of February, 1984.

_____
Lynn R. Channell, Acting Chairman

02/27/84
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ATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

EUGENE G. EASON
RALPH BOHANNON
ERNEST C. SWIGER
HERBERT G. UNDERWOOD
JACKSON L. ANDERSON
ROBERT G. STEELE
JAMES M. WILSON
PATRICK D. DEEM
ROBERT M. STEPTOE, JR.
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JAMES D. GRAY
VINCENT A. COLLINS
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J. GREG GOODYKOONTZ
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RONALD H. HANLAN
STEVEN F. BRINES
C. DAVID MORRISON
HARRY P. WADDELL
CLEMENT D. CARTER III
W. HENRY LAWRENCE IV
WILLIAM E. GALEOTA
CHRISTOPHER P. BASTIEN
GORDON H. COPLAND
RANDALL C. LIGHT

OF COUNSEL
WILLIS O. SHAY
THOMAS A. WHITE

WRITER'S DIRECT DIAL NUMBER
(304) 624-

TELECOPIER
(304) 622-2676

February 28, 1984

Huttonsville Public Service District
$524,089 Sewer Revenue Bonds,
Series 1984 A and Series 1984 B

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

Huttonsville Public Service District
Mill Creek,
West Virginia

Gentlemen:

We are bond counsel to Huttonsville Public Service District, in Randolph County (the "Governmental Agency"), a public service district and a public corporation and political subdivision of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization and amendment of a loan agreement (the "Loan Agreement"), dated June 7, 1982, between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of two separate series of revenue bonds of the Governmental Agency (the "Governmental Agency Bonds") purchased by the Authority in accordance with the provisions of the Loan Agreement, as amended. The Governmental Agency Bonds are issued in the aggregate principal amount of $524,089, and consist of the series of Governmental Agency Bonds described in the Loan Agreement as Local Bonds (the "Series 1984 A Bonds") in the principal amount of $380,000 and the series of Governmental Agency Bonds described in the Loan Agreement as Supplemental Bonds (the "Series 1983 B Bonds") in the principal amount of $144,089.

We have also examined the applicable provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Code Provision") under which the Governmental Agency Bonds are issued, and the Loan Agreement that has been undertaken, including all amendments, schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by a bond resolution duly adopted by the public service board of the Governmental Agency on August 7, 1980, as supplemented and amended by supplemental or resolutions adopted August 7, 1980, September 10, 1981, June 7, 1983, June 24, 1982, and February 27, 1984 (the "Local Act"), which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

1. The Loan Agreement, as amended, has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with the terms thereof.

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

3. The Governmental Agency is a duly organized and presently existing public service district, public corporation and political subdivision of the State of West Virginia, with full power and authority to construct, acquire, operate and maintain the project referred to in the Loan Agreement and to issue and sell the Governmental Agency Bonds, all under the provisions of the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively adopted the Local Act and all necessary resolutions authorizing the issuance and sale to the Authority of the Governmental Agency Bonds.

5. The Governmental Agency Bonds, subject to the terms thereof, constitute valid and legally enforceable special obligations of the Governmental Agency, payable from the Net Revenues of the system referred to in the Local Act and secured by a lien on and pledge of said Net Revenues, all in accordance with the terms of the Governmental Agency Bonds and the Local Act and the Governmental Agency Bonds have been issued and delivered to the Authority.

6. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Local Bonds, as provided in the Local Act.

7. The initial rates, fees and other charges for the services and facilities of the System referred to in the Local Act have been approved by the Public Service Commission of West Virginia by final order, the time for appeal of which has expired.

8. The Governmental Agency Bonds and the interest on the Local Bonds (the Series 1984 A Bonds) are, by statute, exempt from taxation by the State of West Virginia and the other taxing bodies of said State, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is exempt from Federal income taxation.

9. We have examined the Governmental Agency Bonds, Series 1984 A, numbered R-1 and Series 1984 B, numbered R-1, and in our opinion, the Governmental Agency Bonds are in proper form and have been properly executed.

No opinion is given herein as to the enforceability of remedies with respect to the Governmental Agency Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

02/27/84
HUTT1-E

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

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THOMAS A. WHITE

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(304) 624-

TELECOPIER
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February 28, 1984

Huttonsville Public Service District
$524,089 Sewer Revenue Bonds
Series 1984 A and Series 1984 B

West Virginia Water Development Authority
Dunbar,
West Virginia

Huttonsville Public Service District
Mill Creek,
West Virginia

Gentlemen:

We have examined a record of proceedings relating to the issuance of the $380,000 principal amount of Sewer Revenue Bonds, Series 1984 A and the $144,089 principal amount of Sewer Revenue Bonds, Series 1984 B (collectively the "Bonds") of Huttonsville Public Service District (the "Issuer"), a public service district and political subdivision of the State of West Virginia.

In connection with such examination, we have reviewed the certificate of even date herewith of the Acting Chairman of the public service board of the Issuer relating to the expectation that the proceeds of the issuance of the Bonds will not be used in a manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended.

Based upon our examination of law and review of such certification, it is our opinion that none of the Bonds will be an "arbitrage bond" for the purposes of Section 103(c) and Sections 1.103-13, 1.103-14 and 1.103-15 of the Income Tax Regulations adopted May 31, 1979, under the Internal Revenue Code of 1954, as amended.

No matters have come to our attention which in our opinion make unreasonable or incorrect the representations made in such certification.

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

02/27/84
HUTT1-G

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED-12-1C

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1984 A and Series 1984 B

REGISTRATION OF BONDS

I, LARRIE BAILEY, Treasurer of the State of West Virginia and Registrar under the Bond Legislation providing for the $380,000 Sewer Revenue Bond, Series 1984 A and the $144,089 Sewer Revenue Bond, Series 1984 B of Huttonsville Public Service District, hereby certify that on the 28th day of February, 1984, the single, fully registered Bond of the District in the principal amount of $380,000 designated "Sewer Revenue Bond Series 1984 A," numbered R-1, and dated on the date hereof and the single, fully registered Bond of the District in the principal amount of $144,089 designated "Sewer Revenue Bond, Series 1984 B," numbered R-1, and dated on the date hereof, were registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the District kept for that purpose at my office.

WITNESS my signature as of this 28th day of February, 1984.

Larrie Bailey

Treasurer, State of West Virginia

02/27/84
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ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED 12-1C

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1984 A and Series 1984 B

GENERAL CERTIFICATE ON:

1. PROPER NAME
2. INCUMBENCY
3. EXECUTION AND DELIVERY OF BONDS AND RECEIPT OF PAYMENT
4. NO-LITIGATION
5. NO ADVERSE FINANCIAL CHANGE: INDEBTEDNESS
6. SIGNATURES, ETC.
7. MEETINGS, ETC.
8. CERTIFICATION OF COPIES OF DOCUMENTS
9. LAND AND RIGHTS-OF-WAY
10. NO ARBITRAGE
11. MISCELLANEOUS CERTIFICATIONS

We, LYNN R. CHANNELL and AVIS FORINASH, ACTING CHAIRMAN and SECRETARY, respectively, of the Public Service Board of Huttonsville Public Service District, in the County of Randolph, State of West Virginia (the "Issuer"), and JAMES F. CAIN, Esquire, ATTORNEY for the Issuer, hereby certify as follows in connection with the issuance and delivery by the Issuer of its $380,000 principal amount Sewer Revenue Bond, Series 1984 A and its $144,089 principal amount Sewer Revenue Bond, Series 1984 B, both dated the date hereof (collectively the "Bonds"), authorized to be issued by a Resolution adopted by the Public Service Board on August 7, 1980, as supplemented and amended by resolutions adopted August 7, 1980, September 10, 1981, June 7, 1982, June 24, 1982, and February 27, 1984, of the Issuer (the "Bond Legislation"):

1. PROPER NAME: The proper name of the Issuer is "Huttonsville Public Service District," and it is a public service district in Randolph County of said State.

2. INCUMBENCY: The governing body of the Issuer is its public service board, consisting of three members, whose names and dates of commencement and termination of current terms of office are as follows:

Name	Commencement of Term	Termination of Term
Edgar B. Stalnaker		June, 1984
Lynn R. Channell	January, 1983	June, 1986
Loy C. McAtee	October, 1983	August, 1985

The present and acting officers of the public service board are: Lynn R. Channell, Acting Chairman and Avis Forinash, Secretary.

3. EXECUTION AND DELIVERY OF BONDS AND RECEIPT OF PAYMENT: A. As of the date hereof the undersigned Acting Chairman executed the Bonds, consisting of two Bonds in the aggregate principal amount of $524,089, both numbered R-1, and the undersigned Secretary affixed the official seal of the Issuer to the Bonds, an impression of which seal is affixed to this certificate, and attested the same. The Bonds were delivered to a representative of West Virginia Water Development Authority (the "Purchaser") at Dunbar, West Virginia. At the time of such delivery, there was paid to the Issuer the agreed purchase price of the Bonds, being the sum of $310,911 for the Series 1984 A Bond and $144,089 for the Series 1984 B Bond.

4. NO LITIGATION: No controversy or litigation of any nature is now pending, or threatened, restraining, enjoining or affecting in any manner the issuance and delivery of the Bonds; nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bonds; nor in any manner affecting the validity of the Bonds or any provisions made or authorized for the payment thereof; nor in any manner questioning the existence of the Issuer or the public service board of the Issuer or the title of the members and officers thereof to their respective offices; nor in any manner questioning any proceedings, procedures, act or thing followed, taken, held or done in connection with the Bonds and the issuance thereof for the purposes recited in the Bonds or the accomplishment of said purposes; nor questioning the acquisition and construction of the Project described in the said Bond Legislation being financed in part out of the proceeds of sale of the Bonds.

5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer or the System since the issuance by West Virginia Water Development Authority (the "Authority") of its commitment letter, dated June 17, 1980, whereby the Authority has agreed to purchase the Issuer's Bonds with funds from the proceeds of the Authority's next issue of sewage system loan program revenue bonds, which agreement is contingent upon the Issuer's satisfying the engineering, legal and

other requirements of its sewage system loan program, to assist in acquisition or construction of the Project, and which engineering, legal and other requirements have, as of the date hereof, been satisfied.

The Issuer does not have outstanding any other obligation payable from and entitled to any lien on the revenues of the System.

6. SIGNATURES, ETC.: The undersigned ACTING CHAIRMAN and SECRETARY are the duly qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Bonds for the Issuer.

7. MEETINGS, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the construction, acquisition, operation and financing of the Project and the System were authorized or adopted at meetings of the public service board of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the public service board and all applicable statutes, and a quorum of duly appointed, qualified and acting members of the Governing Body was present and acting at all times during all such meetings.

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

Minutes on Adoption of Bond Resolutions

PSC Orders Granting Certificate of Convenience and Necessity, Approving Rates and Financing

Engineer's Certificate

Accountant's Certificate

Commitment Letter, dated June 17, 1980, from West Virginia Water Development Authority

Loan Agreement dated June 7, 1982, with amendments

9. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the construction,

acquisition and maintenance of the sewerage system to be financed in part by the proceeds of the Bonds 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 that would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any property that may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

10. NO ARBITRAGE: The original proceeds of the Bonds, being $455,000, will be used as follows:

(a) $426,000 of the proceeds of the Bonds will be used to pay the principal of the Issuer's Bond Anticipation Notes, heretofore issued in the aggregate principal amount of $426,000, on or prior to March 1, 1984, the proceeds of which Bond Anticipation Notes were applied toward financing in part the acquisition and construction of the Project (as defined in the Bond Legislation);

(b) The balance of the proceeds of the Bonds, being $29,000, will be applied to payment of costs of issuance of the Bonds and retirement of other indebtedness of the Issuer.

The Issuer has entered into binding obligations to commence construction of the Project and work on the Project has proceeded with due diligence. Completion of the Project was accomplished in July, 1981.

At least 85% of the spendable proceeds of the Bonds will be expended on the Project (or to pay the Bond Anticipation Notes or other construction borrowings of the Issuer, the proceeds of which were expended on the Project) within 30 days from the date of issuance thereof.

The Issuer will furt.er secure payment of the Bonds by creating over a period of approximately 5 years a reasonably required reserve account (the "Reserve Account") that when fully funded, shall equal the maximum annual debt service on the Series 1984 A Bonds.

Any money deposited in a sinking fund for payment of the principal of or interest on the Bonds (other than the Reserve Account) will be spent within a 13-month period beginning on the date of receipt.

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

To the best of our information and belief, the above expectations are reasonable.

The Issuer has not been notified of any listing of it by the Internal Revenue Service as an Issuer which may not certify its bonds.

This no arbitrage certification is being executed and delivered pursuant to Section 1.103-13, 1.103-14 and 1.103-15 of the Income Tax Regulations, and the undersigned Chairman of the Issuer is the office of the Issuer charged with the responsibility of issuing the Bonds.

11. MISCELLANEOUS CERTIFICATIONS: To the best knowledge of the undersigned, no legislation, ordinance, rule or regulation has been enacted or introduced or favorably reported for passage by any governmental body, department or agency of the State of West Virginia or a decision rendered by any court of competent jurisdiction of such state which would adversely affect the exemption from all taxation of the Issuer and all properties owned by it and the exemption from taxes of all bonds and obligations of the general character of the Bonds issued by the Issuer.

The Issuer is, on the date hereof, in compliance with the Loan Agreement and all amendments thereto.

No authority or proceedings for the issuance of the Bonds or documents executed in connection therewith have been repealed, revoked, rescinded or superseded, except as set forth in the Bond Legislation.

Attached hereto as Exhibit A are specimens of the Series 1984 A and Series 1984 B Bonds, which, except as to execution, are identical in all respects with the Bonds described herein and delivered to the purchaser herein designated.

WITNESS our official signatures and the official seal of HUTTONSVILLE PUBLIC SERVICE DISTRICT, this 28th day of February, 1984.

[SEAL]

Acting Chairman

Secretary

Attorney for Issuer

02/27/84
HUTT1-O

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1984 A and Series 1984 B

EXHIBIT A

CERTIFICATE REGARDING LOCAL ACT

I, the undersigned Chairman of Huttonsville Public Service District (the Governmental Agency"), hereby certify that the Local Act, as defined in the Loan Agreement, dated August 7, 1980, as amended, between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") consists of the following: a resolution adopted August 7, 1980, as amended and supplemented by a supplemental resolution adopted August 7, 1980 approving details of the Issuer's Bond Anticipation Notes and as amended by an amendatory resolution adopted September 10, 1981, accepting the Authority's extension of the maturity of the Governmental Agency's Note by issuance of its Sewerage System Bond Anticipation Renewal Note, 1981 Series A, and as further supplemented by supplemental resolutions adopted June 7, 1982, and June 24, 1982, extending the maturity of the Renewal Note and approving "Schedule X" thereto, and as further supplemented by a supplemental resolution adopted February 27, 1984, approving delivery of the Bonds.

Certified copies of all resolutions set forth above have, prior to the date hereof been delivered to the Authority or are being delivered herewith. The resolutions set forth above constitute the entire Local Act as of the date hereof, and said Local Act is in full force and effect as of the date hereof and has not been amended, supplemented, superseded, repealed or otherwise modified except as set forth above.

WITNESS my signature and the seal of Huttonsville Public Service District this 28th day of February, 1984.

[SEAL]

Acting Chairman

02/27/84
HUTT1-D

DRIVE, CRANFORD, NEW JERSEY 07016

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1984 A and Series 1984 B

ATTORNEY'S CERTIFICATE OF NO LITIGATION

I, JAMES F. CAIN, Attorney for HUTTONSVILLE PUBLIC SERVICE DISTRICT (the "Issuer"), HEREBY CERTIFY as follows:

No proceeding at law or in equity or before any administrative body or litigation of any nature is pending or, to my knowledge, threatened: (a) restraining or enjoining the authorization, issuance, sale, execution or delivery of the $380,000 principal amount Huttonsville Public Service District Sewer Revenue Bond, Series 1984 A, numbered R-1 or the $144,089 principal amount Huttonsville Public Service District Sewer Revenue Bond, Series 1984 B, numbered R-1 (collectively the "Bonds"), or any part thereof, both dated as of the date hereof, authorized to be issued by a Resolution adopted by the public service board of the Issuer on August 7, 1980, as supplemented and amended by Resolutions adopted August 7, 1980, September 10, 1981, June 7, 1982, June 24, 1982, and February 27, 1984 (collectively called the "Bond Legislation"), or the collection of any amount of revenues pledged under the Bond Legislation, (b) in any way questioning or affecting the pledge of moneys, funds and accounts of the Issuer for the benefit of the Bonds provided in the Bond Legislation, (c) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Bond Legislation, or the Loan Agreement between the Issuer and the West Virginia Water Development Authority, or (d) in any way contesting or affecting the creation, organization, existence or powers of the Issuer or the title of any of the present members of the public service board of the Issuer or the officers thereof to their respective positions,

IN WITNESS WHEREOF, I have hereunto set my hand as of the 28th day of February, 1984.

Attorney for Huttonsville Public Service District

02/27/84
HUTT1-P

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ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ENGINEER'S CERTIFICATE

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

Huttonsville Public Service District

Gentlemen:

I, Ray M. Powell, Registered Professional Engineer, West Virginia License No. 5174, of West Augusta Company, Elkins, West Virginia, hereby certify that my firm is engineer for the sewerage system (the "Project") of the Huttonsville Public Service District to be constructed in Randolph County West Virginia, which construction and acquisition are being financed in part by the proceeds of $426,000 in aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1980, of the District. I further certify as follows:

(1) The Project will, to the best of my knowledge, be constructed in accordance with plans and specifications prepared by my firm.

(2) Such sewerage system is situate wholly or chiefly within the boundaries of said District.

(3) The Project is adequate for the purposes for which it is designed.

(4) The District has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the District's application for loan, dated December 7, 1978, as revised and supplemented, submitted to the West Virginia Water Development Authority (the "Application").

(5) The District has obtained all requisite permits necessary for the construction of the Project from the United States Environmental Protection Agency (the "EPA"), the West Virginia Department of Natural Resources and the West Virginia Department of Health.

(6) The District has obtained a Step III grant offer from the EPA.

WITNESS my signature on this 7th day of August, 1980.

Ray M. Powell

07/29/80

12

[RESERVED]

IN THE COUNTY COURT OF
RANDOLPH COUNTY,
WEST VIRGINIA

IN RE: Huttonsville Sewage Public Service District

This day came James F. Cain, who presented to the Court a duly attested copy of a resolution passed by unanimous vote of the Town Council of Mill Creek held on May 2, 1972, and came Omar Bartlett, Mayor of the Town of Huttonsville, who notified the Court that a similar resolution had been adopted by the Town Council of Huttonsville, and the Court, after having examined such resolutions, is of the opinion that both governmental bodies have requested the Randolph County Court to act to create a Public Service District for Huttonsville Magisterial District, and it being the opinion of the Court that such relief should be granted, accordingly, it is ORDERED that a public hearing shall be held to determine whether or not such public service district should be created.

It is further ORDERED that such public hearing shall be open to all of the residents of Huttonsville District of Randolph County, West Virginia, and that at such hearing, testimony shall be taken to determine whether or not it will be for the best interests of such inhabitants to create a public service district for the whole of Huttonsville District of Randolph County, West Virginia.

It is further ORDERED that such hearing shall be held on Tuesday, June 13th, 1972, at 2:00 P. M. or as soon thereafter as the matter may be heard, in the County Court Room of the Randolph County Court House, Elkins, West Virginia.

It is further ORDERED that the Clerk of this Court shall cause a copy of a notice to be prepared, to be published in both the Elkins Inter-Mountain and the Randolph Enterprise-Review as a Class I Legal Advertisement, and that such publication shall be made at least 10 days prior to June 13th, 1972.

It is further ORDERED that notice shall also be posted in at least five (5) conspicious places in the Huttonsville Publi Service District, containing the same information as is contained in the published notice. It is further ORDERED that such posted notices shall be posted not less than ten (10) days prior to the hearing.

ENTER: This the 12th day of May, 1972.

RANDOLPH COUNTY COURT

BY Brent L Light
Its President

ATTEST:

Virgil Hammond
Clerk of County Court

State of West Virginia,
Randolph County, ss:

At a Regular Session of the County Court, held in and for the aforesaid County and State, at the Court House thereof, on Tuesday, June 13, 1972.

Present: Barrett L. Liggett, President, and Fred S. Poling, Commissioner thereof.

The following order was made and entered of record:

IN RE: THE CREATION OF THE HUTTONSVILLE PUBLIC SERVICE DISTRICT

This day this matter came on again for hearing upon resolutions in writing heretofore filed with this Court, requesting the creation of a Public Service District for Huttonsville District for the purpose of upgrading the sewer services and distribution system for those persons residing in such district; and upon the notice of a public hearing required by statute to be published; and upon the certificate of publication of such notice evidencing the publication of such notice.

Whereupon, this matter came on for hearing, and came the Mayor of Huttonsville and the Mayor of Mill Creek who moved the Court to create such Public Service District and the Court having ascertained: that there was no objection or opposition thereto; and the Court being of the opinion that it is in the best interest and public welfare to grant such relief; the Court being of the further opinion that the construction, acquisition, maintenance and operation of the sewerage service and distribution system would be conducive to the preservation of public health, comfort and convenience of said area; and the rights of no individual would be adversely affected, according, it is

ADJUDGED and ORDERED that the Public Service District be and it is hereby created which shall be known as the Huttonsville Public Service District comprising all of Huttonsville Magisterial District as heretofore created by order entered by the Randolph County Court aforesaid on date of Tuesday, March 3, 1942, found in records of the Randolph County Court in Election Precinct Record Book No. 1 beginning at Page 58, reference being herein made to the order aforesaid for a more particular metes and bounds description of the Public Service District herein created.

It is further ADJUDGED and ORDERED that the boundary lines as set out in such order shall govern the Public Service District hereby created, it being the intention of the Commissioners aforesaid to create such Public Service District for the entire Huttonsville Magisterial District.

WHEREUPON, the Court does further ADJUDGE and ORDER that such Public Service District shall be governed by a Public Service Board consisting of not less than three members to be selected in accordance with West Virginia Code Chapter 16 Article 13a Section 3 (1953 as amended) and it is accordingly

ADJUDGED and ORDERED that the following Board Members are appointed for the respective terms of office running from June 13, 1972.

Mayor of Huttonsville - Two year term
Russell Linger, Jr. - 4 year term
Mayor of Mill Creek - Six year term

It is further ADJUDGED and ORDERED that the aforesaid three Board members shall appear before the Clerk of this Court and qualify as members of such Public Service Board by taking the oath of office administered by the Clerk of this Court as in such cases is required by law.

Attest: Barrett L. Liggett, President

State of West Virginia,
Randolph County, to wit:

I, Virgil Hamrick, Clerk of the County Court in and for the aforesaid County and State, the same being a Court of Record and having an Official Seal, do hereby certify that the foregoing is a true and correct copy from Court Order Recordsof my office. AND I DO FURTHER CERTIFY that inder the laws of the State of West Virginia, I am the legal custodian of said records.

Given under my hand and the Official Seal of my office, in my office in the City of Elkins, Randolph County, West Virginia, this the 13th day of June, 1972.

Virgil Hamrick
Clerk

Attest Virgil Hamrick Clerk

T U E S D A Y, J U L Y E L E V E N T H 1972

STATE OF WEST VIRGINIA,

COUNTY OF RANDOLPH, TO WIT:

At a Regular Session of the County Court, held in and for the aforesaid County and State, at the Court House thereof, on Tuesday, July 11, 1972, at 10:00 o'clock A. M.

Present: Barrett L. Liggett, President, and Fred S. Poling and John W. Scallon, Commissioners thereof.

The following orders were made and entered of record.

IN RE - - MARY A. HAYHURST, JR. NOTARY APPLICATION

Upon the application of Mary A. Hayhurst, Jr. for appointment as Notary Public in and for the said County of Randolph, it was shown to the satisfaction of this Court that said applicant is a resident of the County from which she seeks appointment, that she is competent to perform the duties of such office, and that she is a person of good moral character.

IN RE - - JACK LEWIS, NOTARY APPLICATION

Upon the application of Jack Lewis for appointment as Notary Public in and for the said County of Randolph, it was shown to the satisfaction of this Court that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office, and that he is a person of good moral character.

IN RE - - GARLAND L. ICE, NOTARY APPLICATION

Upon the application of Garland L. Ice for appointment as Notary Public in and for the said County of Randolph, it was shown to the satisfaction of this Court that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office and that he is a person of good moral character.

IN RE - - VIRGINIA BOLTON, NOTARY APPLICATION

Upon the application of Virginia Bolton for appointment as Notary Public in and for the said County of Randolph, it was shown to the satisfaction of this Court that said applicant is a resident of the County from which she seeks appointment, that she is competent to perform the duties of such office and that she is a person of good moral character.

IN RE - - FRANK R. [illegible], NOTARY APPLICATION

this Court that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office, and that he is a person of good moral character.

IN RE - - SHARON EDINGER, NOTARY APPLICATION

Upon the application of Sharon Edinger for appointment as Notary Public in and for the said County of Randolph, it was shown to the satisfaction of this Court that said applicant is a resident of the County from which she seeks appointment, that she is competent to perform the duties of such office, and that she is a person of good moral character.

IN RE - - - HANSEL BAZZLE, NOTARY QUALIFICATION

Hansel Bazzle, who was on the 23rd day of June, 1972, duly commissioned a Notary Public in and for Randolph, by the Governor of the State of West Virginia, this day appeared before the Court and qualified as such Notary Public by taking the oath prescribed by law, and entered into and acknowledged a bond in the penalty of Five Hundred Dollars ($500.00), with Mildred Bazzle as surety thereon, which bond is approved and ordered to be recorded and filed.

IN RE - - THE HUTTONSVILLE PUBLIC SERVICE DISTRICT

This day this matter came on again for hearing and it appearing to the Court that by order entered on Tuesday, June 13, 1972, the Randolph County Court did appoint the Mayor of Huttonsville and the Mayor of Mill Creek as Board Members for the Huttonsville Public Service District, and it appearing to the Court that the said Mayor of Huttonsville and the said Mayor of Mill Creek have requested that they be appointed in their individual capacity rather than in their official capacity, and it appearing to the Court that Keith Holsberry and Omer Bartlett should be appointed in their individual capacity, accordingly it is ADJUDGED and ORDERED that Keith Holsberry shall be appointed to such Public Service Board in lieu and in place of the appointment made heretofore on June 13, 1972, in an individual capacity.

It is further ADJUDGED and ORDERED that Omer Bartlett shall be appointed to such Board in lieu and in place of the Mayor of Huttonsville.

It is further ADJUDGED and ORDERED that the order of June 13, 1972, shall continue in full force and effect subject to the amendments herein contained and the said Keith Holsberry and the said Omer Bartlett shall serve in lieu and in place of the Mayor of Huttonsville and the Mayor of Mill Creek.

And it further appearing to the Court that the said Omer Bartlett and Keith Holsberry have heretofore [illegible]

and qualified as members of said Public Service Board, it is thereby ADJUDGED and ORDERED that the said Keith Holsberry and the said Omer Bartlett shall not be required to take any further or additional oath of office.

IN RE - - PLANNING COMMISSION

It is ORDERED that William Wilhelm be appointed a member of the Randolph County Planning Commission to December 31, 1972, to fulfill the unexpired term created by the resignation of Ellis Batdorf.

IN RE - - DEPOSITORY BONDS APPROVED

This day the following designated County Depositories filed their bonds in the amounts set opposite their names, viz:

Bank of Mill Creek	$200,000.00
Citizens National Bank	$400,000.00
Tygarts Valley National Bank	$250,000.00
Davis Trust Company	$200,000.00

The Bank of Mill Creek bond is secured with the following security:

One 6% United States Treasury Bond dated 9/15/[illegible], [illegible] face amount of Ten Thousand ($10,000.00) Dollars, [illegible] No. 40437.

One 6% United States Treasury Bond dated 9/15/[illegible], [illegible] face amount of Ten Thousand ($10,000.00) [illegible] Serial No. 40438.

One 6% United States Treasury Bond dated 9/15/[illegible], [illegible] face amount of Ten Thousand ($10,000.00) [illegible] Serial No. 40439.

One 6% United States Treasury Bond dated 9/15/[illegible], [illegible] face amount of Ten Thousand ($10,000.00) [illegible] No. 40439.

One 6% United States Treasury Bond dated 9/15/[illegible], [illegible] face amount of Ten Thousand ($10,000.00) Dollars, [illegible] No. 40441.

Twelve Federal Land Banks Number 390 in the [illegible] Dollars ($50,000.00), maturity dated [illegible] cent (5%) interest, SA No. 54926.

One United States Treasury Bond dated 8/15/71, [illegible] amount of One Hundred Thousand Dollars ([illegible] Serial No. 7950.

The Citizens National Bank of Elkins, West Virginia [illegible] with the following Collateral as security:

$20,000.00 State of West Virginia General Revenue [illegible] due December 1, 1972.

$70,000.00 State of West Virginia General Revenue [illegible] due January 1, 1973.

$100,000.00 Marion County, Indiana Health & Hospital [illegible] Bonds, 1964, 3% due January 1, 1977.

$25,000.00 State of West Virginia General [illegible] [illegible], [illegible].

$50,000.00 State of West Virginia General Revenue State Road Bonds 6.60% due December 1, 1980.

$25,000.00 State of West Virginia General Revenue State Road Bonds, 8% due December 1, 1975.

$100,000.00 State of West Virginia General Obligation Bonds 6½% due June 1, 1978, held by First National City Bank, New York.

$100,000.00 State of Connecticut General Obligation Bonds 5% dated Sept. 1, 1971, due Sept. 1, 1980, held by First National City Bank, New York.

The Tygarts Valley National Bank of Elkins bond is secured with the following Collateral as security:

$100,000.00 United States Treasury Notes, Series E-1972 5%, due August 15, 1972.

$ 50,000.00 United States Treasury Bonds, 4½%, due May 15, 1974.

$ 50,000.00 United States Treasury Notes, 5 3/4% due May 15, 1976.

$ 30,000.00 United States Treasury Notes, 5%, due August 15, 1972.

$ 20,000.00 United States Treasury Bonds, 2½%, due September 15, 1972.

The Davis Trust Company bond is secured with the following Collateral as security:

$ 1,000.00 U. S. Treasury 2½% Bond due 12-15-72, No. 613148J
$100,000.00 U. S. Treasury Note 7 3/4% due 2-15-74 No. 12743
$ 10,000.00 U. S. Treasury Note 5 3/4% due 11-15-74 No. 71292
$ 10,000.00 U. S. Treasury Note 5 3/4% due 11-15-74 No. 71293
$ 10,000.00 U. S. Treasury Note 6½% due 5-15-76 No. 20261
$ 10,000.00 U. S. Treasury Note 6½% due 5-15-76 No. 20262
$ 10,000.00 U. S. Treasury Note 6½% due 5-15-76 No. 20263
$ 1,000.00 U. S. Treasury Note 6½% due 2-15-78 No. 41047
$ 1,000.00 U. S. Treasury Note 6½% due 2-15-78 No. 41048
$ 1,000.00 U. S. Treasury Note 6½% due 2-15-78 No. 41049
$ 1,000.00 U. S. Treasury Note 6½% due 2-15-78 No. 41050
$ 5,000.00 U. S. Treasury Note 6½% due 2-15-78 No. 17315
$ 10,000.00 U. S. Treasury Note 6½% due 2-15-78 No. 27312
$ 10,000.00 U. S. Treasury Note 6½% due 2-15-78 No. 27313
$ 10,000.00 U. S. Treasury Note 6½% due 2-15-78 No. 27314
$ 10,000.00 U. S. Treasury Note 6½% due 2-15-78 No. 27315

NO FURTHER BUSINESS appearing in these proceedings, it is ORDERED that Court do now adjourn.

Attest: Barrett L. Liggett President

TUESDAY, JULY TWENTY FIFTH 1972

Court sat this day pursuant to the adjournment of Tuesday, July 11, 1972, at 10:00 o'clock A. M.

Present: Barrett L. Liggett, President, and Fred S. Poling, Commissioner thereof.

The following orders were made and entered of record:

Attest Virgil Shamblin Clerk

1 to 3 years service, will receive one-half (½) day for each calendar month of service.

3 to 5 years service, one (1) day for each calendar month.

5 to 10 hears service, one (1) day for each calendar month.

10 to 15 years service, one and three quarters (1 3/4) days for each calendar month.

15 or more years service, tow (2) days for each calendar month.

No vacation time will be granted for any month unless worked for more than half the normal working hours in a given month as prescribed by the Office Dept. Head.

No more than thirty (30) days vacation may be carried forward from one calendar year to the next.

ANNUAL SICK LEAVE FOR COUNTY EMPLOYEES

Sick leave with pay shall be allowed for each county employee at the rate of one and one-half (1½) days for each calendar month worked. Sick leave will only be counted when a complete month has been worked. A doctors statement will be required for each sick day beyond two (2) days.

Maxium accumulation of sick leave shall not exceed one hundred eighty (180) days.

All employees will begin as on Nov. 1, 1983, with eighteen (18) days of sick leave. Each Department will be required to report Annual and sick leave to payroll clerk.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Motion by James Parsons and seconded by Gene Smith, to appoint Edger Stalnaker to fill the term of James Wallace, who has this day resigned and his resignation accepted, said term will expire June 13, 1984. Motion Carried.

THERE BEING NO FURTHER BUSINESS THIS DATE, IT IS ORDERED AND APPROVED THAT THIS COMMISSION BE ADJOURNED. MOTION CARRIED.

STATE OF WEST VIRGINIA,

RANDOLPH COUNTY COMMISSION CLERK"S OFFICE:

I, Virgil Hamrick, Clerk of the County Commission in and for the aforesaid County and State, the same being a Court of Record and having an Official Seal, do hereby CERTIFY that the foregoing is a true and correct copy from the revords of my Office. AND I DO FURTHER CERTIFY that under the laws of the State of West Virginia, I am the LEGAL CUSTODIAN of said Records.

(SEAL)

Given under my hand and Official Seal of my Office, in my Office, in the City of Elkins, Randolph County, West Virginia, this the 1st day of February, 1984.

Jimmie R. Bennett
Virgil Hamrick, Clerk
DEPUTY

14A

JANUARY 25, 1983

STATE OF WEST VIRGINIA,

RANDOLPH COUNTY COMMISSION, TO-WIT:

At a Regular Session of the Randolph County Commission, held in and for the aforesaid County and State, at the Court House thereof, on Tuesday, January 25, 1983, and also sitting as a Board of Equalization and Review of Tax Assessments.

PRESENT: Thomas A. Wamsley, President and James Parsons and Jim McCloud, Commissioners thereof.

The following Orders were made and entered of Record.

GENERATOR FOR JAIL

After first being advertised in the Elkins Inter-Mountain in a Class II Legal Advertisement, Bids for a Generator for Emergency Power to be installed in the Randolph County Jail, was this day opened and read aloud. The following bids were received,

Tri-County Electric Company	Elkins, WV	$28,500.00
D. & D. Electric Company	Elkins, Wv	20,900.00

After reviewing the bids as per specifications, a Motion was made by James Parsons and seconded by Jim McCloud, that the low bid of $20,900.00 made by the D. & D. Electric Company of Elkins, WV be accepted and may proceed with the instalation.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Upon the written resignation submitted by Woody Corley, a motion was made and duly seconded that this resignation be accepted and upon the same motion Lynn Channell was appointed to fill this un-expired term that will run thru June 13, 1986.

BONDS FOR FIREARMS FOR DEPUTY SHERIFF'S

Upon the request of Sheriff Arbogast, Commissioners Parsons made motion that the County Obtain and pay for firearm bonds for five deputy sheriffs. The present bonds covering these deputies does not state that firearms are covered under the libility clause and the insurance company will not issue a written statement to this effect althrough it will orally state that the deputies are covered under thier policy.

TRANSFER OF FUNDS AND PAYMENT OF BILLS

Upon a motion duly made and seconded, the Commissioners ordered that the County Clerk cause to be transferred the amount of $32,336.25 from the General School J. P. Fund to the Jail Improvement Fund. Also in this motion was the order

I, Virgil Hamrick, Clerk of the County Commission in and for the aforesaid County and State, the same being a Court of Record and having an Official Seal, do hereby CERTIFY that the foregoing is a true and correct copy from the revords of my Office. AND I DO FURTHER CERTIFY that under the laws of the State of West Virginia, I am the LEGAL CUSTODIAN of said Records.

(SEAL)

Given under my hand and Official Seal of my Office, in my Office, in the City of Elkins, Randolph County, West Virginia, this the 1st day of February, 19 84.

Jimmie R. Bennett
Virgil Hamrick, Clerk

DEPUTY

14C

OCTOBER 25, 1983

STATE OF WEST VIRGINIA

RANDOLPH COUNTY COMMISSION, TO-WIT:

At a Regular Session of the Randolph County Commission, held on the 25th day of October, 1983, at the Court House thereof, and James McCloud, Administrator.

PRESENT, Thomas Wamsley, President and James Parsons and Gene Smith, Commissioners thereof,

The following orders were made and entered of record.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Upon the written resignation of John E. Proudfoot, a Motion was made by James Parsons and seconded by Gene Smith, that this resingation be accecpted from Mr. Proudfoot as a Member of the Huttonsville Public Service District, Motion Carried.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Upon a letter of recommendation by the Huttonsville Public Service District a Motion was made by James Parsons and seconded by Gene Smith, that Mr. Loy C. McAtee be and he is hereby appointed as a member of the Huttonsville Public Service District. Mr. McAtee will fill the term of John Proudfoot who has resigned. This term will expireAugust 10, 1985.

STATE OF WEST VIRGINIA,

RANDOLPH COUNTY COMMISSION CLERK"S OFFICE:

I, Virgil Hamrick, Clerk of the County Commission in and for the aforesaid County and State, the same being a Court of Record and having an Official Seal, do hereby CERTIFY that the foregoing is a true and correct copy from the revords of my Office. AND I DO FURTHER CERTIFY that under the laws of the State of West Virginia, I am the LEGAL CUSTODIAN of said Records.

(SEAL)

Given under my hand and Official Seal of my Office, in my Office, in the City of Elkins, Randolph County, West Virginia, this the 1st day of February, 1984.

Jimmie R. Bennett
Virgil Hamrick, Clerk
DEPUTY

14C

JailCraft Total $47,051.00

Motion by James Parsons and seconded by Gene Smith to accept this bid from JailCraft. Motion Carried.

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED-12-1C

OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA,
COUNTY OF RANDOLPH, TO WIT:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Public service district of Huttonsville & Mill Creek to the best of my skill and judgment: SO HELP ME GOD.

(Signature of Affiant) Edgar D. Stalnaker

Subscribed to and before me, this the 12 day of October 1983.

Virgil Hamrick
Notary Public

My Commission expires March 18 1984

STATE OF WEST VIRGINIA,

RANDOLPH COUNTY COMMISSION CLERK'S OFFICE:

I, Virgil Hamrick, Clerk of the County Commission in and for the aforesaid County and State, the same being a Court of Record and having an Official Seal, do hereby CERTIFY that the foregoing is a true and correct copy from the revords of my Office. AND I DO FURTHER CERTIFY that under the laws of the State of West Virginia, I am the LEGAL CUSTODIAN of said Records.

(SEAL)

Given under my hand and Official Seal of my Office, in my Office, in the City of Elkins, Randolph County, West Virginia, this the 1st day of February, 1984.

Jimmie R. Bennett
Virgil Hamrick, Clerk
DEPUTY

OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA,
COUNTY OF RANDOLPH, TO WIT:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully

STATE OF WEST VIRGINIA,

RANDOLPH COUNTY COMMISSION CLERK"S OFFICE:

I, Virgil Hamrick, Clerk of the County Commission in and for the aforesaid County and State, the same being a Court of Record and having an Official Seal, do hereby CERTIFY that the foregoing is a true and correct copy from the revords of my Office. AND I DO FURTHER CERTIFY that under the laws of the State of West Virginia, I am the LEGAL CUSTODIAN of said Records.

(SEAL)

Given under my hand and Official Seal of my Office, in my Office, in the City of Elkins, Randolph County, West Virginia, this the 9th day of Feb., 1984.

Jimmie R. Bennett
Virgil Hamrick, Clerk
DEPUTY 15B

OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA,
COUNTY OF RANDOLPH, TO WIT:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully

STATE OF WEST VIRGINIA,

RANDOLPH COUNTY COMMISSION CLERK"S OFFICE:

I, Virgil Hamrick, Clerk of the County Commission in and for the aforesaid County and State, the same being a Court of Record and having an Official Seal, do hereby CERTIFY that the foregoing is a true and correct copy from the revords of my Office. AND I DO FURTHER CERTIFY that under the laws of the State of West Virginia, I am the LEGAL CUSTODIAN of said Records.

(SEAL)

Given under my hand and Official Seal of my Office, in my Office, in the City of Elkins, Randolph County, West Virginia, this the 9th day of Feb., 1984.

Jimmie R. Bennett
Virgil Hamrick, Clerk

DEPUTY/SC

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

RULES OF PROCEDURE

HUTTONSVILLE PUBLIC SERVICE DISTRICT

ARTICLE I

Name and Place of Business

Section 1. Name: HUTTONSVILLE PUBLIC SERVICE DISTRICT

Section 2. The principal office of this Public Service District will be located at _____.

Section 3. The Common Seal of the District shall consist of two concentric circles between which circles shall be inscribed Huttonsville _____ Public Service District, and in the center "seal" as follows:

Section 4. The fiscal year of the District shall begin the 1st day of July in each year and shall end on the following June 30.

ARTICLE II

Purpose

This District is organized exclusively for the purposes set forth in Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended.

ARTICLE III

Membership

Section 1. The members of the Public Service Board of this District shall be those persons appointed by the County Commission of Randolph County, who shall serve for such terms as may be specified in the order of the County Commission.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County

Commission and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission of the pending termination and request the County Commission to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Public Service Board.

ARTICLE IV

Meetings of the Public Service Board

Section 1. The members of the Public Service Board of this District shall hold regular monthly meetings on the _____ of each month at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Public Service Board of the District, two members shall constitute a quorum. Each member of the Public Service Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Notice to members by letter or telephone shall be required for regular meetings. Notice in writing of each special meeting of the membership shall be given to all members by the Secretary by mailing the same to the last known post office addresses of the members at least three (3) days before the date fixed for such meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

Public Notice of Meetings

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended, notice of the time and place of all regularly scheduled sessions of such public service board, and the time, place and purpose of all special sessions of such public service board shall be made available to the public and news media as follows:

A. A notice shall be posted by the Secretary of the public service board of such Public Service District at the front door of the Randolph County Courthouse of the time and place fixed and entered of record by the public service board for the holding of regularly scheduled sessions. If a particular regularly scheduled session is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the front door of the Courthouse as soon as feasible after such cancellation or postponement has been determined upon.

B. A notice shall be posted by the Secretary of the public service board at the front door of the Randolph County Courthouse at least twenty-four hours before a special session is to be held, stating the time, place and purpose for which such special session shall be held. If the special session is cancelled, a notice of such cancellation shall be posted at the front door of the Courthouse as soon as feasible after such cancellation has been determined upon.

C. The form of notice for posting as to a special session may be generally as follows:

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Notice of Special Session

The public service board of Huttonsville Public Service District will meet in special session on _____, _____, 19___, at _____ __.m., E__T, at _____, West Virginia, for the following purposes:

1. To consider and act upon a proposed Bond Authorizing Resolution providing for the issuance of a _____ Bond, Series _____, of _____ facilities of the District.

2.

_____
Secretary

Date: _____

ARTICLE V

Officers

Section 1. The officers of the Public Service Board shall be a Chairman, Secretary and Treasurer. The Chairman shall be elected from the members of the Public Service Board. The Secretary and Treasurer need not be members of the Public Service Board, and may be the same person.

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in the month of January of such year. The Officers so elected shall serve until the next

annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected as hereinabove provided.

ARTICLE VI

Duties of Officers

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. He shall, together with the Secretary, sign the minutes of all meetings at which he shall preside. He shall attend generally to the executive business of the Board and exercise such powers as may be conferred upon him by the Board, by these by-laws, or prescribed by law. He shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. If the Chairman is absent from any meeting, the remaining members of the Board shall select a temporary chairman.

Section 3. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. He shall, together with the Chairman, sign the minutes of the meetings at which he is present. The Secretary shall have charge of the minute book, be the custodian of deeds and other writings and papers of the Board. He shall also perform such other duties as he may have under law by virtue of his office or as may be conferred upon him from time to time by the members of the Board.

Section 4. The Treasurer shall be the lawful custodian of all funds of the District and shall pay same out on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board.

ARTICLE VII

Amendments to Rules of Procedure

These Rules of Procedure may be altered, changed, amended or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members

when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

MINUTES OF ORGANIZATIONAL MEETING FOR CURRENT YEAR

On January 12, 1984, a meeting was held at Mill Creek, West Virginia, to nominate and reelect officers for the year 1983 for Tallmansville Public Service District Board.

The meeting was called to order by Chairman, Statmaker, and the following people were nominated and elected to the following offices:

Chairman - Edgar Statmaker

Secretary - Chris Forinash

Treasurer - Bonnie Jerrett

After business of electing officers was completed, the motion was made and seconded that the meeting be adjourned.

Chris Forinash
Secretary,
Tallmansville Public Service Board
Public Service District

17

ALL STATE LEGAL SUPPLY CO ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA at the Capitol in the City of Charleston on the 21st day of March, 1979.

CASE NO. 79-042-S-CN

HUTTONSVILLE PUBLIC SERVICE DISTRICT,
a public utility.
Application for a certificate of convenience and necessity to construct and operate a sewage system and secondary facility.

PROCEDURE

On February 5, 1979, Huttonsville Public Service District, a public utility, filed an application for a certificate of convenience and necessity to construct and operate a sewage system and secondary treatment facility at Mill Creek and Huttonsville, in the Magisterial District of Huttonsville, Randolph County.

By order entered on March 1, 1979, this matter was set for hearing to be held in the Commission's Hearing Room at the Capitol in the City of Charleston on March 19, 1979, at 9:30 a.m., EST, at which time and place the applicant was required to give notice of the filing of said application and of the time and place of hearing thereon by publishing a copy of the order not less than ten (10) days prior to March 19, 1979, in a newspaper published and of general circulation in the county of Randolph, making due return thereof to the Commission on or before the day of hearing.

Proper notice was given and the hearing was held as scheduled. The applicant was represented by George Tripplet, its attorney. The Commission staff was represented by George R. Heath of the Division of Accounts, Finance and Rates and Dave Mathews of the Division of Engineering. There was one letter of protest in the file from Kermit E. Fincham, Sr. At the close of the hearing, the case was submitted for a decision.

EVIDENCE

There is presently no public sewer system for the residents of the Magisterial District of Huttonsville in Randolph County. Residents depend on privately owned septic tank systems which are not effective in the clay soil of the area. The applicant proposes to serve an

estimated 412 customers in the Huttonsville and Mill Creek area.

The estimated cost of the project is $3,517,210 to be financed by a grant of $2,523,395 from the Environmental Protection Administration; a grant from the Water Development Authority of $384,685; a grant from the Appalachian Regional Commission of $92,325; a West Virginia Partnership Grant of $150,000; and by a Water Development Authority loan of $460,000 at 7 1/2% for forty (40) years.

The applicant estimates annual revenues at $87,421. After deducting operating expenses of $32,930 and total debt service of $49,673, the applicant would have a cash surplus of $3,688 or a bond coverage of 146.08%.

COMMENTS

It should be noted that the applicant's proposed tariff includes a multiple occupancy rate. Since this rate is not based on cost of providing service, this rate should be eliminated from the proposed tariff.

FINDINGS

1. The applicant should be granted a certificate of convenience and necessity to construct and operate a sewage system and secondary treatment facility in the territory set forth in its application.

2. The financial arrangements between the applicant and the Environmental Protection Agency, the Water Development Authority of West Virginia, the Appalachian Regional Commission and the West Virginia Partnership Grant should be approved.

3. The rates and charges applied for are just and reasonable, as hereinafter modified by the Commission, for sewer service furnished by the applicant to its customers and should be approved.

ORDER

1. The applicant, Huttonsville Public Service District, a public utility, is hereby granted a certificate of convenience and necessity to construct and operate a sewage system and secondary treatment facility at Mill Creek and Huttonsville, in the Magisterial District of Huttonsville, Randolph County.

2. The financial arrangements between the applicant and the Environmental Protection Agency, the Water Development Authority of West Virginia, the Appalachian Regional Commission and the West Virginia

Partnership Grant are hereby approved.

3. The following rates and charges, as amended, for such sewer service are hereby authorized and approved, effective for all bills for sewer service rendered when such service becomes available.

Applicable rates for the Huttonsville Public Service District:

SCHEDULE NO. 1

Applicability

Applicable inside and outside the boundaries of the Huttonsville Public Service District. Effective when Consulting Engineer certifies that project, or portion thereof, is substantially complete and in service.

Availability

Available for metered general domestic, commercial and industrial service except unusual industrial waste.

Rates

First	3,000 gallons used per month	$3.50 per 1,000 gallons
Next	3,000 gallons used per month	3.16 per 1,000 gallons
Next	4,000 gallons used per month	2.72 per 1,000 gallons
All Over	10,000 gallons used per month	2.29 per 1,000 gallons
Minimum Monthly Bill		$10.50 per month

Delayed Payment Penalty

Above schedule is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the next amount shown. This delayed penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 2

Applicability

Applicable inside and outside the boundaries of the Huttonsville Public Service District. Effective when Consulting Engineer certifies that project is substantially complete and in service.

Availability

Available for sanitary sewer service to unmetered water users such as users who obtain water from wells.

Flat Rate	$14.60 per month

Delayed Payment Penalty

Above schedule is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the next amount shown. This delayed penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 3

Applicability

Applicable inside and outside the boundaries of the Huttonsville Public Service District.

Service Connection Fee (A) - $25.00

To apply to all users who apply for service before sewer line is

RECEIVED

WATER DEVELOPMENT AUTHORITY

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: May 24, 1983

completed adjacent to applicant's premises. After contractor passes said premises, Service Connection Fee (B) would be applicable.

Service Connection Fee (B) - $150.00

To apply where an opening in the soil and paving, if any, must be made by District to tap said District's collector sewer, and lay service line from said tap to owner's property line.

SCHEDULE NO. 4

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE

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

$$Ci = VoVi+BoBi+SoSi$$

Ci = Charge to unusual users per year

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

Vi = Volume of waste water for unusual users, in gallons per year

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

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

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

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

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

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

4. The applicant shall file with the Commission, as of the date of the completion of its sewer system, a tariff setting forth the rates and charges herein approved.

A Copy

Teste:

Howard M. Cunningham
Executive Secretary

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

The Commission's Audit and Engineering Divisions have completed their reviews of this filing and have reported their findings to the Commission by memoranda dated May 10, 1983 and April 29, 1983, respectively. The results of the Audit Division's investigation are set forth above. The Commission's Engineering Division reports that the Huttonsville Public Service District serves 458 customers, 14 of which are unmetered, in the vicinity of Huttonsville and Mill Creek, Randolph County. The collection system consists of 44,488 LF (linear feet) of 8" gravity main, 5,094 LF of 10" gravity main, 6,458 LF of 6" force main, and 1,465 LF of 8" force main. There are three mainline lift stations, including Lift Station No. 1, with a 3 HP motor rated at 200 GPM; Lift Station No. 2, with a 2 HP motor rated at 220 GPM; and Lift Station No. 3, with a 10 HP motor rated at 435 GPM. The treatment plant consists of two lagoons, each aerated by a 20 HP motor, and one secondary settling cell. The plant will meet secondary treatment standards. A check with the Department of Health indicates that the plant is operating properly. The only problem that Huttonsville has is the location of the grit chamber in the treatment plant flow scheme. Since the grit chamber is located after the plant lift station, the pumps will experience greater wear, and the maintenance expense will be higher than normal. The overall Operation and Maintenance Expense will remain relatively low, due to the simplicity of the plant treatment process.

Staff's recommended rates will provide an increase over going-level sales revenues of $36,586 or 45%. This increases will provide a debt service coverage of 130% and will be in complaince with the West Virginia Water Development Authority requirements.

Upon consideration whereof, the Hearing Examiner is of the opinion that the application of Huttonsville Public Service District to increase rates and charges is reasonable in character, and that the rates and charges recommended by the Commission's Staff should be conditionally approved. Notice of the conditionally approved rates should be given to the Applicant and its customers, and an opportunity afforded them to file written objections. If, following the giving of proper notice no

substantial protests are received from the Applicant or its customers, the Hearing Examiner may enter an order unconditionally approving the Audit Division's proposed rates.

IT IS, THEREFORE, ORDERED that the Applicant give notice to its customers of the conditionally approved rates by publishing notice once a week for two (2) consecutive weeks in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Randolph County. The notice shall be in a form prescribed by Tariff Form No. 10, attached hereto. The Applicant shall make due return to the Commission of proper certification of publication within ten (10) days of the final publication.

IT IS FURTHER ORDERED that if no substantial protests are received within ten (10) days of the date of final publication, the Hearing Examiner may, following receipt of proof of proper publication, enter a further order establishing rates effective thirty (30) days from the date of final publication, unless otherwise ordered by the Hearing Examiner or the Commission.

IT IS FURTHER ORDERED that, at such time as any new rates become effective, the Applicant shall file with the Commission a proper tariff setting out the aforesaid approved rates and charges.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission mail a copy of this order, a copy of the Staff Audit Report, and a copy of the Engineering Division's April 29, 1983 memorandum to the Applicant by United States Certified Mail, return receipt requested, and that he hand deliver a copy of this order to Counsel for the Commission's Staff, and to the Commission.

Marc A. Halbritter
Hearing Examiner

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 83-089-S-19A

HUTTONSVILLE PUBLIC SERVICE DISTRICT

NOTICE OF APPLICATION TO CHANGE RATES

On February 25, 1983, Huttonsville Public Service District filed with the Public Service Commission of West Virginia an application requesting increased rates and charges for furnishing sewer service to its customers.

A Public Service Commission Hearing Examiner has reviewed the application and has conditionally approved increased rates and charges designed to produce approximately $36,586 annually in additional revenue, an increase of 45%.

The District's present, and conditionally approved rates are:

PRESENT RATES

SCHEDULE NO. 1

APPLICABILITY

Applicable inside and outside the boundaries of the Huttonsville Public Service District. Effective when Consulting Engineer certifies that project, or portion thereof, is substantially complete and in service.

AVAILABILITY

Available for metered general domestic, commercial and industrial service except unusual industrial waste.

RATES

First	3,000 gallons used per month	$3.50 per 1,000 gallons
Next	3,000 gallons used per month	3.16 per 1,000 gallons
Next	4,000 gallons used per month	2.72 per 1,000 gallons
All Over	10,000 gallons used per month	2.29 per 1,000 gallons
Minimum Monthly Bill		$10.50 per month

DELAYED PAYMENT PENALTY

Above schedule is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount shown. This delayed penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 2

APPLICABILITY

Applicable inside and outside the boundaries of the Huttonsville Public Service District. Effective when Consulting Engineer certifies that project is substantially complete and in service.

AVAILABILITY

Available for sanitary sewer service to unmetered water users

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

such as users who obtain water from wells.

Flat Rate	$14.60 per month

DELAYED PAYMENT PENALTY

Above schedule is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount shown. This delayed penalty is not interest and is to be collected only once for each bill where it is appropriate.

CONDITIONALLY APPROVED RATES

SCHEDULE NO. 1

APPLICABILITY

Applicable inside and outside the boundaries of the Huttonsville Public Service District. Effective when Consulting Engineer certifies that the project, or portion thereof, is substantially complete and in service.

AVAILABILITY

Available for metered general domestic, commercial and industrial service except unusual industrial waste.

RATES

First	3,000 gallons used per month	$5.08 per 1,000 gallons
Next	3,000 gallons used per month	4.58 per 1,000 gallons
Next	4,000 gallons used per month	3.94 per 1,000 gallons
All Over	10,000 gallons used per month	3.32 per 1,000 gallons

Minimum Monthly Bill	$15.24 per month

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 2

APPLICABILITY

Applicable inside and outside the boundaries of the Huttonsville Public Service District. Effective when Consulting Engineer certifies that project is substantially complete and in service.

AVAILABILITY

Available for sanitary sewer service to unmetered water users such as users who obtain water from wells.

Flat Rate	$21.17 per month

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

Any person affected by this rate change has a right to protest or to be heard as to why the change should not be allowed, either wholly or in part. Anyone desiring to protest the changed rates and charges must

do so, in writing, within ten (10) days after the date of publication of this notice. All protests should be addressed to the Executive Secretary Public Service Commission of West Virginia, Charleston, West Virginia, 25305.

To help the Commission determine the justification for additional review and investigation, protests must be specific as to reasons that the changed rates and charges must be modified. In addition, anyone desiring a hearing in this matter must demand a hearing in the letter of protest. If no hearing is demanded, the Commission may affirm the proposed rates without a hearing.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: September 20, 1983

CASE NO. 83-089-S-19A

HUTTONSVILLE PUBLIC SERVICE DISTRICT,
a public utility, Huttonsville,
Randolph County.
Application to increase rates and
charges for sewer service pursuant
to Rule 19-A.

HEARING EXAMINER'S DECISION

PROCEDURE

On February 25, 1983, Huttonsville Public Service District, a public utility, filed an application pursuant to Rule 19-A of the Commission's Rules and Regulations for the Government of the Construction and Filing of Tariffs of Public Utilities and Common Carriers by Motor Vehicle, to increase its rates, tolls and charges for sewer service approximately 53%. The Commission by order entered on May 24, 1983, conditionally approved an increase of 45%. The approval was conditioned upon the Applicant giving notice to its customers, and no substantial protests being received.

Upon the receipt of written protest, the Commission by order entered on June 27, 1983, set this matter for hearing to be held in the City Building in the City of Elkins on July 28, 1983, at 9:30 a.m. The order required the Applicant to give notice of the time and place of said hearing by publishing a copy of Notice of Hearing twice between the date of said order and July 28, 1983, in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Randolph County, the first publication to be not more than thirty (30) days nor less than fifteen (15) days prior

to July 28, 1983. Notice was published as required on July 6 and 13, 1983.

The hearing was held as scheduled on July 28, 1983, at 9:30 a.m. The Applicant appeared by its proper officers and by James F. Cain, Esq., counsel. The Commission's Staff was represented by Mark Thessin, Esq., counsel; Fred H. Goff, Jr., Utilities Analyst of the Commission's Audit Division and David Hippchen of the Commission's Engineering Division. Fifteen public witnesses offered testimony in opposition to the proposed rate increase. At the conclusion of the hearing this matter was submitted for a decision.

DISCUSSION OF THE EVIDENCE INCLUDING FINDINGS OF FACT

The Applicant, Huttonsville Public Service District, a public utility, is rendering sanitary sewer service to approximately 458 customers in Huttonsville and surrounding communities. By this application, the Applicant is seeking an increase of 53% in its rates and charges to produce an additional $43,560 in annual operating revenues to defray its operating and maintenance expenses and provide funds for debt service. The minimum charge is increased from $10.50 per month for the first 3,000 gallons to $16.59 per month and the flat rate for unmetered service is increased from $14.60 to $23.06 per month.

Upon the filing of the application, F. H. Goff, Jr., Utilities Analyst with the Commission's Audit Division, audited the Applicant's books and records for the year ended December 31, 1982. A copy of Mr. Goff's audit report was received as evidence without objection as Staff's Exhibit No. 1. The audit reveals that the Applicant, operating under its present rates, is experiencing a loss in net income, as adjusted to going-level for known and measurable changes, of $34,783. The increase proposed by the Applicant

will generate $44,195 in additional operating revenues or total revenues of $128,216 and will provide a net income of $9,194 after paying operating and maintenance expenses of $43,992, depreciation expense of $19,365, taxes other than FIT of $1,177, and interest expense on long-term debt of $54,488. At going-level the Applicant has a cash flow deficit of $33,136, and under the rates proposed it will have a surplus of $9,737, and bond coverage of 142%. (Staff's Ex. No. 1, Stmts. A and H).

The Applicant did not take issue with Staff's audit or the rates and charges recommended by the Staff and conditionally approved by the Commission. The conditionally approved rates represent an increase of 45% and will generate $36,586 in additional revenue, or total revenues of $121,141. The rates will provide a net income of $2,154 and/or a cash surplus of $5,027 and bond coverage of 130%. (Staff's Ex. No. 1).

Fred H. Goff, Jr., testified that the increase was necessary in order to provide sufficient funds for annual debt service in the amount of $73,310, including sinking fund reserve and the funding of a repair and replacement account as required by the lending agency, the West Virginia Water Development Authority. Mr. Goff also stated that the District has been very frugal in holding operating and maintenance expenses to a minimum. (Tr., pp. 101-16).

Fifteen public witnesses offered testimony in opposition to the proposed rate increase. Although they were of the consensus that service was good, they were concerned with the high increase in the sewer rates, the impact that the increase will have on low income families, those on fixed income and the elderly. The Mayor of the Town of Mill Creek, Larry A. Serrett, was of the opinion that the District should have a flat rate charg and that the District should make its tariff available for public inspecti

and have someone available to explain the tariff to the people. (Tr., pp. 11-15). Other witnesses were concerned with and objected to paying a sewer rate for water used for lawns, gardens and other purposes where the water did not enter into the sewer system. (Tr., pp. 11-73).

The Examiner appreciates the concern, participation and the useful information supplied by the public witnesses in this proceeding. The Examiner is aware of the impact that any increase in rates and charges may have upon the users of the service. The rates hereinafter authorized and approved are no more than are reasonably necessary for the District to pay off the debt incurred for the installation of the sanitary sewer system and to enable it to continue to provide good and efficient service.

ULTIMATE FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Hearing Examiner is of the opinion and finds that:

1. The rates and charges under which the Applicant, Huttonsville Public Service District, is currently operating are unjust and unreasonable in that they do not produce sufficient revenues to enable the Applicant to pay its reasonable and necessary operating expenses, service its debt, provide for capital replacements and/or expansion, and provide for unforeseeable contingencies.

2. The proposed rates and charges are likewise unjust and unreasonable in that they will provide more revenues than are reasonably necessary for the aforesaid purposes.

3. The evidence presented by the Commission's Staff indicates that there should be an increase in the Applicant's sewer revenues of approximately $40,000.00 or 40%. The rates and charges and other tariff provisions recommended by the Commission's Staff, as set forth in Appendix A attached

hereto, are just and reasonable in that they should produce revenues sufficient, but not more than sufficient, for the aforesaid purposes, and should be approved to become effective for all sewer service furnished by the Applicant on and after the date this order becomes final.

4. The Applicant should make its rates, rules and regulations available for public inspection and otherwise comply with the requirements of Rule 4.01 of the Commission's Rules and Regulations for the Government of Sewer Utilities.

ORDER

IT IS, THEREFORE, ORDERED that:

1. The rates and charges and other tariff provisions set forth in Appendix A, attached hereto, are hereby approved, to be effective for all sewer service furnished by the Applicant on and after the date this order becomes final.

2. The Applicant shall file a proper tariff with the Commission setting forth the rates and charges and other tariff provisions herein approved.

3. The Applicant shall make its rates and charges and rules and regulations available for public inspection and otherwise comply with the requirements of Rule 4.01 of the Commission's Rules and Regulations for the Government of Sewer Utilities.

4. The Applicant shall refund all security deposits in accordance with the provisions of Rule 4.02 of the Rules and Regulations for the Government of Sewer Utilities.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

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

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

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

Maynard D. McDonnell
Hearing Examiner

HUTTONSVILLE PUBLIC SERVICE DISTRICT
CASE NO. 83-089-S-19A

RATES

SCHEDULE NO. 1

APPLICABILITY

Applicable inside and outside the boundaries of the Huttonsville Public Service District. Effective when Consulting Engineer certifies that project, or portion thereof, is substantially complete and in service.

AVAILABILITY

Available for metered general domestic, commercial and industrial service except unusual industrial waste.

RATES

First	3,000 gallons used per month	$5.08 per 1,000 gallons
Next	3,000 gallons used per month	$4.58 per 1,000 gallons
Next	4,000 gallons used per month	$3.94 per 1,000 gallons
All Over	10,000 gallons used per month	$3.32 per 1,000 gallons
	Minimum Monthly Bill	$15.24 per month

DELAYED PAYMENT PENALTY

Above scheduled is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net a mount shown. This delayed penalty is not interest and is to be collected only once for each bill where it is appropriate.

HUTTONSVILLE PUBLIC SERVICE DISTRICT
CASE NO. 83-089-S-19A

RATES

SCHEDULE NO. 2

APPLICABILITY

Applicable inside and outside the boundaries of the Huttonsville Public Service District. Effective when Consulting Engineer certifies that project is substantially complete and in service.

AVAILABILITY

Available for sanitary sewer service to unmetered water users such as users who obtain water from wells.

Flat Rate $21.17 per month

DELAYED PAYMENT PENALTY

Above scheduled is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net a mount shown. This delayed penalty is not interest and is to be collected only once for each bill where it is appropriate.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: February 24, 1984

CASE NO. 79-042-S-CN (Reopened)

HUTTONSVILLE PUBLIC SERVICE DISTRICT
Application for a certificate of convenience and necessity to construct and operate a sewage system and secondary facility.

FINAL ORDER

On March 21, 1979, the Public Service Commission granted to Huttonsville Public Service District a certificate of convenience and necessity to construct and operate a sewage system and secondary treatment facility at Mill Creek and Huttonsville, in Randolph County. Said order also approved certain financing arrangements between the District and the West Virginia Water Development Authority, calling for permanent financing of the District's new sewage facilities. The order approved the issuance of bonds by the District to the Water Development Authority in the amount of $460,000, at an interest rate of 7-1/2%, with the maturity of 40 years. Pursuant to that order, the District has borrowed, on an interim basis, from the Water Development Authority, the sum of $426,000. By order entered on Sepember 20, 1983, in Case No. 83-089-S-19A, Huttonsville Public Service District was granted a subsequent increase in rates to reflect the increased debt service.

On February 6, 1984, Huttonsville Public Service District filed a request with the Commission for approval of certain differe.t financing arrangements. According to the letter filed by the District, it is necessary for the District to issue bonds in the aggregate principal amount of approximately $550,000, to pay off the outstanding interim

financing and accrued interest thereon, as well as to pay the cost of issuance of the permanent bonds and other matters, as set forth in a letter dated January 18, 1984, from the Director of the Water Development Authority, which was included with the District's request.

The operating divisions of the Public Service Commission have had an opportunity to review the request filed by the Huttonsville Public Service District and the Commission's Division of Finance and Special Studies has recommended approval of the proposed financing.

IT IS, THEREFORE, ORDERED that approval be granted to the Huttonsville Public Service District's proposed financing of its sewage system in the principal amount not to exceed $550,000, at a rate of interest of 10% per annum, with a maturity of 34 years.

IT IS FURTHER ORDERED that Huttonsville Public Service District and Commission Staff work together in order to take the steps necessary to effectuate a reduction in the rates approved in Case No. 83-089-S-19A, in keeping with the terms of the January 18, 1984 letter from the Water Development Authority to the Huttonsville Public Service District, as well as the memorandum from the Division of Finance and Special Studies dated February 24, 1984.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon all parties to this proceeding by United States First Class Mail.

This order is issued pursuant to General Order No. 212, dated December 16, 1982, which order designates the Division of Hearing Examiners as the initial decision making body in the Public Service Commission and authorizes the Public Service Commission Hearing Examiners to issue orders on behalf of the Commission in all proceedings filed

pursuant to Chapter 24 of the West Virginia Code, which proceedings are not set for hearing and which orders shall have the full force and effect of Commission orders, without the provision for the filing of exceptions thereto.

Leave is hereby granted to the parties to file a petition for further hearing, reopening, or rehearing pursuant to Rule 19 of the Commission's Rules of Practice and Procedure with the Executive Secretary of the Commission within ten (10) days after the date this order is mailed.

Melissa K. Marland
Hearing Examiner

MKM:mal

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED-12-1C

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1984 A and Series 1984 B

MINUTES ON ADOPTION OF BOND RESOLUTION

I, ~~LOY C. McATEE~~ ANIS FORINASH, Secretary of the public service board of Huttonsville Public Service District hereby certify that the following is a true and correct excerpt of the minutes of a special meeting of said public service board:

*** *** ***

The public service board of Huttonsville Public Service District met in special session, pursuant to notice duly given, on the 27th day of February, 1984, at Huttonsville, West Virginia, at the hour of 7:30 P.m.

PRESENT:	Lynn R. Channell	-	Acting Chairman
	~~Loy C. McAtee~~ OK	-	~~Secretary~~ Member
	James F. Cain	-	Attorney for
	Anis Forinash	-	District
	~~Anis Forinash~~		Secretary
ABSENT:	Edgar B. Stalnaker	-	Chairman

The Acting Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it. Thereupon, the Acting Chairman presented a proposed Resolution in writing entitled:

> RESOLUTION PROVIDING AS TO DATE, MATURITY, INTEREST RATE AND SALE PRICE OF THE SEWER REVENUE BONDS, SERIES 1984, OF HUTTONSVILLE PUBLIC SERVICE DISTRICT; CHANGING SERIES DESIGNATION; AUTHORIZING ISSUANCE OF SUCH BONDS IN TWO SEPARATE SERIES AND AMENDING, AUTHORIZING, APPROVING AND RATIFYING A LOAN AGREEMENT AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion of Mr. McAtee, seconded by Mr. Channell, it was unanimously ordered that the said Bond Resolution be adopted.

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

Acting Chairman

*** *** ***

I further hereby certify that the foregoing action of said public service board remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this 28th day of February, 1984.

Secretary, Public Service Board of
Huttonsville Public Service District

02/27/84
HUTT1-U

HUTTONSVILLE PUBLIC SERVICE DISTRICT

RESOLUTION

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HUTTONSVILLE PUBLIC SERVICE DISTRICT

RESOLUTION

A RESOLUTION AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN SEWAGE FACILITIES OF THE HUTTONSVILLE PUBLIC SERVICE DISTRICT, RANDOLPH COUNTY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $500,000 IN PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1980, AND BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS AND NOTES; AUTHORIZING THE SALE OF SUCH BONDS AND NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY PURSUANT TO THE TERMS OF A LOAN AGREEMENT BETWEEN THE DISTRICT AND SAID AUTHORITY AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE BOARD OF THE HUTTONSVILLE PUBLIC SERVICE DISTRICT, RANDOLPH COUNTY, WEST VIRGINIA:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority of this Resolution. This Resolution (the "Bond Legislation") is adopted pursuant to the provisions of Article 13A of Chapter 16 of the Code of West Virginia of 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. Huttonsville Public Service District (the "Issuer") was established by order of The County Commission of Randolph County, West Virginia, dated June 13, 1972.

B. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain sewer facilities (the "Project") of the Issuer, which along with the sewer facilities previously acquired and constructed by the Issuer, shall constitute public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the "System") at an estimated cost of $3,816,590 in accordance with the

plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed in the office of the Issuer.

C. The estimated revenues to be derived in each year after the adoption hereof from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and all Sinking Fund, Reserve Account and other payments provided for herein.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the principal amount of not more than $500,000 to finance costs of the construction and acquisition of the Project. Said costs shall be deemed to include the cost of all property rights, easements and francises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest upon the Bonds prior to and during construction or acquisition and for six months after completion of construction or of acquisition of the improvements and extensions; engineering, fiscal agents and legal expenses; expenses for estimates of cost and of revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized, and the construction or acquisition of the properties and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof.

E. It is in the best interests of the Issuer that its Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into between the Issuer and the Authority (the form of which agreement is attached hereto as Exhibit A, which Exhibit, by this reference, is incorporated herein and made a part hereof) (the "Loan Agreement").

F. The Issuer does not now own public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage, or industrial wastes.

G. There are not outstanding any obligations of the Issuer which will rank prior to or on a parity with the Bonds and the Notes as to lien and source of and security for payment.

H. Pending issuance of the Bonds, it is necessary for the Issuer to issue its bond anticipation notes (the "Notes") in the principal amount of $426,000 to provide interim financing for the Project, in accordance with the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the consent and approval, pursuant to the Act, of the issuance of the Bonds by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired. The Issuer is not required by the Loan Agreement to have approval of increased sewer rates prior to issuance of the Notes, but shall have obtained approval of necessary sewer rates prior to issuance of the Bonds.

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

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

"Act" shall mean Article 13A of Chapter 16 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" shall mean the West Virginia Water Development Authority, which shall be the original purchaser of the Bonds or any other Agency of the State of West Virginia that succeeds to the functions of the Authority.

"Board" shall mean the Public Service Board of the Issuer which is the governing body of the Issuer pursuant to the Act.

"Bonds" shall mean not in excess of the $500,000 Sewer Revenue Bonds, Series 1980, originally authorized to be issued pursuant hereto, and any additional parity bonds hereafter issued within the terms, restrictions and conditions contained herein, and the interest coupons appertaining to said Bonds; and shall also mean until issuance of the Bonds, the Notes with reference to the provisions of Articles IV, V, VI and VII hereof except as expressly provided otherwise in Article III A hereof.

"Bondholder" or "Holder of the Bonds" or any similar term shall mean any person who shall be the bearer or owner of any outstanding Bond or Bonds registered to bearer or not registered, or the registered owner of any outstanding Bond or Bonds which shall at the time be registered other than to the bearer or of any coupons representing interest accrued or to accrue on the Bonds; and shall also mean, until issuance of the Bonds, the holder or owner of the Notes.

"Bond Legislation" shall mean this Resolution and all resolutions supplemental hereto or amendatory hereof.

"Chairman" shall mean the Chairman of the Board.

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

"Consulting Engineers" shall mean West Augusta Company, Consulting Engineers, Elkins, West Virginia, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

"Cost of Works" shall mean those costs described in Section 1.02(D) hereof to be a part of the cost of construction and acquisition of the Project.

"Fiscal Year" shall mean each twelve-month period beginning on July 1 and ending on the succeeding June 30.

"Gross Revenues" shall mean all rates, rents, fees, charges or other income (including, without limitation, sale proceeds) received by or accrued to the District from the operation of the System, as calculated in accordance with generally accepted accounting practices.

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

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

"Issuer" shall mean the Huttonsville Public Service District, Randolph County, West Virginia, and where appropriate the Board thereof.

"Loan Agreement" shall mean the Loan Agreement between the Authority and the Issuer providing as to purchase of the Bonds and the Notes from the Issuer by the Authority.

"Notes" shall mean the Sewerage System Bond Anticipation Notes, Series 1980, of the Issuer authorized hereby in the principal amount of $426,000.

"Operating Expenses," unless qualified, shall mean the current expenses, paid or accrued, of repair, operation and maintenance of the System and includes, without limiting the generality of the foregoing, insurance premiums, supplies, labor, wages, the cost of materials and supplies used for current operations, administrative expenses of the Board relating and chargeable to the System and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting practices.

"Project" shall mean the sewer facilities described in Exhibit B attached hereto.

"Secretary" shall mean the Secretary of the Board.

"Supplemental Resolution" shall mean any resolution which is amendatory hereof or supplemental hereto.

"System" shall mean the complete public service properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereafter constructed or acquired for said system from any sources whatsoever.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

Section 1.05. Exhibits. Exhibits attached hereto as parts hereof are as follows:

Exhibit A - Loan Agreement
Exhibit B - Project

ARTICLE II

AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition. There is hereby authorized the construction and acquisition of the Project, plans and specifications for which have been prepared by the Consulting Engineers, and heretofore filed in the office of the Board. The proceeds of the Bonds hereby authorized shall be applied as provided in Article V hereof.

ARTICLE III

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

Section 3.01. Authorization and Terms of Bonds. For the purpose of financing the cost of construction and acquisition of the Project, there shall be issued negotiable Sewer Revenue Bonds, Series 1980, of the Issuer, in the aggregate principal amount of not in excess of $500,000. Said Bonds shall be designated "Sewer Revenue Bonds, Series 1980"; and shall bear interest at such rate or rates, not exceeding the maximum rate authorized by the Act, and shall mature as the Issuer shall prescribe in the Supplemental Resolution. Interest on the Bonds shall be payable semiannually and shall commence as prescribed in the Supplemental Resolution. The Bonds shall be payable as to both principal and interest at the office of the Commission or through a paying agent or agents selected by the original purchaser or purchasers thereof, in any coin or currency that is legal tender for the payment of public or private debts under the laws of the United States of America, and shall be redeemable, in whole or in part, as set forth in the Supplemental Resolution.

The Issuer will issue the Bonds to be exchanged for the Notes, the Bonds shall comply in all respects with the provisions of the Loan Agreement, shall have the following terms, and shall be issued upon the following additional conditions:

(A) The Bonds shall be ir an aggregate principal amount equal to the unpaid principal amount of all outstanding Notes plus the amount, if any, required by the Bond Resolution referred to in the Loan Agreement to be paid from the proceeds of the Bonds to fund the Capital Reserve Fund and to pay all Costs of Issuance (both "Capital Reserve Fund" and "Costs of

Issuance" are defined in said Bond Resolution) including, without limitation, any consultant fees, related thereto (collectively, the "Issuing Expenses") as determined by the Authority, and the Issuer will advise the Authority of the amount, if any, of Issuing Expenses to be paid from any of its funds then available to pay such Issuing Expenses before utilizing the proceeds of the Bonds to do so; and

(B) The Bonds shall mature in the times and amounts as directed by the Authority, but not over a period of more than 40 years, and shall be dated, shall bear interest at such rate per annum (but not in excess of the legally permissible rate) as the Authority shall direct and shall be in denominations equal to the unpaid principal amount of each of the Notes to be exchanged, plus the pro rata portion of Issuing Expenses which are not to be paid from other funds of the Issuer attributable to each such Note.

The Bonds shall be issued in the form of coupon Bonds, registrable as to principal only, or in the form of one fully registered Bond with payment record attached (the "Registered Bond").

Coupon Bonds shall be in the denomination of $5,000 each and shall be dated as of the date which is six months preceeding the first interest payment date of the Bonds. Coupon Bonds shall bear interest from their date, payable in accordance with, and upon surrender of, the appurtenant interest coupons as they severally mature. The Registered Bond shall be dated as of the date of its delivery to the original purchaser thereof and shall bear interest from such date.

Except as otherwise provided in Section 3.04, before the delivery of any coupon Bonds, all matured coupons thereto attached, except matured coupons for which payment in full has not been provided, shall be cut off, cancelled and destroyed; provided, however, that if coupon Bonds are issued in exchange for the Registered Bond upon which interest is in default, as shown by the records of the Treasurer of the State, such coupon Bonds shall have attached thereto all coupons maturing after the date to which interest has been paid in full, as shown by such records, and in case any interest installments shall have been paid in part, appropriate notation shall be made on the coupons to evidence such fact.

Section 3.02. Execution of Bonds and Coupons. Said Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or a facsimile of the seal shall be imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

The coupons to be attached to the Bonds shall be authenticated with the facsimile signature of the present or future Chairman and Secretary of the Issuer.

Section 3.03. Negotiability, Transfer and Registration. The Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds or the coupons appertaining thereto, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds.

So long as any of the Bonds remain outstanding, the Treasurer of the State of West Virginia shall keep and maintain books for the registration and transfer of the Bonds. Coupon Bonds

may be registered at the option of the Holder as to principal only at the office of the Treasurer of the State of West Virginia, such registration to be noted on the back of said Bonds in the space provided therefor. After such registration as to principal only, no transfer of the Bonds shall be valid unless made at said office by the registered owner, or by his duly authorized agent or representative, and similarly noted on the Bonds, but the Bonds may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. At the option of the Holder the Bonds may thereafter again from time to time be registered or transferred as before. Such registration as to principal only shall not affect the negotiability of the coupons, which shall continue to pass by delivery.

The Registered Bond shall be transferable only upon the books of the Issuer, which shall be kept for the purpose at the office of the aforesaid Treasurer, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Treasurer of the State duly executed by the registered owner or his duly authorized attorney. Upon transfer of the Registered Bond, there shall be issued in the name of the transferee, coupon Bonds, with appropriate coupons attached, of the same aggregate principal amount equal to the unpaid principal amount of the Registered Bond, and having maturities corresponding to the principal installments of such Registered Bond then unpaid.

In all cases in which the privilege of exchanging Bonds or transferring the Registered Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds and coupons surrendered in any such exchanges or transfers shall forthwith be cancelled by the Treasurer. For every such exchange or transfer of Bonds, the Treasurer may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new coupon Bond upon each exchange or transfer, and any other expenses of the said Treasurer incurred in connection therewith, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer; provided, however, that in the event the Authority is the Bondholder requesting such exchange or transfer, the Issuer shall pay all such taxes, fees, governmental charges or other expenses incurred in making such exchange or transfer. The Treasurer shall not be obliged to make any such exchange or transfer of Bonds during the ten (10) days preceeding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

Section 3.04. Bonds Mutilated, Destroyed, Stolen, or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond with all unmatured coupons, if any, so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond, and attached coupons, if any, or in lieu of and substitution for the Bond and coupons, if any, destroyed, stolen or lost and upon the Holder's furnishing the Issuer proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All Bonds and coupons so surrendered shall be cancelled by the Secretary and held for the account of the Issuer. If such Bond or coupons shall have matured or be about to mature, instead of issuing a substitute Bond or coupon, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond or coupons be lost, stolen, or destroyed, without surrender therefor.

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

Section 3.05. Form of Bonds and Coupons. The text of the Bonds, and of the coupons, shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof.

(Form of Coupon Bonds)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF RANDOLPH
HUTTONSVILLE PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1980

NO. _____

$5,000

KNOW ALL MEN BY THESE PRESENTS: That HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public corporation, organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay solely from the special funds provided therefor, as hereinafter set forth, to the bearer or, if this Bond be registered as to principal to the registered holder thereof, on the first day of _____, 19___, the sum of Five Thousand Dollars ($5,000) and solely from such special funds also to pay interest on said sum from the date hereof at the rate of _____ per centum (_____%) per annum semiannually, on the first day of _____ and the first day of _____ in each year beginning _____ 1, 19___, all such interest as may accrue on and prior to the maturity date hereof to be payable only upon presentation and surrender of the annexed coupons as they severally become due, both principal of, and interest on, this Bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, or at the option of the holder at the _____.

This Bond is subject to redemption prior to its stated date of maturity in whole or in part in inverse order of maturities (by lot if less than all the Bonds of the same maturity) only on or after the date on which all outstanding bonds issued by West Virginia Water Development Authority (the "Authority") to provide funds for the purchase of the Bonds of the issue of which this Bond is one are redeemable and at a price equal to the aggregate of (i) the corresponding principal amount of the bonds of the Authority to be redeemed by the Authority as a consequence of the redemption by the Issuer of all or a part of its Bonds outstanding (ii) the interest to accrue on the bonds of the Authority so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the bonds of the Authority so to be redeemed, (iv) the applicable premium, if any,

payable on additional bonds of the Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the bonds of the Authority so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event that the bonds of the Authority have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the Issuer shall be obligated to pay under item (i) above the principal amount of such refunding bonds outstanding, and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on its bonds, the Issuer shall be obligated to pay under item (ii) above the amount of interest to accrue on such outstanding refunding bonds of the Authority.

This Bond is one of an authorized issue of Bonds (the "Bonds") in the aggregate principal amount of $_____, of like date and of like tenor and effect, except as to principal amount, number, date of maturity, and interest rate, issued to finance the cost of construction and acquisition of new public service facilities for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes in the territory to be served by the Issuer (the "System") of the Issuer under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly adopted by the Public Service Board of the Issuer on the _____ day of _____, 19___, and a Supplemental Resolution adopted by said Board on the _____ day of _____, 19____ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions of the Bond Legislation. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

The Bonds are payable only from and secured by a pledge of the net revenues to be derived from the operation of the System, which net revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. The Bonds are additionally secured by a statutory mortgage lien pursuant to the Act. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be

obligated to pay the same or the interest thereon except from said special fund provided from the net revenues from the operation of the System. By the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates of charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Issuer has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the holders of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is fully negotiable but may be registered as to principal only in the name of the holder on the books in the office of the Treasurer of the State of West Virginia, at Charleston, West Virginia, such registration to be evidenced by notation on the back hereof by the Treasurer, after which no transfer shall be valid unless made on said books and similarly noted hereon, but it may be discharged from such registration by being transferred to bearer, after which it shall be transferable by delivery, but it may be registered again as before. The registration of this Bond as to principal shall not restrain the negotiability of the coupons by delivery merely.

This Bond shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

All money received from the sale of this Bond or other Bonds of the issue of which this Bond is one, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of the Project described in the Bond Legislation, including payment of the Notes authorized and issued pursuant to the Bond Legislation and any other indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of such Bonds, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of said Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed

any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pleged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on the Bonds.

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

IN WITNESS WHEREOF, Huttonsville Public Service District has caused this Bond to be signed by the Chairman of said Board, and its corporate seal to be hereunto affixed and attested by its Secretary, and the coupons hereto attached to be executed with the facsimile signatures of said Chairman and Secretary, which officials by the execution of this Bond do adopt as their own proper signatures their facsimile signatures appearing on said coupons, and this Bond, all as of the first day of _____, 19___.

_____
Chairman

[SEAL]

ATTEST:

_____
Secretary

(Form of Coupon)

NO. _____

$_____

On the first day of _____, 19___, Huttonsville Public Service District, Randolph County, West Virginia, will pay to bearer upon presentation of and surrender of this coupon the sum shown hereon, out of the special fund provided therefor, at the office of the West Virginia Municipal Bond Commission or at the _____, at the option of the holder hereof, said payment to be made in any coin or currency which on said date of payment is legal tender for the payment of public and private debts under the laws of the United State of America, as provided in, and for interest then due on, the Sewer Revenue Bond, Series 1980, dated _____ 1, 19___, to which this coupon is attached.

_____
Chairman

_____
Secretary

(No writing on this Bond except by the Treasurer of the State of West Virginia as Registrar)

Date of Registration	In Whose Name Registered	Signature of Registrar
_____	_____	_____
_____	_____	_____

[Form of Fully Registered Bond With Payment Record]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF RANDOLPH
HUTTONSVILLE PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1980

NO. R-1

$_____

KNOW ALL MEN BY THESE PRESENTS: That HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to _____, (the "Payee") or registered assigns (the "Alternate Payee"), the sum of $_____, in installments on _____ 1 of each year as set forth below, with interest on each installment at the rate per annum set forth below opposite the year in which the installment becomes due:

Year	Installment	Interest Rate

The interest rate on each installment shall run from the original date of delivery of this Bond to the Payee and payment therefor and until payment of such installment, and such interest shall be payable on the first day of _____, and the first day of _____ in each year beginning _____ 1, 19___. Both principal of and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, or at the option of the Payee at the _____.

This Bond is subject to redemption prior to its stated date of maturity in whole or in part in inverse order of maturities only on or after the date on which all outstanding bonds issued by the West Virginia Water Development Authority (the "Authority") to

provide funds for the purchase of this Bond are redeemable and at a price equal to the aggregate of (i) the corresponding principal amount of the bonds of the Authority to be redeemed by the Authority as a consequence of the redemption by the Issuer of all or a part of its Bond outstanding, (ii) the interest to accrue on the bonds of the Authority so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the bonds of the Authority so to be redeemed, (iv) the applicable premium, if any, payable on additional bonds of the Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the bonds of the Authority so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the bonds of the Authority have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the Issuer shall be obligated to pay under item (i) above the principal amount of such refunding bonds outstanding, and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on the bonds of the Authority, the Issuer shall be obligated to pay under item (ii) above the amount of interest to accrue on such outstanding bonds of the Authority.

This Bond is issued to finance the cost of construction and acquisition of new public service facilities for the collection, treatment, purification or disposal of liquid or solid wastes in the territory to be served by the Issuer (the "System") of the Issuer under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly adopted by the Public Service Board of the Issuer on the ____ day of _____, 19___, and a Supplemental Resolution adopted by said Board on the _____ day of _____, 19____ (collectively called the ""Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the net revenues to be derived from the operation of the System, which net revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and

which shall be set aside as a special fund hereby pledged for such purpose. This Bond is additionally secured by a statutory mortgage lien pursuant to the Act. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided, and the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Issuer has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the holders of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Issuer kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Payee or its attorney duly authorized in writing. This Bond may be exchanged for an aggregate principal amount of coupon Bonds equal to the unpaid principal amount of this Bond, and having maturities corresponding with the principal installments of this Bond then unpaid.

This Bond shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of the Project described in the Bond Legislation, including payment of the Notes authorized and issued pursuant to the Bond Legislation and any other indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of this Bond, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be

performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, Huttonsville Public Service District has caused this Bond to be signed by the Chairman of said Board and its corporate seal to be hereunto affixed and attested by its Secretary, all as of the _____ day of _____, 19___.

_____
Chairman

[SEAL]

ATTEST:

_____
Secretary

[Form of Payment Record]

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Interest Payment (%)	Date Paid	Name of Paying Agent Authorized Officer And Title
	$	$	$		

SCHEDULE "A"

Principal installments on which payments have been made prior to maturity

Principal Due Date	Principal Due Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent Authorized Officer and Title
	$	$	$		

[Form of Assignment]

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

the within Bond of Huttonsville Public Service District, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books of the said Public Service District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

Section 3.06. Sale of Notes and Bonds; Execution of Loan Agreement with Authority. The Notes and the Bonds shall be sold to the West Virginia Water Development Authority, Charleston, West Virginia, pursuant to the terms and conditions of the Loan Agreement to be entered into between the Issuer and the Authority, all the provisions of which are hereby ratified and confirmed herein and made a part hereof. The Chairman is specifically authorized and directed to execute the Loan Agreement in substantially the form of Exhibit A and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority.

ARTICLE IIIA

BOND ANTICIPATION NOTES

Section 3.01 A. Authorization and General. In order to pay certain costs of the construction of the Project pending the delivery of the Bonds to the Authority, bond anticipation notes ("Notes") of the Issuer shall be issued and sold in the amount of $426,000.

A fully registered Note shall be issued, representing the entire Note issue, which shall be designated "Sewerage System Bond Anticipation Note, Series 1980," shall bear such date, shall be numbered NR-1, and shall be in the denomination of $426,000, shall

be in fully registered single form, shall bear interest from date at the rate of 8% per annum, payable on such dates, shall mature, shall have such paying agents and shall have such other provisions as are not set forth herein as provided in supplemental Note Legislation to be adopted by the Governing Body prior to delivery of the Notes. The Note No. NR-1 shall contain substantially the provisions shown in the form set forth in Section 3.12 A below.

The Notes shall be executed for the Issuer by the Chairman, and the seal of the Issuer shall be impressed thereon and attested by the signature of the Secretary.

The Notes shall be sold pursuant to the Loan Agreement and to such supplemental Note Legislation.

The Notes shall be payable on demand of the Authority upon at least fourteen days written notice to the Issuer.

The Notes shall be renewed at the option of the Authority for a period not to exceed 1 year at lawful interest rates to be established by the Authority.

Section 3.02 A. Deposit of Note Proceeds. The amount received upon the sale of the Notes, less interest to become due until the maturity thereof, shall be deposited on receipt by or for the Issuer with a bank which is a member of the Federal Deposit Insurance Corporation ("FDIC"), in the Project Construction Account established hereby.

The balance received from the proceeds from the sale of the Notes shall be for payment of the interest on the Notes as such interest becomes due, and shall be directly deposited on receipt by or for the Issuer with the Commission in the Sinking Fund hereby established.

Section 3.03 A. Security for the Notes. The Notes shall be secured by the pledge by the Issuer of and by a first lien on (i) the proceeds of the sale of the Bonds issued to refund the Notes; (ii) all moneys and securities in the Sinking Fund, (iii) the proceeds from the sale of the Notes until expended as herein authorized, and (iv) the Net Revenues of the System until payment of the Notes, and said pledge by the Issuer for the benefit of the holders of the Notes, to the extent of the aggregate principal amount of the Notes and the interest thereon, is hereby made and granted. The Issuer will execute such documents as may be required, if any, to perfect such pledge and lien. The Notes shall also be secured by a first statutory mortgage lien on the System as provided in the Act.

Section 3.04 A. Payment of Notes. At the maturity, or call prior to maturity, of the Notes, as provided in Section 3.01 A hereof, the Bonds originally issued pursuant hereto shall be used to defease the Notes and pay issuing expenses required by the Authority. The Issuer hereby assigns its right to receive funds as proceeds of said Bonds to the Authority, and there shall be no transfer of funds by the Authority to the Issuer as payment for said Bonds, except to the extent Bonds are issued in a principal amount in excess of the amount required to refund the Notes and pay costs of issuance of the Bonds and related costs.

Section 3.05 A. Notes Are Limited Obligations. The Notes shall be limited obligations of the Issuer, the interest of which is payable solely from certain of the proceeds from the sale of the Notes, the principal of which is payable from the sources described in Section 3.03 A above.

Section 3.06 A. Paying Agent. The Issuer, with approval of the Authority, may appoint as Paying Agent any bank, trust company or national banking association, but the Commission shall be the only Paying Agent unless the Issuer designates additional Paying Agents.

Section 3.07 A. Covenants. The Issuer agrees that until payment in full of the principal and interest owing on the Notes when due, the covenants contained in this Resolution for the benefit of the Bondholders shall inure to the benefit of the holders of the Notes.

In addition, the Issuer covenants to issue and sell the Bonds to the Authority and to take all actions necessary to cause the Authority to purchase the Bonds to refund the Notes in accordance with the Loan Agreement.

Section 3.08 A. Events of Default and Enforcement. Each of the following events is hereby declared an "Event of Default": (a) failure to make timely payment of all principal and interest owing on the Notes at due date or maturity; and (b) failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer for the benefit of the holders of the Notes and the Bonds as herein provided.

On the happening of any Event of Default, then, and in each such case, the holders of the Notes or any one or more of such holders shall be entitled to proceed against all assets pledged for payment of the Notes, and shall have and are hereby given all further rights and remedies as are granted hereby to the Authority. Each holder of a Note shall be deemed to be a holder of a Bond upon such default.

Section 3.09 A. Supplemental Note Legislation. Following adoption hereof, and upon receipt of the Loan Agreement, the Issuer, if it be so advised, will adopt supplemental Note Legislation, which supplemental Note Legislation will provide, among other things, the interest payment dates, the maturity date and the sale price of the Notes and such other matters as shall be required or desired in connection with issuance of the Notes.

Section 3.10 A. Form of Notes. The Notes shall be in the following form, subject to such changes, insertions and deletions as the Chairman shall agree to by execution thereof:

(Form of Bond Anticipation Note)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM BOND ANTICIPATION NOTE
SERIES 1980

No. NR-1

$426,000

HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district in Randolph County of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay to the order of West Virginia Water Development Authority the sum of FOUR HUNDRED TWENTY-SIX THOUSAND DOLLARS ($426,000), subject to prior demand as provided in the below mentioned Resolution, on June 1, 1981, with interest at the rate of eight per cent (8%) per year payable on August 29 and November 28, 1980, and February 27 and May 29, 1981. Both principal and interest are payable in lawful money of the United States of America at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, or at the option of the holder, at _____, _____.

This Note represents the entire issue of Series 1980 Notes in the aggregate principal amount of $426,000 duly authorized by the Issuer and issued in anticipation of the issuance of the Sewer Revenue Bond, Series 1980 (the "Bond"), of the Issuer in the principal sum of not to exceed $500,000 for aiding in the construction of a new public sewerage system (the "System") of the Issuer.

West Virginia Water Development Authority ("WDA") has agreed to purchase the Bond on the due date of this Note unless called prior to maturity or unless this Note has been renewed as provided below. The Bond has been authorized by the Issuer pursuant to a Resolution of the Public Service Board of the Issuer.

This Note is subject to renewal and to call prior to maturity upon the terms and conditions provided in the Resolution mentioned below.

The principal of this Note is payable solely and only from the proceeds of sale of the Bond and, if WDA should not purchase the Bond, the principal of and interest on this Note is payable from the net revenues of the System defined in the Resolution mentioned below. The proceeds of sale of the Bond have been pledged to the owner hereof to secure payment of the principal of this Note. The

Note is additionally secured by a statutory mortgage lien pursuant to the Act.

Moneys from the proceeds of sale of the Note to pay the interest on the Note to maturity have been deposited with the West Virginia Municipal Bond Commission.

This Note is a limited and special obligation of the Issuer, and does not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitations or provisions, and the Issuer shall not be obligated to pay this Note or the interest hereon except from the proceeds of the Note and the Bond and any other sources which may be provided by the Resolution referred to below.

This Note has been duly authorized by a Resolution and a Supplemental Resolution of the Issuer pursuant to West Virginia Code, Chapter 16, Article 13A (the "Act").

The Act provides that this Note is exempt as to principal and interest from taxation by the State of West Virginia and the other taxing bodies of said State.

Reference is made to the said Resolution and Supplemental Resolution for further description of the security for payment hereof, the rights of the owner hereof and the rights and obligations of the Issuer.

Every requirement of law relating to the issuance hereof has been duly complied with.

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Note to be signed by the Chairman of its Public Service Board and has caused its seal to be hereto affixed and attested by the Secretary of said Public Service Board, all as of the date below written.

Dated: _____

HUTTONSVILLE PUBLIC SERVICE DISTRICT

[SEAL]

By _____
Chairman

ATTEST:

_____
Secretary

[Form of Payment Record]

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Interest Payment (%)	Date Paid	Name of Paying Agent Authorized Officer And Title
	$	$	$		

SCHEDULE "A"

Principal installments on which payments have been made prior to maturity

Principal Due Date	Principal Due Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent Authorized Officer and Title
	$	$	$		

[Form of Assignment]

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

the within Note of Huttonsville Public Service District, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Note on the books of the said Public Service District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. System Revenues and Application Thereof. So long as any of the Bonds shall be outstanding and unpaid, the Issuer covenants with the Holders of the Bonds as follows:

A. Establishment of System Revenue Fund and Disposition of System Revenues. The entire gross revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in a special fund in a bank in the State of West Virginia which is eligible under the laws of West Virginia to receive deposits of state and municipal funds, which fund (herein called the "Revenue Fund") is hereby established. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner herein provided. All revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first each month, from the moneys in the Revenue Fund, pay all reasonable operating expenses of the System.

(2) Thereafter, from the moneys in the Revenue Fund, the Issuer shall, on the first day of each month, commencing with and including the month of _____, 19___, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in a fund to be known as the "Sinking Fund," which is hereby created and established, a sum equal to one-sixth (1/6) of the amount of interest which will become due on the Bonds on the next interest payment date; provided, however, that in the event that the period to elapse between said initial payment date and the next semiannual interest payment date for the Bonds is less than six (6) months, then such monthly payments shall be increased proportionately to provide the required amount of interest maturing on the next semiannual interest payment date.

The Issuer shall also, from the Revenue Fund, remit to the Commission, on such dates or at such other times as the Commission shall require, such additional sums as shall be necessary to pay the fiscal agency charges due for paying the Bonds and the interest thereon.

The Issuer shall also apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in said Sinking Fund, as below provided, on the first day of each month, beginning on the first day of that month which is twelve (12) months prior to the first principal payment date of the Bonds, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on the Bonds on the next ensuing principal payment date.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Commission from said Revenue Fund and from the proceeds of the sale of the Bonds as provided in Article V hereof by the Issuer at the times provided herein.

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds as the same shall become due.

The Issuer shall next, from the Revenue Fund, remit to the Commission for deposit in the Reserve Account hereby established in said Sinking Fund, on the first day of each month of each year, beginning with and including the month in which payments from the Revenue Fund for semiannual interest are commenced, an amount equal to twenty per centum (20%) of all amounts required to be deposited for maturing principal and interest into the Sinking Fund, as provided above, on said dates: Provided, however, that no further payments shall be made into the Reserve Account when there shall have been deposited and as long as there shall remain on deposit

therein, an amount equal to the maximum amount of principal and interest that will mature and become due on the Bonds in any succeeding fiscal year.

Moneys in the Reserve Account shall be used only for the purpose of payment of maturing principal of or interest on the Bonds when other moneys in the Sinking Fund are insufficient therefor and for no other purpose.

Any withdrawals from the Reserve Account shall be subsequently restored from the first revenues available after all required payments to the Sinking Fund and Reserve Account, including any deficiencies for prior payments, have been made in full.

The Issuer shall not be required to make any further payments into said Sinking Fund or into the Reserve Account when the aggregate amount of funds in both said Sinking Fund and said Reserve Account are at least equal to the aggregate principal amount of the Bonds then outstanding, plus the amount of interest due or thereafter to become due on the Bonds.

As and when additional bonds ranking on a parity with the Bonds herein authorized are issued, provision shall be made for additional payments into said Sinking Fund sufficient to pay the interest on such additional parity bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Reserve Account in an amount equal to the maximum provided and required to be paid into the Sinking Fund in any calendar year for account of all the Bonds, including such additional bonds which by their terms are payable from said Sinking Fund.

The payments into the Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the Account in which to be deposited and the custody, use and application thereof consistent with the provisions hereof.

Moneys in the Sinking Fund shall be used solely and only and are hereby pledged for the purpose of servicing the Bonds.

(3) Thereafter, from the moneys remaining in said Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the first month in which interest shall be first payable from the Revenue Fund, remit to a bank which is eligible under the laws of West Virginia to receive deposits of public funds for deposit in a special account to be designated "Renewal and Replacement Fund," which account is hereby established and created,

a sum equal to two and one-half per centum of the gross revenues each month, exclusive of any payments for account of the Reserve Accounts. All funds in said Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer, and all or any part of said Fund may be invested in bonds or other direct or fully guaranteed obligations of the United States of America maturing or being subject to retirement at the option of the holder within not more than ten (10) years from the date of such investment. Withdrawals and disbursements may be made from said Renewal and Replacement Fund for replacements, emergency repairs, additions, betterments or improvements to the System; provided, however, that any deficiency in the Reserve Account (except to the extent such deficiency exists because the required payments into the Reserve Account have not as of the date of determination of a deficiency not funded such Reserve Account to the maximum extent required by Section 4.01(A)(2)), shall be promptly eliminated with moneys from the Renewal and Replacement Fund in amounts sufficient to eliminate such deficiency.

(4) Whenever all of the required and provided transfers and payments from said Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid for operating expenses and into the Sinking Fund and the Renewal and Replacement Fund during the next succeeding three (3) months, such excess shall be considered as surplus revenues. Said surplus revenues shall be first used for the construction and acquisition of improvements and extensions to the System, and, thereafter, to the extent not needed for such purposes, said surplus revenues and any surplus moneys in the Sinking Fund, exclusive of the Reserve Account, in excess of the amount of interest to become due on the next interest payment date and the amount of principal to become due within the next succeeding twelve (12) months, may be used to purchase or prepay Bonds, any such purchase upon the open market to be at a price not exceeding the par value thereof plus three per centum (3%) of such par value, or to redeem Bonds at a price not in excess of the redemption price thereof, or for debt service on obligations not on a parity with the Bonds, the proceeds of which obligations were used to finance such additions, betterments or improvements.

(5) The moneys in excess of the sum insured by the Federal Deposit Insurance Corporation ("FDIC") in the Revenue Fund and for the Renewal and Replacement Fund (unless remitted to the Commission) shall at all times be secured, to the full extent thereof in excess of such insured sum, by direct obligations of the United States of America or such other obligations as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

(6) If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds on the subsequent payment dates.

(7) Moneys in the Reserve Account shall be invested and reinvested by the Commission in direct obligations of the United States of America having maturities not longer than two (2) years from the date of purchase. Moneys in the Reserve Account in excess of the maximum amount required to be therein shall, at least annually, be deposited in the Sinking Fund by the Commission.

(8) All remittances made by the Issuer to the Commission shall clearly identify the funds or accounts into which each amount is to be deposited.

ARTICLE V

APPLICATON OF BOND AND NOTE PROCEEDS

Section 5.01. Construction Trust Fund. From the moneys received from the sale of any or all the Notes, the following amounts shall be first deducted and deposited:

A. The sum required to pay interest on the Notes to maturity shall be deposited in the Sinking Fund and used to pay interest on the Notes as the same becomes due.

B. Upon issuance of the Bonds and exchange of the Bonds for the Notes and payment of allocated issuance expenses of the Bonds of the Authority as provided in the Loan Agreement, any balance remaining from the sale of the Bonds shall be deposited in the Construction Trust Fund.

The remaining moneys derived from the sale of the Notes shall be deposited by the Issuer in a fund to be known as the "Construction Trust Fund," which is hereby created, which fund shall be kept separate and apart from all other funds of the Issuer and shall be drawn out, used and applied by the Issuer solely for the payments of the cost of the construction and acquisition of the Project, and purposes incidental thereto, and for no other purposes whatsoever. The moneys in said fund shall be secured at all times by the deposit of such bonds in direct obligations of the United States of America having a fair market value at least equal to the balance in excess of the amount insured by FDIC in said fund. If for any reason such proceeds, or any part thereof, are not necessary

for, or are not applied to, such purposes, then such unapplied proceeds shall be deposited by the Issuer in the Sinking Fund and shall be used only as provided herein. All such proceeds shall be and constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys until so applied in favor of the Holders of the Bonds.

Expenditures or disbursements from said Construction Trust Fund, except for legal, fiscal and engineering expenses and expenses in connection with the issuance and sale of the Bonds shall be made only after such expenditures or disbursements shall have been approved in writing by the Consulting Engineers.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. General Covenants of the Issuer. All the covenants, agreements and provisions hereof shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions hereof, the Issuer hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Bonds or the interest thereon are outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. Neither the Bonds nor coupons appertaining thereto shall be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the revenues of the System, as herein provided.

Section 6.03. Bonds Secured by Pledge of Net Revenues; Statutory Mortgage Lien. The payment of the debt service of all the Bonds shall be secured forthwith equally and ratably by a first lien on the net revenues derived from the operation of the System, to the extent necessary to make the payments required under Section 4.01 hereof. The revenues derived from the System, in an amount sufficent to pay the principal of and interest on the Bonds and to make the payments into the Sinking Fund, including the Reserve Account therein, and all other payments provided for herein are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided herein.

The Bonds are additionally secured by a statutory mortgage lien pursuant to the Act.

Section 6.04. Rates. Prior to the issuance of the Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file in the office of the Board, each of which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce gross revenues from said System to pay operating expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide for all reasonable expenses of operation, repair and maintenance of the System and to leave a balance each year equal to at least 130% of the maximum amount required in any ensuing year to pay the interest on and the principal of the Bonds as the same become due and accomplish retirement of all obligations for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered.

Section 6.05. Completion, Operation and Maintenance. The Issuer will expeditiously complete and maintain in good condition said System and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of the System in the manner provided herein.

Section 6.06. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Sinking Fund, and, in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Bonds as they become due or in accordance with redemption provisions hereof. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, unless otherwise prohibited by law, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of Ten Thousand Dollars ($10,000), the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of Ten Thousand Dollars ($10,000) but not in excess of Fifty Thousand Dollars ($50,000), the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and then authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be remitted by the Issuer to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase or prepayment of Bonds of the last maturities then outstanding at prices not greater than the par value thereof plus three per centum (3%) of such par value. Such payments of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions hereof.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay all the Bonds then outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of sixty-six and two-thirds percentum (66-2/3%) in amount of Bonds then outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer will not issue any other obligations whatsoever, except additional parity bonds provided for in Section 6.08 hereof payable from the revenues of the System which rank prior to or equally, as to lien on and source of and security for payment from such revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such additional parity

bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds; provided, however that no such subordinate obligations shall be issued unless the Reserve Account in the Sinking Fund is funded to the extent that no further payments are required therefor as provided in Section 4.01(A)(2).

Except as provided in Section 6.08 below, the Issuer will not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Bonds and the interest thereon, upon any of the income and revenues of the System pledged hereby for payment of the Bonds and the interest thereon or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. No additional parity bonds, as in this section defined, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant hereto, except under the conditions and in the manner herein provided.

No such additional parity bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of additions, betterments and improvements to the System or refunding the entirety of one or more series of Bonds issued pursuant hereto or both such purposes.

No such additional parity bonds shall be issued at any time, however, unless and until there has been procured and filed with the Board a written statement by a certified public accountant not in the regular employ of the Issuer based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the net revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any twelve (12) consecutive months, within the eighteen (18) months immediately preceding the date of the actual issuance of such additional parity bonds, plus the estimated average increased annual net revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such additional parity bonds shall not be less than one hundred thirty per centum (130%) of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the following:

(1) The Bonds originally issued pursuant hereto then outstanding;

(2) Any additional parity bonds theretofore issued pursuant to the provisions contained herein then outstanding; and

(3) The additional parity bonds then proposed to be issued.

The "estimated average increased annual net revenues to be received in each of the three (3) succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased net revenues estimated to be derived from (a) the improvements to be financed by such additional parity bonds and (b) any increase in rates approved by the Public Service Commission of West Virginia prior to the date of delivery of such additional parity bonds and shall not exceed the amount stated in a certificate of the Consulting Engineer which shall be filed in the office of the Board prior to the issuance of such additional parity bonds.

The net revenues actually derived from the System during the twelve-consecutive-month period hereinabove referred to may be adjusted by adding to such net revenues such additional net revenues which would have been received, in the opinion of the Consulting Engineers and the said certified public accountant as stated in a certificate jointly made and signed by the Consulting Engineers and said certified public accountant, on account of increased rates, rentals, fees and charges for the System approved by the Public Service Commission of West Virginia prior to issuance of such additional parity bonds.

Not later than simultaneously with the delivery of such additional parity bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements to the System that are to be financed by such additional parity bonds.

The term "additional parity bonds," as used in this section, shall be deemed to mean additional bonds issued under the provisions and within the limitations of this section, payable from the revenues of the System on a parity with the Sewer Revenue Bonds, Series 1980, and all the covenants and other provisions hereof (except as to details of such additional parity bonds inconsistent herewith) shall be for equal benefit, protection and security of the Holders of the Sewer Revenue Bonds, Series 1980, and the holders of any additional parity bonds subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times or their issuance, shall, rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any bond or coupon over any other. The Commission shall comply fully with all the increased payments

into the various funds created hereby required for and on account of such additional bonds, in addition to the payments required for Bonds theretofore issued pursuant hereto.

All additional parity bonds shall have the same monthly maturity date and the same semiannual interest payment dates as the Bonds originally issued hereunder.

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

No additional parity bonds, as in this section defined, shall be created at any time, however, unless all the payments into the respective funds and accounts provided for herein on the Bonds then outstanding, and any other payments provided for herein, shall have been made in full as required to the date of delivery of the additional bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms hereof.

Notwithstanding any of the foregoing provisions, with the written consent in advance of the Authority and upon compliance with the terms, limitations and conditions contained herein, additional parity Bonds may be authorized and issued by the Issuer pursuant to supplemental resolution solely to complete the Project in accordance with the plans and specifications therefor now on file with the Board in the event that the Bonds issued hereunder should be insufficient, together with other funds lawfully available therefor, to pay all costs of construction and acquisition of the Project; provided, however, that prior to the issuance of such additional parity bonds under the provisions of this paragraph, the Consulting Engineers shall file with the Board a statement to the effect that additional funds are needed and shall state the amount thereof deemed to be adequate for such purpose. All such additional parity bonds authorized and issued under the provisions of this paragraph shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Project and the maturities of any such additional parity bonds shall be in years and amounts suggested by the Authority.

Section 6.09. Insurance. The Issuer will carry, with a reputable insurance carrier or carriers, such insurance as is customarily carried with respect to works and properties similar to the System, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks, which insurance shall at all times be in an amount or amounts equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the System. In time of war, the Issuer shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System.

Section 6.10. Services Rendered to the Issuer. The Issuer will not render or cause to be rendered any free services of any nature by its System; and in the event the Issuer or any officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such officer or employee.

Section 6.11. Remedies and Appointment of Receiver. Any Bondholder may, by proper legal action, compel the performance of the duties of the Issuer hereunder and under the Act, including the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any default in the payment of interest on any Bonds when the same shall become due, or in the payment of the principal of any Bond or Bonds at the specified date of maturity thereof, or otherwise in the performance of any covenant contained herein other than as to such payment and such default shall continue for a period of thirty (30) days after written notice to the Issuer of such default, any Bondholder shall, in addition to all other remedies or rights, including, but not limited to, the right of foreclosure provided in the Act, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the Bonds and interest thereon, the deposits into the funds and accounts hereby established as herein provided and the payment of operating expenses of the System, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions hereof and of the Act.

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

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

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

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

Section 6.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges that shall

become delinquent to the full extent permitted or authorized by the laws of the State of West Virginia. All such fees, rates and charges, if not paid when due, shall become a lien on the premises served by the System. When such fees, rates and charges have been delinquent for thirty (30) days, the Issuer shall have the power to forthwith foreclose the lien on the premises served in the manner provided for the foreclosure of mortgages on real property by the laws of West Virginia, as provided by the Act.

Whenever any rates, rentals or charges for services or facilities of the System shall remain unpaid for a period of thirty days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. The Issuer further convenants and agrees that in the event it owns a waterworks system (the "Water System"), it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services and facilities of the System and will not restore such services of either System until all delinquent charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, have been fully paid.

Section 6.13. No Competing Franchise. The Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services that would compete with services provided by the System.

Section 6.14. Books and Records. The Board will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow currently accepted accounting practices and safeguards. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Board. The Board shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the Issuer as the Board shall direct.

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

A. A statement of gross revenues, operating expenses and net revenues derived from the System.

B. A balance sheet statement showing all deposits in all the funds provided for herein and the status of all said funds.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by a certified public accountant and shall mail upon request, and make available generally, the report of said certified public accountant or a summary thereof to any Holder or Holders of Bonds and shall file said report with the Authority and HUD.

Section 6.15. Operating Budget. The Board shall annually, at least thirty (30) days preceding the beginning of each fiscal year, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year. No expenditures for the operation and maintenance of the System shall be made in any fiscal year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Board shall have unanimously authorized the same. The Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to any Bondholder who shall file his address with the Board and request in writing that copies of all such budgets and resolutions be furnished him and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Bondholder or anyone acting for and in behalf of such Bondholder.

Section 6.16. Mandatory Connections. The mandatory use of the sewer facilities of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare and the economy of the inhabitants of the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant and occupant of every lot, parcel and tract of land that abuts on a street, alley or other public way in which any sewer line, main or

facility is located, or which is located within a reasonable distance thereof, not exceeding 300 feet, and is reasonably accessible thereto, and upon which lot, parcel or tract a building or other habitable structure has been or shall be erected for residential, commercial or industrial use, shall connect the waste or sewage lines of such building or structure with the facilities of the System if sewage will flow by gravity from such building or structure into the facilities of the System and shall thereupon and thereafter refrain from using and shall cease to use any other method for the disposal of sewage or water-borne waste matter and shall pay all charges, fees and rates lawfully provided for use of the sewer facilities.

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

ARTICLE VII

MISCELLANEOUS

Section 7.01. Modification or Amendment. No material modification or amendment hereof or of any resolution amendatory hereof or supplemental hereto that would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the Holders of two-thirds (2/3) or more in principal amount of the Bonds then outstanding; provided, however, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the revenues of the System without the consent of the Holder thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above permitted amendments or modifications.

Section 7.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision hereof shall be held invalid, such invalidity shall not affect any of the remaining provisions hereof.

Section 7.03. Repeal of Conflicting Resolutions. All resolutions and orders, or parts thereof, in conflict herewith are to the extent of such conflict repealed.

Section 7.04. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage hereof do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, the Secretary and members of the Board were at all times when any actions in connection herewith occurred, and are, duly in office and duly qualified for such offices.

Section 7.05. Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds and coupons the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and herein, then the pledge of any revenues, and other moneys and securities pledged hereby and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds or coupons or interest installments for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the paying agent at the same or earlier time, shall be sufficient, to pay as and when due the principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds and all coupons appertaining to such Bonds shall prior to the maturity thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission at the same time, shall be sufficient, to pay when due the principal of and interest due and to become due on the Bonds on and prior to the maturity dates thereof as the case may be. Neither securities or moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bond; provided that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on said Bonds on and prior to such maturity dates

thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only obligations of, or obligations guaranteed by, the United States of America.

Section 7.06. Restrictions as to Arbitrage Bonds. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code, and the Chairman of the Board shall deliver his certificate, based upon this covenant, with regard thereto to the Authority.

Section 7.07. Effective Date. This Bond Legislation shall take effect upon passage, in the manner prescribed by law; provided, however, that the Bonds shall not be delivered to the Authority until the West Virginia Public Service Commission has given its approval of the sale of the Bonds thereto.

Dated this 7th day of August, 1980.

Certified a True Copy.

[SEAL]

By _____
Secretary

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED-12-1C

HUTTONSVILLE PUBLIC SERVICE DISTRICT

$426,000 Sewerage System Bond Anticipation Notes,
Series 1980

Supplemental Note Legislation

SUPPLEMENTAL NOTE LEGISLATION SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN SEWAGE FACILITIES OF THE HUTTONSVILLE PUBLIC SERVICE DISTRICT, RANDOLPH COUNTY, WEST VIRGINIA, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $500,000 IN PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1980, AND BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS AND NOTES; AUTHORIZING THE SALE OF SUCH BONDS AND NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY PURSUANT TO THE TERMS OF A LOAN AGREEMENT BETWEEN THE DISTRICT AND SAID AUTHORITY AND ADOPTING OTHER PROVISIONS RELATING THERETO"; SETTING THE AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 1980, TO BE ISSUED AT $426,000 AND CONFIRMING THE SALE THEREOF TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; AND ADOPTING OTHER PROVISIONS RELATING TO SUCH NOTES.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF HUTTONSVILLE PUBLIC SERVICE DISTRICT, RANDOLPH COUNTY, WEST VIRGINIA:

ARTICLE I

STATUTORY AUTHORITY
FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Supplemental Note Legislation. This Supplemental Note Legislation is adopted pursuant to the provisions of Article 13A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law and in accordance with Section 3.09A of a resolution adopted by the Public Service Board of Huttonsville Public Service District (the "District") on August 7, 1980, entitled "A Resolution authorizing the construction and acquisition of certain sewage facilities of the Huttonsville Public Service District, Randolph County, and the financing of the cost, not otherwise provided, thereof through the issuance by the District of not more than $500,000 in principal amount of Sewer Revenue Bonds, Series 1980, and Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such bonds and notes; authorizing the sale of such bonds and notes to the West Virginia Water Development Authority pursuant to the terms of a Loan Agreement

between the District and said Authority and adopting other provisions relating thereto" (the "Resolution").

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

A. By loan application dated December 7, 1978, as revised and supplemented, the District applied for a loan from the West Virginia Water Development Authority (the "Authority") for the purpose of financing part of the cost of construction and acquisition of certain sewer facilities in the District, which loan application was approved by the Authority.

B. On August 7, 1980, the Public Service Board of the District adopted the Resolution, authorizing the issuance of not more than $500,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1980 (the "Bonds") and not more than $426,000 Sewerage System Bond Anticipation Notes, Series 1980 (the "Notes"), and the execution of a loan agreement with the Authority.

C. The District and the Authority entered into a loan agreement dated August 7, 1980, which provided for a loan to the District by the Authority through the purchase by the Authority of $426,000 in aggregate principal amount of Notes of the District at a price of not less than $421,740, pending issuance of the Bonds.

D. It is in the best interest of the inhabitants of the District that the District confirm the sale of its Notes to the Authority and supplement the Resolution by providing for certain terms and conditions of the issuance and sale of the Notes.

Section 1.03. Definitions. The terms used in this Supplemental Note Legislation shall have the meanings set forth in Section 1.04 of the Resolution unless the context expressly requires otherwise.

ARTICLE II

FORM, AMOUNT, CONFIRMATION OF SALE AND DELIVERY OF NOTES

Section 2.01. Details of Notes. The Notes shall be issued in the form of one fully registered Note, numbered NR-1, in the principal amount of Four Hundred Twenty-Six Thousand Dollars ($426,000). The Note, No. NR-1, shall be dated on date of delivery, shall mature June 1, 1981, subject to renewal for one year by the Authority, and interest payment dates shall be August 29 and November 28, 1980, and February 27 and May 29, 1981.

Section 2.02. Confirmation of Sale of Notes. The entire issue of the Notes was previously, and is hereby confirmed to be, awarded to the West Virginia Water Development Authority, being sold to the Authority for a purchase price of Four Hundred Twenty-One Thousand Seven Hundred Forty Dollars ($421,740), all pursuant to Section 3.09A of the Resolution, the Loan Agreement and a letter dated June 17, 1980, from the Authority to the District.

Section 2.03. Delivery of Note No. NR-1. Note No. NR-1, representing the entire issue of the Sewerage System Bond Anticipation Notes, Series 1980, of the District, shall be delivered to the West Virginia Water Development Authority as soon as the Authority is ready to accept deliverance and pay for the same.

ARTICLE III

OTHER TERMS OF THE NOTES

Section 3.01. Alternate Paying Agent. There shall not be any alternate paying agent for the Notes.

Section 3.02. Payments into Sinking Fund. The District shall begin its monthly payments into the Sinking Fund on July 1, 1981, and Section 4.01(A)(2) of the Resolution is hereby supplemented to reflect such date.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Supplemental Note Legislation shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Supplemental Resolution.

Section 4.02. Repeal of Conflicting Resolutions. All resolutions and orders, or parts thereof, in conflict with this Supplemental Note Legislation are to the extent of such conflict repealed.

Section 4.03. Effective Date. This Supplemental Note Legislation shall take effect immediately upon adoption.

Date: August 7, 1980

Keith Goldberg
Chairman

Omar W. Bartlett
Member

Member

CERTIFICATE

I, Avis Fourney, Secretary of the Public Service Board of Huttonsville Public Service District, Randolph County, West Virginia, certify that the foregoing document is a true and correct copy of the Supplemental Note Legislation adopted by the Public Service Board of Huttonsville Public Service District on August 7, 1980.

Given under my hand and the seal of Huttonsville Public Service District this 7th day of August, 1980.

Secretary, Public Service Board

[SEAL]

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

HUTTONSVILLE PUBLIC SERVICE DISTRICT

AMENDATORY RESOLUTION

A RESOLUTION AMENDING AND SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN SEWAGE FACILITIES OF THE HUTTONSVILLE PUBLIC SERVICE DISTRICT, RANDOLPH COUNTY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $500,000 IN PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1980, AND BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS AND NOTES; AUTHORIZING THE SALE OF SUCH BONDS AND NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY PURSUANT TO THE TERMS OF A LOAN AGREEMENT BETWEEN THE DISTRICT AND SAID AUTHORITY AND ADOPTING OTHER PROVISIONS RELATING THERETO," ADOPTED BY THE PUBLIC SERVICE BOARD OF SAID PUBLIC SERVICE DISTRICT ON AUGUST 7, 1980; AUTHORIZING RENEWAL OF $426,000 AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 1980, OF HUTTONSVILLE PUBLIC SERVICE DISTRICT BY THE ISSUANCE OF $426,000 PRINCIPAL AMOUNT SEWERAGE SYSTEM BOND ANTICIPATION RENEWAL NOTE, 1981 SERIES A; AND PROVIDING FOR THE ISSUANCE BY THE DISTRICT OF CERTAIN ADDITIONAL NOTES, ON A PARITY WITH SAID SEWERAGE SYSTEM BOND ANTICIPATION RENEWAL NOTE, 1981 SERIES A, TO PAY INTEREST THEREON.

WHEREAS, by resolution entitled "A resolution authorizing the construction and acquisition of certain sewage facilities of Huttonsville Public Service District, Randolph County, and the financing of the cost, not otherwise provided, thereof through the issuance by the District of not more than $500,000 in principal amount of Sewer Revenue Bonds, Series 1980, and Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such bonds and notes; authorizing the sale of such bonds and notes to the West Virginia Water Development Authority pursuant to the terms of a Loan Agreement between the District and said authority and adopting other provisions relating thereto," adopted by the Public Service Board of Huttonsville Public Service District (the "Issuer"), on August 7, 1980, (the "Resolution"), there were authorized and issued by the Issuer $426,000 principal amount of

Sewerage System Bond Anticipation Notes, Series 1980, represented by a single note, No. NR-1 (the "Note"), which Note was purchased by West Virginia Water Development Authority (the "Authority") pursuant to a Loan Agreement, dated August 7, 1980, between the Issuer and the Authority (the "Agreement");

WHEREAS, the Note matured on June 1, 1981;

WHEREAS, in accordance with Sebsection 4.1(b)(iii) of the Agreement and pursuant to Section 3.01A of the Resolution and to the terms of the Note, the Authority was Authorized to renew the Note for a period not to exceed one year at interest rates to be established by the Authority and authorized by a resolution supplemental to the Resolution;

WHEREAS, the Authority has exercised such option by a letter dated June 1, 1981, a copy of which is attached as Exhibit A hereto and incorporated herein by reference; and

WHEREAS, it is in the best interests of the Issuer and the inhabitants thereof to honor the exercise of the Authority's option, to renew the Note until May 31, 1982, to issue a renewal Note to exchange with the Note, to provide for the satisfaction of interest payments coming due on the renewal Note, to the extent such interest is not payable from the net revenues derived from the operation of the Issuer's Sewerage system, of which the water development project financed with the proceeds of the Note is a part (the "System"), or from other funds of the Issuer available therefor, by the issuance and delivery to the Authority of additional notes on a parity with said renewal Note and to amend the Resolution to provide for such issuance;

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVIC BOARD OF HUTTONSVILLE PUBLIC SERVICE DISTRICT, AS FOLLOWS:

1. In accordance with Subsection 4.1(b)(iii) of the Agreement and pursuant to Section 3.01A of the Resolution and to the terms of the Note, the Note is hereby ordered renewed, and there shall be issued in exchange for such Note a renewal Note, designated "Sewerage System Bond Anticipation Renewal Note, 1981 Series A," in the principal amount of $426,000 (the "Renewal Note"), representing the aggregate principal amount of the Note that matured on June 1, 1981.

2. If and when authorized by a resolution supplemental hereto, and to the extent interest on the Renewal Note or on any previously issued Additional Note, as hereinafter defined, is not payable from the net revenues derived from the operation of the System, or from other funds of the Issuer available therefor, there shall be issued and delivered to the Authority from time to time additional notes, on a parity as to lien and source of and security for payment with the Renewal Note, designated "Sewerage System Bond Anticipation Renewal Note, 1981 Series _____" of the series to be determined by said supplemental resolution (the "Additional Notes").

3. The Renewal Note shall be dated June 1, 1981, and shall bear interest from the date thereof to the date of maturity thereof at the rate of eight percent (8%) per annum, payable on August 28, 1981, for interest to September 1, 1981, on November 27, 1981, for interest to December 1, 1981, on February 26, 1982, for interest to March 1, 1982, and on May 28, 1982, for interest to May 31, 1982. Any Additional Note shall be dated the date of delivery thereof and shall bear interest from the date thereof to the date of maturity thereof at the rate and, to the extent applicable, payable on the dates and for the periods specified above for the Renewal Note.

4. Interest on the Renewal Note and on any Additional Note shall, to the extent possible, be paid from the net revenues derived from the operation of the System or from other funds of the Issuer available for such payment. To the extent the Issuer is unable to pay interest on the Renewal Note or on any Additional Note from such sources, and the Authority has consented thereto, the Issuer shall issue and deliver to the Authority as full of partial satisfaction of such interest then coming due, an Additional Note as provided above. Notwithstanding any of the foregoing, interest accrued on the Renewal Note or on any Additional Note after six (6) months after completion of of construction or acquisition of the project financed with the proceeds of the Note must be paid from the net revenues derived from the operation of the System, and the Issuer hereby pledges to make such payment from such net revenues.

5. The Renewal Note and any Additional Note shall mature on May 31, 1982.

6. The Renewal Note shall be issued in fully registered form and otherwise in substantially the form attached as Exhibit B hereto and incorporated herein by reference, and any Additional Note shall be issued in fully registered form and otherwise in substantially the form attached as Exhibit C hereto and incorporated herein by reference.

7. Except as provided above, the Renewal Note and each Additional Note shall be subject to the terms, provisions, security and covenants provided in the Resolution, as hereinafter amended, for the Note.

8. The Chariman and Secretary of the Public Service Board of the Issuer are hereby authorized and directed to execute, seal and deliver the Renewal Note and to take any other actions and execute and deliver any other documents necessary and proper in connection with such execution and delivery of the Renewal Note.

9. Section 6.07 of the Resolution is hereby amended and re-adopted to read as follows:

> Section 6.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, payable from the proceeds of the Bonds or the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such proceeds or revenues with the Notes or the Bonds; provided, that additional notes on a parity with the renewal note provided for in Section 3.01A hereof may be issued as authorized by the Authority; and provided, further, that additional bonds on a parity with the Bonds may be issued as provided for in Section 6.08 hereof. All obligations hereafter issued by the Issuer payable from the revenues of the System, except such additional parity notes or such additional parity bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Notes and the Bonds; provided, however, that no such subordinate obligations shall be issued unless the Reserve Account in the Sinking Fund is funded to the extent that no further payments are required thereto as provided in Section 4.01(A)(6).
>
> Except as privided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Notes or the Bonds, as the case may be, and the interest

thereon, upon any of the income and revenues of the System pledged for payment of the Notes or the Bonds, as the case may be, and the interest thereon in this Resolution, or upon the System or any part thereof or, with respect to the Notes, upon the proceeds of the Bonds originally issued pursuant to this Resolution.

10. If any paragraph, clause or provision of this Amendatory Resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Amendatory Resolution or of the Resolution, as supplemented and amended hereby.

11. This Amendatory Resolution shall take effect immediately upon adoption.

Adopted this 16th day of September, 1981.

Keith Halsey
Chairman

Secretary

EXHIBIT A

[Attach letter, dated June 1, 1981, from the West Virginia Water Development Authority.]

Exhibit B

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM BOND ANTICIPATION
RENEWAL NOTE, 1981
SERIES A

No. NR-1 $426,000

KNOW ALL MEN BY THESE PRESENTS: That HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district in Randolph County of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, from the proceeds of certain Subordinate Sewerage System Revenue Bonds to be hereafter issued by the Issuer, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or its registered assigns, on May 31, 1982, the sum of FOUR HUNDRED TWENTY-SIX THOUSAND DOLLARS ($426,000). Interest on said sum is payable from the date hereof at the rate of eight percent (8%) per annum on the 28th day of August, 1981, for interest to September 1, 1981, on the 27th day of November, 1981, for interest to December 1, 1981, on the 26th day of February, 1982, for interest to March 1, 1982, and on the 28th day of May, 1982, for interest to May 31, 1982, solely from the special funds provided therefor, as hereinafter set forth. The principal of this Note is payable in any coin or currency which, on the date of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through the principal office of Kanawha Valley Bank, N.A., Charleston, West Virginia; provided, however, that, if the Authority is the registered owner hereof, at the option of the Authority the principal of this Note may be paid by exchanging this Note with the aforementioned Subordinate Sewerage System Revenue Bonds. The interest on this Note is payable by check or draft mailed to the registered owner hereof at its address as it appears on the Note Register hereinafter provided for.

So long as the Authority is the registered owner hereof, this Note is subject to call on demand of the Authority upon fourteen (14) days' written notice to the Issuer. This Note is not prepayable or redeemable at the option of the Issuer.

This Note is a renewal of the Issuer's $426,000 in principal amount of Sewerage System Bond Anticipation Notes, Series 1980, dated August 7, 1980 (the "Prior Note"), which Prior Note was issued

to finance the cost of construction and acquisition of certain additions, betterments and improvements (the "Project") to the sewage system (the "System") of the Issuer pending the issuance of certain Subordinate Sewerage System Revenue Bonds as described below, all under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended (the "Act"), and a resolution duly adopted by the Public Service Board of the Issuer on August 7, 1980 (the "Resolution"), as supplemented and amended by an Amendatory Resolution adopted on August 28, 1981 (the "Amendatory Resolution"), and is subject to all the terms and conditions of said Resolution and Amendatory Resolution. Such renewal was specifically authorized by Section 3.01A of the Resolution and said Amendatory Resolution.

This Note is issued in anticipation of certain Subordinate Sewerage System Revenue Bonds of the Issuer, and the principal of this Note is payable from the proceeds of such Subordinate Sewerage System Revenue Bonds to be issued at the maturity, or call prior to maturity, of this Note, as authorized by the Resolution. Issuance of said Subordinate Sewerage System Revenue Bonds was authorized by the maturity, and the Authority has agreed to purchase such Bonds. To the extent the principal of this Note is not paid as provided above, it is payable from, and secured by a lien on, the net revenues to be derived from the operation of the System. Interest on this Note is payable from the net revenues derived from the operation of the System and from other funds of the Issuer available therefor and, to the extent not so payable, from the proceeds of additional notes, on a parity as to lien and source of and security for payment with this Note, to be issued from time to time in accordance with the Amendatory Resolution; provided, that any interest accrued hereon after six (6) months after completion of construction or acquisition of the Project shall be paid from the net revenues derived from the operation of the System. This Note is additionally secured by a statutory mortgage lien pursuant to the Act.

This Note does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall said Issuer be obligated to pay the same or the interest hereon except from the proceeds of the Subordinate Sewerage System Revenue Bonds, said additional notes on a parity with this Note or from the net revenues derived from the operation of said System or other funds of the Issuer available therefor. Under the Resolution, the Issuer has entered into certain covenants with the registered owner of this Note for the terms of which reference is made to said Resolution. Remedies provided the registered owner of this Note are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Note may be transferred only upon the books of the Issuer which shall be kept for that purpose at the office of the Treasurer of the State of West Virginia (the "Note Register") by an authorized representative of the registered owner hereof in person or by its attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to said Treasurer duly executed by an authorized representative of the registered owner or its duly authorized attorney. This Note is also subject to exchange at the office of said Treasurer. Upon exchange or transfer of this Note, there shall be issued at the option of the registered owner or transferee another fully registered Note or Notes, in the denomination of $5,000 or any integral multiple thereof, of the aggregate principal amount equal to the unpaid amount of the exchange or transferred Note. For every such exchange or transfer, the Treasurer may make a charge sufficient to reimburse his or her office for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Note upon such exchange or transfer and any other expenses of said Treasurer incurred in connection therewith, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer; provided, that the Authority shall not be obligated to pay any such sum or sums as a condition precedent. The Treasurer shall not be obliged to made any such exchange or transfer of Notes during the ten (10) days preceding an interest payment date on this Note. Subject to such requirements for transfer, this Note is and has all the incidents of a negotiable instrument under the lwas of the State of West Virginia.

This Note and the interest hereon shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

This Note shall be exchanged for the Prior Note upon the maturity thereof, as a renewal thereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that the Subordinate Sewerage System Revenue Bonds described above will be issued to refund this Note.

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

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT, has caused this Note to be signed by the Chairman of its Public Service Board, attested by the Secretary of its Public Service Board and its corporate seal to be hereunto affixed, all as of the date below written.

Dated: June 1, 1981.

_____
Chairman

[SEAL]

ATTEST:

_____
Secretary

[Form of assignment]

For value received, the undersigned sells, assigns and transfers unto _____ the Note of Huttonsville Public Service District, and does hereby irrevocably constitute and appoint _____, attorney to transfer said Note on the Note Register, with full power of substitution in the premises.

_____

Dated: _____

In the presence of:

_____

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED-12-1C

RESOLUTION

A Resolution supplementing a resolution entitled:

A RESOLUTION AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN SEWAGE FACILITIES OF THE HUTTONSVILLE PUBLIC SERVICE DISTRICT, RANDOLPH COUNTY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $500,000 IN PRINCIPAL AMOUNT OF SEWER REVENUE BONDS SERIES 1980, AND BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS AND NOTES; AUTHORIZING THE VIRGINIA WATER DEVELOPMENT AUTHORITY PURSUANT TO THE TERMS OF THE LOAN AGREEMENT BETWEEN THE DISTRICT AND SAID AUTHORITY AND ADOPTING OTHER PROVISIONS RELATING THERETO.

adopted by the Public Service Board of Huttonsville Public Service District on August 7, 1980 (the "Resolution"), as amended on September 10, 1981, by an amendatory resolution (the "Renewal Note Resolution") accepting the Water Development Authority's extension of the stated maturity of the District's Sewerage System Bond Anticipation Renewal Note, 1981 Series A, from May 31, 1981 to May 31, 1982.

WHEREAS, by adoption of the Renewal Note Resolution, as described above, there was authorized and issued to the West Virginia Water Development Authority (the "Authority"), the District's Sewer System Bond Anticipation Renewal Note, 1981 Series A (the "Renewal Note");

WHEREAS, said Renewal Note was issued in accordance with Subsection 4.1(b)(iii) of the Loan Agreement, dated August 7, 1980, between the District and the Authority (the "Loan Agreement"), and Section 3.01A of said Resolution adopted by the Public Service Board of the District on August 7, 1980, as amended by the Renewal Note Resolution (collectively, the "Local Act");

WHEREAS, the Renewal Note, outstanding in the principal amount of $426,000, matures on May 31, 1982;

WHEREAS, the Authority, by letter dated May 24, 1982, a copy of which is attached as Exhibit A hereto and incorporated

herein by reference (the "Extension Letter"), has extended the stated maturity of the Renewal Note to November 30, 1982, and has expressly waived any event of default under the Local Act, the Loan Agreement or the Renewal Note for nonpayment of the Renewal Note on May 31, 1982, upon the terms set forth in the Extension Letter; and

WHEREAS, it is in the best interests of the District and the inhabitants thereof to accept said extension and waiver, and the terms thereof;

NOW, THEREFORE, Be It Resolved by the Public Service Board of Huttonsville Public Service District, as follows:

1. The Authority's extension of the stated maturity of the Renewal Note from May 31, 1982, to November 30, 1982, its waiver of an event of default under the Local Act, the Loan Agreement and the Renewal Note and the terms thereof, all as set forth in the Extension Letter, are hereby accepted.

2. The Chairman of the Public Service Board is hereby authorized and directed to execute the duplicate of the Extension Letter, and the Secretary of the Public Service Board is hereby authorized and directed to return such executed duplicate, together with a certified copy of this resolution, to the Authority and to cause an opinion of Bond Counsel, in requisite form, to be delivered to the Authority, all prior to May 31, 1982, or as soon thereafter as this resolution is adopted, but in any event prior to June 8, 1982.

3. This resolution shall take effect immediately upon adoption.

Adopted this 7th day of June, 1982.

Chairman, Public Service Board

Certified a true copy as of this 7th day of June, 1982.

[SEAL]

Secretary, Public Service Board

06/04/82
WDA

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

SUPPLEMENTAL
RESOLUTION

WHEREAS, HUTTONSVILLE PUBLIC SERVICE DISTRICT (the "Governmental Agency") acting through its governing body, has heretofore, on August 7, 1980, adopted a bond and notes resolution authorizing issuance of the Governmental Agency's Sewer Revenue Bonds, and said resolution has been amended by amendatory and supplemental resolutions regarding extension of maturity of the Governmental Agency's interim financing as represented by a bond anticipation note;

WHEREAS, West Virginia Water Development Authority ("WDA") has informed the Governmental Agency that permanent financing for the sewer system will be available shortly, and in anticipation thereof, the Governmental Agency has heretofore executed and delivered to WDA a revised Loan Agreement dated _____, 1982 (the "Loan Agreement") setting forth certain provisions in connection with the permanent bonds;

WHEREAS, it is in the best interest of the Governmental Agency to accept the terms for permanent financing as set forth in the Loan Agreement and "Schedule X", attached thereto, as presented to this meeting.

NOW THEREFORE, BE IT RESOLVED, by the Public Service Board of Huttonsville Public Servic District that the Loan Agreement and the execution and delivery thereof be ratified and approved and that "Schedule X" thereto, as presented to this meeting, be hereby approved in the form so presented.

BE IT FURTHER RESOLVED that issuance of the Governmental Agency's Bonds in the aggregate principal amount and with interest rates and payment dates and other provisions as set forth in said Schedule X is hereby authorized and approved.

This resolution shall be supplemental to the original resolution adopted by the Governmental Agency on August 7, 1980 and shall take effect immediately.

Adopted this 17th day of June, 1982.

Keith Halsey, Jr.
Chairman

Secretary

06/21/82
WDA

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED-12-1C

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1984 A and Series 1984 B

RESOLUTION PROVIDING AS TO DATE, MATURITY, INTEREST RATE AND SALE PRICE OF THE SEWER REVENUE BONDS, SERIES 1984, OF HUTTONSVILLE PUBLIC SERVICE DISTRICT; CHANGING SERIES DESIGNATION; AUTHORIZING ISSUANCE OF SUCH BONDS IN TWO SEPARATE SERIES AND AMENDING, AUTHORIZING, APPROVING AND RATIFYING A LOAN AGREEMENT AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, Huttonsville Public Service District (the "Issuer") is a public service district of the State of West Virginia, the governing body of which is its public service board (the "Governing Body"); and

WHEREAS, the Governing Body has duly and officially adopted on August 7,1980, a Resolution (the "Bond and Notes Resolution") entitled:

A RESOLUTION AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN SEWAGE FACILITIES OF THE HUTTONSVILLE PUBLIC SERVICE DISTRICT, RANDOLPH COUNTY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $500,000 IN PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1980, AND BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS AND NOTES; AUTHORIZING THE SALE OF SUCH BONDS AND NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY PURSUANT TO THE TERMS OF A LOAN AGREEMENT BETWEEN THE DISTRICT AND SAID AUTHORITY AND ADOPTING OTHER PROVISIONS RELATING THERETO.

providing for the issuance of Sewer Revenue Bonds, Series 1980, of the Issuer in the principal amount not to exceed $500,000 (the "1980 Bonds), and providing for the issuance of Sewerage System Bond Anticipation Notes of the Issuer (the "BAN") in the aggregate

principal amount of $426,000, all in accordance with West Virginia Code, Chapter 16, Article 13A (the "Act") and the Issuer has, on August 7, 1980, September 10, 1981, June 7, 1982, and June 24, 1982, adopted Resolutions supplementing and amending the Bond and Notes Resolution (such supplemental and amendatory Resolutions, together with the Bond and Notes Resolution, and this Supplemental Resolution collectively called herein the "Bond Legislation") and in the Bond and Notes Resolution it is provided that the actual principal amount, maturity date, interest rate, interest payment dates, sale price and other provisions relating to the 1980 Bonds should be established by a Supplemental Resolution;

WHEREAS, in order for the 1980 Bonds to be sold by the Issuer to West Virginia Water Development Authority ("WDA") pursuant to the Bond Legislation, it is necessary for such bond issue to be issued in two series, one subordinate to the other, for the series designation to be changed from "Series 1980" to "Series 1984," for the principal amount of the Bonds to be increased as set forth herein, and for such other changes in the proposed issue as are set forth in a Loan Agreement, dated ~~August 7, 1980~~ June 9, 1982, as amended hereby (the "Loan Agreement"), heretofore entered into by and between the Issuer and WDA, to be made; and

WHEREAS, the Governing Body deems it essential and desirable that this Resolution (the "Bond Resolution") be adopted and that the Loan Agreement be amended, authorized, approved and ratified by the Issuer, that the denominations, principal amounts, prices, maturity dates, interest rates, interest payment dates and series designation of the 1980 Bonds be fixed hereby in the manner stated herein and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF HUTTONSVILLE PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond and Notes Resolution and the Act, this Bond Resolution is adopted and the bonds heretofore authorized as "Series 1980 Bonds" shall be redesignated as "Series 1984 A Bonds" and "Series 1984 B Bonds" (collectively the "Bonds"). Accordingly, there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 1984 A (the "Series 1984 A Bonds") of the Issuer in the aggregate principal amount of Three Hundred Eighty Thousand Dollars ($380,000), and the Sewer Revenue Bonds, Series 1984 B (the "Series 1984 B Bonds"), of the Issuer in the aggregate principal amount of One Hundred Forty-Four Thousand Eighty-Nine Dollars ($144,089).

The Series 1984 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rates, payable on the respective principal installments on April 1 and October 1 of the years and shall have principal installments payable on October 1 of such years and in such amounts as are set forth in "Schedule X" to the Loan Agreement, which Loan Agreement and said Schedule X are attached hereto as a part hereof and fully incorporated herein.

The Series 1984 B Bonds shall be dated the date of delivery thereof, shall not bear interest and shall have principal installments payable on October 1, of such years and in such amounts as are set forth in said Schedule X.

Section 2. The Issuer hereby directs the Bonds to be sold to WDA and does hereby authorize, approve and ratify the Loan Agreement, as amended hereby, and the execution and delivery thereof, a copy of which is incorporated herein by reference. The purchase price of the Series 1984 A and Series 1984 B Bonds, pursuant to the Loan Agreement shall be $310,911 (81.82%) and $144,089 (100%), respectively,

Section 3. The Bonds shall be secured in the manner and payable solely from the Net Revenues derived from operation of the System (as defined in the Bond and Notes Resolution). The Series 1984 B Bonds shall be junior and subordinate with respect to sources and security for payment to the Series 1984 A Bonds.

The text of the Series 1984 A Bond shall be of substantially the following form, with such omissions, insertions and variations as may be approved by the Chairman as evidenced by his execution thereof:

[Form of Series 1984 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1984 A

No. R-1 $380,000

KNOW ALL MEN BY THESE PRESENTS: That HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Payee"), or its registered assigns (the "Alternate Payee"), the sum of Three Hundred Eighty Thousand Dollars ($380,000), in installments on October 1 of each year, with interest on the outstanding balance hereof at the rates per annum set forth in the Schedule of Payments attached hereto opposite the year in which the installment becomes due.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Payee and payment therefor, and until payment of such installment, and such interest shall be payable on the first day of April and the first day of October in each year, beginning _____, 1984. Both principal of and interest on this Bond are payable to the registered owner hereof in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through Kanawha Valley Bank, N.A., Charleston, West Virginia.

This Bond is subject to redemption prior to its stated date of maturity in whole or in part in inverse order of maturities only on or after the date on which all outstanding bonds issued by the West Virginia Water Development Authority (the "Authority") to provide funds for the purchase of this Bond are redeemable and at a price equal to the aggregate of (i) the corresponding principal amount of the bonds of the Authority to be redeemed by the Authority as a consequence of the redemption by the Issuer of all or a part of its Bond outstanding, (ii) the interest to accrue on the bonds of the Authority so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the bonds of the Authority so to be redeemed, (iv) the applicable premium, if any, payable on additional bonds of the

Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the bonds of the Authority so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the bonds of the Authority have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the Issuer shall be obligated to pay under item (i) above the principal amount of such refunding bonds outstanding, and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on the bonds of the Authority, the Issuer shall be obligated to pay under item (ii) above the amount of interest to accrue on such outstanding bonds of the Authority.

This Bond is issued to finance a portion of the costs of construction and acquisition of new public service facilities for the collection, treatment, purification or disposal of liquid or solid wastes (the "System") in the territory to be served by the Issuer under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13 A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly adopted by the public service board of the Issuer on August 7, 1980, as supplemented and amended by resolutions duly adopted by the public service board of the Issuer on August 7, 1980, September 10, 1981, June 7, 1982, June 24, 1982, and _____, 1984 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues to be derived from the operation of the System (as defined in the Bond Legislation), which Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose and a statutory mortgage lien pursuant to the Act. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided, and the Issuer has covenanted and agreed to establish and maintain just and equitable rates and

charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Issuer has entered into certain further covenants with the holders of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the holders of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Issuer kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Payee or its attorney duly authorized in writing.

This Bond shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of the Project described in the Bond Legislation, including payment of the Notes authorized and issued pursuant to the Bond Legislation and any other indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of this Bond, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

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

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

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by the Chairman of its public service board and its corporate seal to be hereunto affixed and attested by the Secretary of its public service board, all as of the _____ day of _____, 1984.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

SCHEDULE OF PAYMENTS

Year	Principal Installment	Interest Rate

[Form of Payment Record]

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Interest Payment Rate	Date Paid	Name of Paying Agent Authorized Officer And Title
	$	$	$		

[Form of Assignment]

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

the within Bond of Huttonsville Public Service District, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books of the said District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

The text of the Series 1984 B Bond shall be of substantially the following form, with such omissions, insertions and variations as may be approved by the Chairman as evidenced by his execution thereof:

[Form of Series 1984 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1984 B

No. R-1 $144,089

KNOW ALL MEN BY THESE PRESENTS: That HUTTONSVILLE PUBLIC SERVICE DISTRICT NO. 1, a public service district and political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Payee"), or its registered assigns (the "Alternate Payee"), the sum of One Hundred Forty-Four Thousand Eighty-Nine Dollars ($144,089), in _____ equal annual installments of $_____ each, commencing _____, 1984, and continuing on the first day of each _____ thereafter, to and including _____ 1, 20____, without interest.

The principal payments of this Bond are payable to the registered owner hereof in any coin or currency which, on the respective dates of payment is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through Kanawha Valley Bank, N.A., Charleston, West Virginia.

This Bond is subject to redemption prior to its stated date of maturity in whole or in part in inverse order of maturities at any time, at the price of the par value hereof or principal installments remaining to be paid, without premium, but only with the written consent of the West Virginia Water Development Authority (the "Authority").

This Bond is issued to finance a portion of the costs of construction and acquisition of new public service facilities for the collection, treatment, purification or disposal of liquid or solid wastes (the "System") in the territory to be served by the Issuer under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13 A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly adopted by the public service board of the Issuer on August 7, 1980, as supplemented by resolutions duly adopted by the public service board

on August 7, 1980, September 10, 1981, June 7, 1982, June 24, 1982, and _____, 1984 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds may be entitled to be paid and secured prior to this Bond from the funds and revenues and other security provided for this Bond under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues to be derived from the operation of the System (as defined in the Bond Legislation) after there has first been paid from said Net Revenues all payments then due and owing on the Series 1984 A Bond herein described, which Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same except from said special fund provided, and the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Issuer has entered into certain further covenants with the registered owner of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the holders of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Issuer kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Payee or its attorney duly authorized in writing.

This Bond shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment

of the cost of the Project described in the Bond Legislation, including payment of the Notes authorized and issued pursuant to the Bond Legislation and any other indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of this Bond, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BOND, SERIES 1984 A, OF THE ISSUER, ISSUED CONCURRENTLY HEREWITH AND DESCRIBED IN THE BOND LEGISLATION.

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

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

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by the Chairman of its public service board and its corporate seal to be hereunto affixed and attested by the Secretary of its public service board, all as of the _____ day of _____, 1984.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

[Form of Payment Record]

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Name of Paying Agent Authorized Officer And Title
	$	$	

[Form of Assignment]

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

the within Bond of Huttonsville Public Service District, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books of the said District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

Section 4. The Issuer does hereby expressly approve and ratify all modifications pertaining to the Bonds, the sources of and security for payment therefor and the establishment of funds as set forth in the Loan Agreement. The System Revenues and application thereof shall be as provided in Article IV of the Bond and Notes Resolution, except that debt service on the Series 1984 B Bonds shall not be paid from System Revenues until and unless, there is first paid by the Issuer:

(a) all reasonable operating expenses of the System;

(b) debt service on the Series 1984 A Bonds;

(c) required deposits into the Reserve Account as provided in the Bond and Notes Resolution; and

(d) required deposits into the Renewal and Replacement Account as provided in the Bond and Notes Resolution.

All other provisions of the Bond and Notes Resolution shall apply equally to the Series 1984 A Bonds and the Series 1984 B Bonds, unless expressly modified in the Loan Agreement or this Bond Resolution.

Section 5. So long as any of the Bonds are outstanding, the Issuer covenants that:

(i) the Bonds shall be secured by the Net Revenues from the System;

(ii) the Series 1984 B Bonds shall be subordinate to the Series 1984 A Bonds as to lien and source of payment.

(iii) the schedule of rates or charges for the services of the System shall be sufficient to provide funds which along with other revenues of the System will pay all reasonable expenses of operation, repair and maintenance of the System and leave a balance each year equal to at least 130% of the maximum amount required for debt service on all obligations, including the Series 1984 A Bonds and the Series 1984 B Bonds payable from the revenues of the System;

(iv) the Issuer will complete, operate and maintain the System in good condition;

(v) the System will not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully the Bonds outstanding and are applied for such purpose, or, if such condition cannot be met, only upon receipt of the prior written consent of WDA to such sale;

(vi) the Issuer shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Series 1984 A Bonds except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements financed by such parity bonds, shall not be less than 130% of the maximum debt service in any succeeding year on the Series 1984 A Bonds and parity bonds theretofore and then being issued; provided, however, that additional parity bonds may be issued to complete the Project without regard to the foregoing, and further provided that the Issuer may issue obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Series 1984 B Bonds, with the written consent of the Authority.

(vii) the Issuer will carry such insurance as is customarily carried with respect to works and properties similar to the System;

(viii) the Issuer will not render any free services of the System;

(ix) any bondholder may, be proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the

Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law;

(x) all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(xi) in the event the Issuer owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid, to the extent such action is permitted by law;

(xii) the Issuer will not grant any franchise to provide any services which would compete with the System;

(xiii) the Issuer shall annually cause the records of the System to be audited by a certified public accountant;

(xiv) the Issuer shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xv) to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xvi) except to the extent used to refund notes or other short-term indebtedness issued in anticipation thereof, the proceeds of the Bonds, except for accrued interest, shall be deposited in a construction fund on which the holder of the Bonds shall have a lien until such proceeds are applied to the construction of a water development project; and

(xvii) that the Bond Legislation has been duly enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law.

Section 6. The Chairman and the Secretary of the public service board are hereby authorized and directed to execute and deliver the Bonds and such certificates and other documents required or desirable in connection with the issuance and delivery of the Bonds, and to take all other actions required by the Loan Agreement.

Section 7. The Paying Agent for the Bonds is hereby designated to be Kanawha Valley Bank, N.A., a national banking association with principal office in Charleston, West Virginia.

Section 8. The financing of the Project by the Bond issue is in the public interest, serves a public purpose and will promote the health, welfare and safety of the residents of the Issuer.

Section 9. The following amendment to the Loan Agreement is hereby authorized, adopted and approved, and the Secretary is hereby authorized to substitute a corrected page or pages in the Loan Agreement attached hereto, reflecting said amendment: Section 3.5 of the Loan Agreement is hereby amended to delete the existing Section 3.5 in its entirety and substitute therefor the following:

> 3.5 In the event the earnings on that portion of the proceeds of the 1982 Series A Bonds issued to purchase the Local Bonds are not sufficient to pay the interest accruing on said portion of the 1982 Series A Bonds pending issuance and delivery of the Local Bonds, the Governmental Agency agrees to pay to the Authority the amount of such deficiency.

Section 10. The following amendment to the Loan Agreement is hereby authorized, adopted and approved, and the Secretary is hereby authorized to substitute a corrected page or pages in the Loan Agreement attached hereto, reflecting said amendment: Schedule X to the Loan Agreement is hereby amended to delete the existing Schedule X in its entirety and substitute therefor the Schedule X attached hereto, as a part hereof as "Exhibit A" hereto.

The Chairman and Secretary are hereby authorized to execute and deliver such agreement or agreements with the Authority as may be required by the Authority in connection with the amendment set forth herein and in Section 9 hereof.

Section 11. In order to clarify the transfer of obligations and moneys at the Closing for the Series 1984 Bonds, the following transactions will occur, all of which are hereby authorized, adopted and approved, notwithstanding any previous provision of the Bond Legislation to the contrary:

A. Upon closing, the Issuer shall deliver to the Authority:

(1) Its Series 1984 A and Series 1984 B Bonds, fully executed;

(2) A check in the amount of $8,622.57 for payment of "negative arbitrage penalty" incurred by the Issuer in accordance with Section 3.5 of the Loan Agreement; and

(3) By wire transfer to Kanawha Valley Bank, N.A., for deposit in the Note Payment Fund for payment of interest accrued on the BAN, the sum of $8,141.33.

B. Upon closing, the Authority shall deliver to the Issuer:

(1) The sum of $281,911 as partial payment for the 1984 Series A Bond, which sum shall be and hereby is immediately assigned to the Authority for payment of a portion of the BAN.

(2) The sum of $144,089 as full payment for the 1984 Series B Bond, which sum shall be and hereby is immediately assigned to the Authority for payment of a portion of the BAN.

(3) A check in the amount of $29,000 for payment of the balance of the purchase price of the 1984 Series A Bond, all of which shall be applied to "Cost of Works," as defined in the Bond and Notes Resolution.

Section 12. Lynn R. Channell is hereby appointed temporary and acting Chairman of the Public Service Board of the Issuer and is hereby authorized to execute and deliver the Bonds, grant agreements and all other documents relating to the financing of the Project, in the absence of Edgar B. Stalnaker, Chairman.

SCHEDULE X

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Description of Governmental Agency Bonds

Principal Amount of Local Bonds	$380,000
Purchase Price of Local Bonds	$310,911
Principal Amount and Purchase Price of Supplemental Bonds	$144,089

Interest on Local Bonds payable on April 1 and October 1 in each year beginning with the first semi-annual interest payment date after delivery of Local Bonds to WDA until Local Bonds are paid in full, at coupon interest rate as follows. Principal of Local Bonds and Supplemental Bonds payable on October 1 in each of years as follows:

Year	Coupon Interest Rate of Local Bonds	Principal Amount of Local Bonds	Principal Amount of Supplemental Bonds
1984			$4,002.48
1985			$4,002.48
1986			$4,002.48
1987			$4,002.48
1988			$4,002.48
1989			$4,002.48
1990			$4,002.48
1991			$4,002.48
1992			$4,002.48
1993			$4,002.48
1994	11.70%	$ 5,000	$4,002.48
1995	11.80%	$ 5,000	$4,002.48
1996	11.90%	$ 5,000	$4,002.48
1997	12.00%	$ 5,000	$4,002.48
1998	12.00%	$ 5,000	$4,002.48
1999	12.00%	$ 5,000	$4,002.48
2000	12.00%	$ 5,000	$4,002.48
2001	12.00%	$ 5,000	$4,002.48
2002	12.00%	$ 5,000	$4,002.48
2003	12.00%	$ 5,000	$4,002.48
2004	12.00%	$10,000	$4,002.48
2005	12.00%	$10,000	$4,002.48
2006	12.00%	$10,000	$4,002.48
2007	12.00%	$10,000	$4,002.48
2008	12.00%	$15,000	$4,002.48
2009	12.00%	$15,000	$4,002.48
2010	12.00%	$15,000	$4,002.48
2011	12.00%	$20,000	$4,002.48
2012	12.00%	$20,000	$4,002.48
2013	10.00%	$20,000	$4,002.48
2014	10.00%	$25,000	$4,002.48
2015	10.00%	$25,000	$4,002.48
2016	10.00%	$30,000	$4,002.48
2017	10.00%	$30,000	$4,002.48
2018	10.00%	$35,000	$4,002.48
2019	10.00%	$40,000	$4,002.48

Principal Amount of outstanding indebtedness as of June 1, 1982: $0

Section 13. This Supplemental Resolution shall be effective immediately.

Adopted February 27th, 1984.

[SEAL]

Acting Chairman

ATTEST:

Secretary

02/24/84
HUTT1-B

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED-12-2C

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district created and existing under Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended, and a public corporation and political subdivision of the State of West Virginia (the "Governmental Agency").

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act; and

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State of West Virginia to construct, own and operate such a water development project and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds and bond anticipation notes or other short-term indebtedness issued by such Governmental Agency; and

WHEREAS, the United States Environmental Protection Agency (the "EPA") has awarded a "Step III" grant offer pursuant to the provisions of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, for the construction of a water development project by the Governmental Agency (the "Project") at the location and as more particularly described and set forth in the Application for Loan with attachments and exhibits, dated December 7, 1978, completed by the Governmental Agency and filed with the Authority, as revised and supplemented (the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, the Governmental Agency has also received commitments for such other grants, loans and other financial assistance with respect to such water development project as are described and set forth in Schedule A of the Application; and

WHEREAS, the Authority intends to issue its Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "1982 Series A Bonds"), in accordance with the provisions of the Act and the resolution of the Authority duly adopted on November 29, 1978 (the "Bond Resolution"), as supplemented by a series resolution authorizing the 1982 Series A Bonds, the proceeds of such 1982 Series A Bonds to be used by the Authority to purchase the bonds of certain municipalities and public service districts, including the Governmental Agency, which comply with the requirements established by the Authority, subject, however, to the ability of the Authority to sell the 1982 Series A Bonds and to the extent of the availability of the proceeds of such 1982 Series A Bonds; and

WHEREAS, the Governmental Agency has requested a loan from the Authority to be evidenced by revenue bonds issued by the Governmental Agency and purchased by the Authority, the proceeds of such loan to be used by the Governmental Agency to pay the portion of the cost of the Project which is not paid from the sources stated in the Application or to refund certain bond anticipation notes or other short-term indebtedness issued in anticipation of said revenue bonds and any additional costs of the Project not so paid; and

WHEREAS, the Authority has made all findings required by Section 5 of the Act with respect to the Project and is willing to make said loan to the Governmental Agency, subject to the terms and provisions hereinafter contained;

THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Governmental Agency and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," "governmental agency," and "water development project" have the definitions and meanings ascribed to them in the Act; provided, that "water development project" means only a "wastewater facility," as also defined in the Act.

1.2 "Consulting Engineers" means the consulting engineer designated in the Application and any successor thereto.

1.3 "Governmental Agency Bonds" means, collectively, the Local Bonds and the Supplemental Bonds, both as hereinafter defined.

1.4 "Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended, to evidence the Loan, and which will be purchased by the Authority with a portion of the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.6 "Project" means the water development project hereinabove referred to, to be or being constructed by the Governmental Agency with, among other funds, the proceeds of the WDA Loans as hereinafter defined, or with the proceeds of the bond anticipation notes or other short-term indebtedness refunded with the proceeds of the WDA Loans, as hereinafter defined.

1.7 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended, to evidence the Supplemental Loan, as hereinafter defined, and which will be purchased by the Authority with funds other than the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.8 "Supplemental Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Supplemental Bonds, pursuant to this Loan Agreement.

1.9 "System" means the complete sewage system and works owned by the Governmental Agency and any additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

1.10 "WDA Loans" means, collectively, the Loan and the Supplemental Loan.

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

ARTICLE II

Identification of Project; Ownership of Project; Rights of Access Thereto; Governmental Agency Financing

2.1 The Project undertaken by the Governmental Agency shall generally consist of the acquisition, construction and

installation of the facilities described in the Application constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director) and consistent with the standards set by the West Virginia Water Resources Board for the waters of the State of West Virginia affected thereby.

2.2 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents shall have such rights of access to the Project site and Project facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the Project pursuant to the pertinent provisions of the Act.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to such mortgage lien or other security interest as is provided for in the statute authorizing the issuance of the Governmental Agency Bonds.

ARTICLE III

Conditions to WDA Loans; Issuance of Governmental Agency Bonds

3.1 The agreement of the Authority to make the Loan is subject to the Authority's issuing and delivering the 1982 Series A Bonds and subject to the requirements of Section 3.4 hereof and to the fulfillment, to the satisfaction of the Authority, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be a date mutually agreed upon by the Authority and the Governmental Agency and which date shall not be prior to one (1) business day before the scheduled maturity of the Governmental Agency's bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, if any (or earlier redeption date thereof if such notes or other short-term indebtedness are in fact called for redemption), nor later than twenty-seven (27) months from the date the 1982 Series A Bonds are delivered to the initial purchasers thereof; provided that, if such Local Bonds are not

delivered on or before the date so mutually agreed upon, the Authority may use monies for the purchase of local bonds of other governmental agencies in accordance with Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Governmental Agency Bonds described in Section 3.2 hereof;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application;

(d) The Governmental Agency shall have obtained all requisite orders of and approvals from the West Virginia Public Service Commission necessary for the issuance of the Governmental Agency Bonds, construction of the Project and imposition of the rates required to comply with the provisions of Subsection 4.1(b)(iii) hereof and shall have taken any other action required for the imposition of such rates;

(e) The Governmental Agency shall have obtained all requisite permits necessary for the construction of the Project from the EPA and the West Virginia Department of Natural Resources;

(f) The Governmental Agency shall have obtained a Step III grant offer from the EPA; and

(g) The Governmental Agency shall have received a certificate, in form and substance satisfactory to the Authority, from the consulting engineer designated by the Authority, regarding the engineering report for the Project.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and the rules, regulations and procedures promulgated from time to time by EPA, it is hereby agreed that the Authority shall make the WDA Loans to the Governmental Agency and the Governmental Agency shall accept the WDA Loans from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make the WDA Loans by purchasing the Governmental Agency Bonds in the principal amount set forth in Schedule X hereto and provide proceeds of not less than $ 557,000, such Governmental Agency Bonds to consist of a mix of Local Bonds and Supplemental Bonds as will result in annual debt service on the Governmental Agency Bonds of not in excess of $[illegible]. The Local Bonds will be $65,000.00

purchased by the Authority at a price of not less than seventy percent (70%) of the principal amount thereof, and the Supplemental Bonds will be purchased by the Authority at a price equal to one hundred percent (100%) of the principal amount thereof, all as more particularly set forth on Schedule X hereto. The Local Bonds and the Supplemental Bonds shall be issued and sold to the Authority simultaneously. The Governmental Agency represents that the proceeds of the Governmental Agency Bonds will, together with the funds from the sources set forth in the Application, including any bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, and any other funds available to the Governmental Agency and approved by the Authority, pay the entire cost of the Project and refund said bond anticipation notes or other short-term indebtedness.

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

3.4 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the sale and the availability of proceeds of the 1982 Series A Bonds at the time the Governmental Agency has fulfilled all of the terms and conditions of this Loan Agreement and to the right of the Authority to make such loans to other governmental agencies as in the aggregate shall permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the 1982 Series A Bonds.

3.5 In the event the earnings on that portion of the proceeds of the 1982 Series A Bonds issued to purchase the Local Bonds are not sufficient to pay the interest accruing on said portion of the 1982 Series A Bonds pending issuance and delivery of the Local Bonds, the Governmental Agency agrees to issue additional Supplemental Bonds in principal amount equal to such deficiency (as determined by the Authority) and sell such additional Supplemental Bonds to the Authority and assign the proceeds thereof to the Authority, which shall use such proceeds to reimburse itself for such deficiency.

ARTICLE IV

Governmental Agency Bonds; Security for WDA Loans; Repayment of WDA Loans; Interest on WDA Loans; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the WDA Loans, authorize

the issuance of and issue the Governmental Agency Bonds pursuant to an official action of the Governmental Agency in accordance with the applicable statute of the State of West Virginia (the "Local Act"), which shall, as adopted, contain provisions and covenants in substantially the form as follows:

(a) That the revenues generated from the operation of the System will be used monthly first to pay operation and maintenance expenses of the System; second, to the extent not otherwise limited by an outstanding local resolution, to provide debt service on the Local Bonds, which shall include the establishment of a reserve account for the payment of the Local Bonds into which shall be deposited an amount equal to 20% of all amounts required to be deposited for debt service until such reserve account equals the maximum amount of principal and interest which will come due on such Local Bonds in any year; third, to create a renewal and replacement, or similar, fund in an amount equal to 2-1/2% of the gross revenues from the System, exclusive of the payments into the reserve account, for the purpose of improving or making emergency repairs or replacements to the System, or eliminating any deficiencies in the aforesaid reserve account; and, fourth, to pay debt service on the Supplemental Bonds or to purchase Local Bonds on the open market, or to redeem Local Bonds, or to pay debt service on obligations junior and subordinate to the Local Bonds (other than the Supplemental Bonds). The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

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

(ii) That the Supplemental Bonds shall be subordinate to the Local Bonds as to lien and source of payment.

(iii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which along with other revenues of the System will pay all reasonable expenses of operation, repair and maintenance of the System and leave a balance each year equal to at least 130% of the maximum amount required for debt service on all obligations, including the Governmental Agency Bonds, payable from the revenues of the System;

(iv) That the Governmental Agency will complete, operate and maintain the System in good condition;

(v) That the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Governmental Agency Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(vi) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements financed by such parity bonds, shall not be less than 130% of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued; provided, however, that additional parity bonds may be issued to complete the Project without regard to the foregoing;

(vii) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

(viii) That the Governmental Agency will not render any free services of the System;

(ix) That any bondholder may, by proper legal action, compel the performance of the duties of the Governmental Agency under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Governmental Agency Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law;

(x) That all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(xi) That, in the event the Governmental Agency owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid;

(xii) That the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xiii) That the Governmental Agency shall annually cause the records of the System to be audited by a certified public accountant;

(xiv) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xv) That, to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xvi) That, except to the extend used to refund notes or other short-term indebtedness issued in anticipation thereof, the proceeds of Governmental Agency Bonds, except for accrued interest, must be deposited in a construction fund on which the holder of the Government Agency Bonds shall have a lien until such proceeds are applied to the construction of a water development project.

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

4.2 The WDA Loans shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of all the fees, charges and other revenues of the Governmental Agency from the System remaining after the payment of operation and maintenance expenses and as otherwise provided in the Local Act, subject only to such reservations and exceptions as are described in Schedule X hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the WDA Loans shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto, and interest payments on the Loan shall be made by the Governmental Agency on a semi-annual basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds, at a coupon rate or rates per annum which shall be equal to the coupon rate or

rates per annum borne by the 1982 Series A Bonds for corresponding maturities issued to provide the funds to make the Loan; provided, however, that in no event shall the coupon interest rate or the interest cost exceed any statutory limitation with regard to the issuance of the Local Bonds. The Supplemental Loan will not bear interest.

4.5 The Governmental Agency Bonds shall be delivered to the Authority in fully registered form, exchangeable as provided in the Local Act at the expense of the Governmental Agency.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the administrative expenses (based on the percentage of the Governmental Agency's Local Bonds to all other local bonds purchased by the Authority and then outstanding) of the Authority relating to all loans to be made by the Authority to governmental agencies with the proceeds of the 1982 Series A Bonds. Such administrative expenses shall be as determined by the Authority and shall include without limitation program expenses and fees paid to the trustee and paying agents for such revenue bonds.

4.7 As long as the Authority is the registered owner of all of the Governmental Agency Bonds outstanding, the Governmental Agency will not redeem such Governmental Agency Bonds outstanding without the written consent of the Authority, and any such redemption of Local Bonds authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the Authority's 1982 Series A Bonds and the redemption premium payable on the 1982 Series A Bonds redeemable as a consequence of such redemption of Local Bonds. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding its 1982 Series A Bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE V

Acquisition of Site of Eligible Project; Certain Construction Requirements

5.1 Subject to the terms, conditions and provisions of this Loan Agreement and of the Local Act, the Governmental Agency shall do all things necessary to acquire the proposed site of the Project and to construct the Project in accordance with the plans, designs and specifications prepared for the Governmental Agency by the Consulting Engineers.

5.2 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the administration of the WDA Loans or of Federal and State grants or other sources of financing for the Project.

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

5.4 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workmen's compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear.

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

ARTICLE VI

Certain Covenants of the Governmental Agency; Imposition and Collection of User Charges; Payments to be Made by Governmental Agency to the Authority

6.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the WDA Loans, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, of which the Project constitutes a whole or a part, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(iii) hereof.

6.2 In the event the Governmental Agency defaults in the payment of any of said fees and charges to the Authority, the amount of such default shall bear interest at the coupon rate of the Local Bonds, from the date of the default until the date of the payment thereof.

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

6.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under Section 6a of the Act, including without limitation the right to directly impose, enforce and collect charges upon users of the System of which the Project constitutes a whole or a part.

ARTICLE VII

Other Agreements of the Governmental Agency

7.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act,

vesting in the Authority certain powers, rights and privileges in respect of water development projects in the event of default by governmental agencies in the terms and covenants of loan agreements, and the Governmental Agency hereby covenants and agrees that, if the Authority should in futuro have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

7.2 To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for Federal financial assistance for pollution abatement in order to maximize the amounts of such Federal financial assistance received or to be received for all water development projects in the State of West Virginia.

7.3 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority or other State, Federal or local bodies in regard to the construction, operation, maintenance and use of the Project.

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

7.5 The Governmental Agency hereby covenants that, to the extent the proceeds of the Governmental Agency Bonds are used to refund notes or other short-term indebtedness of the Governmental Agency issued in anticipation of the issuance of the Governmental Agency Bonds (the "refunding proceeds"), the yield to the Governmental Agency upon any investment of the refunding proceeds shall be restricted and may in no event exceed the yield on the Governmental Agency Bonds. "Yield" shall be calculated in the manner provided in Treasury Regulations §§ 1.103-13 and 1.103-14.

ARTICLE VIII

Maintenance and Operation

8.1 The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards established by the West Virginia Department of Natural Resources and EPA. The Governmental Agency agrees that qualified operating personnel properly certified by the State of West Virginia will be retained to operate the Project during the entire term of this Loan Agreement.

8.2 The Governmental Agency agrees that it will permit the Authority and EPA and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project and commencement of operation thereof.

ARTICLE IX

Miscellaneous

9.1 Schedule X shall be attached to this Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act.

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

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

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

section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

9.5 This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the WDA Loans and constitutes the entire agreement between the parties hereto in respect thereof.

9.6 The Governmental Agency hereby agrees to co-operate with the Authority in amending this Loan Agreement as required by the terms of sale of the 1982 Series A Bonds: provided, that the maximum annual debt service set forth in Section 3.2 shall not be increased by more than five per-cent (5%).

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Governmental Agency, but this Loan Agreement shall not be binding on the Authority until executed by it.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

(SEAL)

By Keith Holsberg

Its Chairman

Attest:

Date: June 7, 1982

Iris Forinash

Its Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By Edgar N. Henry

Its Director

Attest:

Date: June 9, 1982

Daniel B. Yankosky

Its Secretary-Treasurer

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

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

Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a public service district and a public corporation and political subdivision of the State of West Virginia, created and existing under Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended.

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

Year	Installment	Interest Rate

The series of Governmental Agency Bonds described in the Loan Agreement as the Supplemental Bonds is in the principal amount of $_____, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years, as follows:

Year	Installment

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

We have also examined the applicable provisions of Chapter 16, Article 13A, of the West Virginia Code of 1931, as amended (the "Code Provision"), under which the Governmental Agency Bonds are issued and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by a bond resolution (the "Local Act") duly adopted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and presently existing public service district and political subdivison of the State of West Virginia, with full power and authority to construct, acquire, operate and maintain the project referred to in the Loan Agreement and to issue and sell the Governmental Agency Bonds, all under the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively adopted the Local Act and all other necessary resolutions in connection with the issuance and sale of the Governmental Agency Bonds.

5. The Governmental Agency Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the system referred to in the Local Act and secured by a lien on and pledge of the net revenues of the system referred to in the Local Act, all in accordance with the terms of the Local Bond and the Local Act, and have been duly issued and delivered to the Authority.

6. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Local Bond, as provided in the Local Act.

7. The Governmental Agency Bonds are, by statute, exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bond is exempt from Federal income taxation.

No opinion is given herein as to the enforceability of remedies with respect to the Governmental Agency Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

We have examined executed Local Bond numbered R-1 and Supplemental Bond numbered S-1, and in our opinion the form of said bonds and their execution are regular and proper.

Very truly yours,

SCHEDULE X

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Description of Governmental Agency Bonds

Principal Amount of Local Bonds	$500,000
Purchase Price of Local Bonds	$422,500
Principal Amount and Purchase Price of Supplemental Bonds	$145,508

Interest on Local Bonds payable on April 1 and October 1 in each year beginning with the first semi-annual interest payment date after delivery of Local Bonds to WDA until Local Bonds are paid in full, at coupon interest rate as follows. Principal of Local Bonds and Supplemental Bonds payable on October 1 in each of years as follows:

Year	Coupon Interest Rate of Local Bonds	Principal Amount of Local Bonds	Principal Amount of Supplemental Bonds
1983			$3,932.65
1984			$3,932.65
1985			$3,932.65
1986			$3,932.65
1987			$3,932.65
1988			$3,932.65
1989			$3,932.65
1990			$3,932.65
1991	11.25%	$ 5,000	$3,932.65
1992	11.50%	$ 5,000	$3,932.65
1993	11.60%	$ 5,000	$3,932.65
1994	11.70%	$ 5,000	$3,932.65
1995	11.80%	$ 5,000	$3,932.65
1996	11.90%	$ 5,000	$3,932.65
1997	12.00%	$ 5,000	$3,932.65
1998	12.00%	$ 5,000	$3,932.65
1999	12.00%	$ 5,000	$3,932.65
2000	12.00%	$ 5,000	$3,932.65
2001	12.00%	$ 5,000	$3,932.65
2002	12.00%	$10,000	$3,932.65
2003	12.00%	$10,000	$3,932.65
2004	12.00%	$10,000	$3,932.65
2005	12.00%	$10,000	$3,932.65
2006	12.00%	$15,000	$3,932.65
2007	12.00%	$15,000	$3,932.65
2008	12.00%	$15,000	$3,932.65
2009	12.00%	$20,000	$3,932.65
2010	12.00%	$20,000	$3,932.65
2011	12.00%	$25,000	$3,932.65
2012	12.00%	$25,000	$3,932.65
2013	10.00%	$30,000	$3,932.65
2014	10.00%	$30,000	$3,932.65
2015	10.00%	$35,000	$3,932.65
2016	10.00%	$40,000	$3,932.65
2017	10.00%	$40,000	$3,932.65
2018	10.00%	$45,000	$3,932.65
2019	10.00%	$50,000	$3,932.65

Principal Amount of outstanding indebtedness as of June 1, 1982:

$0

SCHEDULE X

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Description of Governmental Agency Bonds

Principal Amount of Local Bonds	$380,000
Purchase Price of Local Bonds	$310,911
Principal Amount and Purchase Price of Supplemental Bonds	$144,089

Interest on Local Bonds payable on April 1 and October 1 in each year beginning with the first semi-annual interest payment date after delivery of Local Bonds to WDA until Local Bonds are paid in full, at coupon interest rate as follows. Principal of Local Bonds and Supplemental Bonds payable on October 1 in each of years as follows:

Year	Coupon Interest Rate of Local Bonds	Principal Amount of Local Bonds	Principal Amount of Supplemental Bonds
1984			$4,002.48
1985			$4,002.48
1986			$4,002.48
1987			$4,002.48
1988			$4,002.48
1989			$4,002.48
1990			$4,002.48
1991			$4,002.48
1992			$4,002.48
1993			$4,002.48
1994	11.70%	$ 5,000	$4,002.48
1995	11.80%	$ 5,000	$4,002.48
1996	11.90%	$ 5,000	$4,002.48
1997	12.00%	$ 5,000	$4,002.48
1998	12.00%	$ 5,000	$4,002.48
1999	12.00%	$ 5,000	$4,002.48
2000	12.00%	$ 5,000	$4,002.48
2001	12.00%	$ 5,000	$4,002.48
2002	12.00%	$ 5,000	$4,002.48
2003	12.00%	$ 5,000	$4,002.48
2004	12.00%	$10,000	$4,002.48
2005	12.00%	$10,000	$4,002.48
2006	12.00%	$10,000	$4,002.48
2007	12.00%	$10,000	$4,002.48
2008	12.00%	$15,000	$4,002.48
2009	12.00%	$15,000	$4,002.48
2010	12.00%	$15,000	$4,002.48
2011	12.00%	$20,000	$4,002.48
2012	12.00%	$20,000	$4,002.48
2013	10.00%	$20,000	$4,002.48
2014	10.00%	$25,000	$4,002.48
2015	10.00%	$25,000	$4,002.48
2016	10.00%	$30,000	$4,002.48
2017	10.00%	$30,000	$4,002.48
2018	10.00%	$35,000	$4,002.48
2019	10.00%	$40,000	$4,002.48

Principal Amount of outstanding indebtedness as of June 1, 1982: $0

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED-12-2C

AMENDMENT TO LOAN AGREEMENT

THIS AGREEMENT, Made and entered into, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district created and existing under Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended, and a public corporation and political subdivision of the State of West Virginia (the "Governmental Agency").

W I T N E S S E T H :

WHEREAS, the West Virginia Water Development Authority issued Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A, dated as of June 1, 1982 (the "1982 Series A Bonds") to, among other things, finance the purchase of certain sewer revenue bonds of the Huttonsville Public Service District (the "Local Bonds");

WHEREAS, the West Virginia Water Development Authority and the Huttonsville Public Service District entered into a loan agreement dated as of June 7, 1982 (the "Loan Agreement"). The terms capitalized in this Amended Agreement shall have the respective meanings given them by the Loan Agreement.

WHEREAS, Section 3.5 of the Loan Agreement provided that if the earnings on that portion of the 1982 Series A Bonds

issued to purchase the Local Bonds were not sufficient to pay the accruing interest on said portion of the 1982 Series A Bonds pending issuance and delivery of the Local Bonds, then the Governmental Agency agreed to issue additional Supplemental Bonds in the principal amount equal to such deficiency, sell such Supplemental Bonds to the Authority and assign such proceeds to the Authority to reimburse the amount of the deficiency;

WHEREAS, the Governmental Agency did not issue the Local Bonds at the time that was originally indicated to the Authority;

WHEREAS, the Authority had structured the investment of the 1982 Series A Bonds proceeds based on the Governmental Agency's original time indication;

WHEREAS, the Authority had a deficiency as defined by Section 3.5 of the Loan Agreement in the amount of $8,622.57;

WHEREAS, the Governmental Agency, rather than issuing additional Supplemental Bonds or selling Supplemental Bonds at a discount, has agreed to tender a check in the amount of the deficiency;

WHEREAS, the Authority has agreed to accept the check tendered by the Governmental Agency for the amount of the deficiency; and

WHEREAS, the deficiency of $8,622.57 constitutes a penalty and does not constitute additional interest on the

Local Bonds.

The Authority and the Governmental Agency hereby agree as follows to amend Section 3.5 of the Loan Agreement to allow for the issuance of a check in lieu of the issuance of additional Supplemental Bonds.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Loan Agreement to be executed by their respective duly authorized officers.

Dated as of this 28th day of February, 1984.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

By _____
Lynn R. Channell, Acting Chairman

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By _____
Edgar N. Henry, Director

ALL STATE LEGAL SUPPLY CO. ONE COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

ED-12-2C

(SPECIMEN BOND - SERIES 1984 A)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1984 A

No. R-1 $380,000

KNOW ALL MEN BY THESE PRESENTS: That HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Payee"), or its registered assigns (the "Alternate Payee"), the sum of Three Hundred Eighty Thousand Dollars ($380,000), in installments on October 1 of each year, with interest on the outstanding balance hereof at the rates per annum set forth in the Schedule of Payments attached hereto opposite the year in which the installment becomes due.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Payee and payment therefor, and until payment of such installment, and such interest shall be payable on the first day of April and the first day of October in each year, beginning April 1, 1984. Both principal of and interest on this Bond are payable to the registered owner hereof in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through Kanawha Valley Bank, N.A., Charleston, West Virginia.

This Bond is subject to redemption prior to its stated date of maturity in whole or in part in inverse order of maturities only on or after the date on which all outstanding bonds issued by the West Virginia Water Development Authority (the "Authority") to provide funds for the purchase of this Bond are redeemable and at a price equal to the aggregate of (i) the corresponding principal amount of the bonds of the Authority to be redeemed by the Authority as a consequence of the redemption by the Issuer of all or a part of its Bond outstanding, (ii) the interest to accrue on the bonds of the Authority so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the bonds of the Authority so to be redeemed, (iv) the

on August 7, 1980, September 10, 1981, June 7, 1982, June 24, 1982, and February 27, 1984 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds may be entitled to be paid and secured prior to this Bond from the funds and revenues and other security provided for this Bond under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues to be derived from the operation of the System (as defined in the Bond Legislation) after there has first been paid from said Net Revenues all payments then due and owing on the Series 1984 A Bond herein described, which Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same except from said special fund provided, and the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Issuer has entered into certain further covenants with the registered owner of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the holders of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Issuer kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Payee or its attorney duly authorized in writing.

This Bond shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

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

including payment of the Notes authorized and issued pursuant to the Bond Legislation and any other indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of this Bond, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BOND, SERIES 1984 A, OF THE ISSUER, ISSUED CONCURRENTLY HEREWITH AND DESCRIBED IN THE BOND LEGISLATION.

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

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

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by the Chairman of its public service board and its corporate seal to be hereunto affixed and attested by the Secretary of its public service board, all as of the 28th day of February, 1984.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Name of Paying Agent Authorized Officer And Title
	$	$	

ASSIGNMENT

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

the within Bond of Huttonsville Public Service District, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books of the said District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

02/27/84
HUTT1-H

(SPECIMEN BOND - SERIES 1984 B)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1984 B

No. R-1

$144,089

KNOW ALL MEN BY THESE PRESENTS: That HUTTONSVILLE PUBLIC SERVICE DISTRICT NO. 1, a public service district and political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Payee"), or its registered assigns (the "Alternate Payee"), the sum of One Hundred Forty-Four Thousand Eighty-Nine Dollars ($144,089), in 36 equal annual installments of $4,002.48 each, commencing October 1, 1984, and continuing on the first day of each October thereafter, to and including October 1, 2019, without interest.

The principal payments of this Bond are payable to the registered owner hereof in any coin or currency which, on the respective dates of payment is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through Kanawha Valley Bank, N.A., Charleston, West Virginia.

This Bond is subject to redemption prior to its stated date of maturity in whole or in part in inverse order of maturities at any time, at the price of the par value hereof or principal installments remaining to be paid, without premium, but only with the written consent of the West Virginia Water Development Authority (the "Authority").

This Bond is issued to finance a portion of the costs of construction and acquisition of new public service facilities for the collection, treatment, purification or disposal of liquid or solid wastes (the "System") in the territory to be served by the Issuer under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13 A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly adopted by the public service board of the Issuer on August 7, 1980, as supplemented by resolutions duly adopted by the public service board

applicable premium, if any, payable on additional bonds of the Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the bonds of the Authority so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the bonds of the Authority have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the Issuer shall be obligated to pay under item (i) above the principal amount of such refunding bonds outstanding, and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on the bonds of the Authority, the Issuer shall be obligated to pay under item (ii) above the amount of interest to accrue on such outstanding bonds of the Authority.

This Bond is issued to finance a portion of the costs of construction and acquisition of new public service facilities for the collection, treatment, purification or disposal of liquid or solid wastes (the "System") in the territory to be served by the Issuer under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13 A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly adopted by the public service board of the Issuer on August 7, 1980, as supplemented and amended by resolutions duly adopted by the public service board of the Issuer on August 7, 1980, September 10, 1981, June 7, 1982, June 24, 1982, and February 27, 1984 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues to be derived from the operation of the System (as defined in the Bond Legislation), which Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose and a statutory mortgage lien pursuant to the Act. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided, and the Issuer has covenanted and

agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Issuer has entered into certain further covenants with the holders of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the holders of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Issuer kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Payee or its attorney duly authorized in writing.

This Bond shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of the Project described in the Bond Legislation, including payment of the Notes authorized and issued pursuant to the Bond Legislation and any other indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of this Bond, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

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

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

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by the Chairman of its public service board and its corporate seal to be hereunto affixed and attested by the Secretary of its public service board, all as of the 28th day of February, 1984.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

SCHEDULE OF PAYMENTS

Year	Coupon Interest Rate of Local Bonds	Principal Amount of Local Bonds
1984		
1985		
1986		
1987		
1988		
1989		
1990		
1991		
1992		
1993		
1994	11.70%	$ 5,000
1995	11.80%	$ 5,000
1996	11.90%	$ 5,000
1997	12.00%	$ 5,000
1998	12.00%	$ 5,000
1999	12.00%	$ 5,000
2000	12.00%	$ 5,000
2001	12.00%	$ 5,000
2002	12.00%	$ 5,000
2003	12.00%	$ 5,000
2004	12.00%	$10,000
2005	12.00%	$10,000
2006	12.00%	$10,000
2007	12.00%	$10,000
2008	12.00%	$15,000
2009	12.00%	$15,000
2010	12.00%	$15,000
2011	12.00%	$20,000
2012	12.00%	$20,000
2013	10.00%	$20,000
2014	10.00%	$25,000
2015	10.00%	$25,000
2016	10.00%	$30,000
2017	10.00%	$30,000
2018	10.00%	$35,000
2019	10.00%	$40,000

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Interest Payment Rate	Date Paid	Name of Paying Agent Authorized Officer And Title
	$	$	$		

ASSIGNMENT

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

the within Bond of Huttonsville Public Service District, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books of the said District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

02/27/84
HUTT1-F