HUTTONSVILLE PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS, SERIES 2012 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)
WATER REVENUE BONDS, SERIES 2012 C;
WATER REVENUE BONDS, SERIES 2012 D; AND
WATER REVENUE BONDS, SERIES 2012 E
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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HUTTONSVILLE PUBLIC SERVICE DISTRICT

BOND RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF HUTTONSVILLE PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $4,975,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), NOT MORE THAN $1,085,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 C (WEST VIRGINIA INFRASTRUCTURE FUND); NOT MORE THAN $1,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 D (WEST VIRGINIA INFRASTRUCTURE FUND), AND NOT MORE THAN $1,700,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 E (WEST VIRGINIA INFRASTRUCTURE FUND PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO THE SERIES 2012 C BONDS, SERIES 2012 D BONDS AND SERIES 2012 E BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF HUTTONSVILLE PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. Huttonsville Public Service District (the "Issuer") is a public service district, a public corporation and political subdivision of the State of West Virginia in Randolph County of said State.

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health, safety, advantage, convenience, and welfare of the inhabitants of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public waterworks system of the Issuer, consisting of construction of a 1.0 MGB potable water treatment plant in conjunction with the NRCS Elkwater Fork Supply Dam and extending water lines in southern Randolph County to serve a total of sixty-nine (69) new individual customers and one (1) new commercial/industrial customer (Huttonsville Correctional Center) in the area between the existing Becky's Creek water storage tank and Elkwater Fork Supply Dam together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses (the existing public waterworks facilities of the Issuer, the Project and any further extensions or improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all Operating Expenses of the System, the principal of and interest on the Bonds (as hereinafter defined) and payments into all funds and accounts and other payments provided for herein.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds in the total aggregate principal amount of not more than $8,860,000 in four or more series, being the Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), in the aggregate principal amount of not more than $4,975,000 (the "Series 2012 B Bonds"), the Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $1,085,000 (the "Series 2012 C Bonds"), the Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $1,100,000 (the "Series 2012 D Bonds"), and the Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $1,700,000 (the "Series 2012 E Bonds") to permanently finance a portion of the costs of acquisition and construction of the Project (collectively, the "Series 2012 Bonds"). The remaining Costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2012 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in any Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2012 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction

of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable Costs prior to the issuance of the Series 2012 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2012 B Bonds be sold to the Purchaser (as hereinafter defined) pursuant to the terms and provisions of the Letter of Conditions (as hereinafter defined), dated May 14, 2008, and all amendments thereto, if any (collectively, the "Letter of Conditions") and its Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement (the "Loan Agreement") by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the Issuer, the Authority and the Council, approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2012 Bonds as to liens, pledge and source of and security for payment being the Issuer's: (i) Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000 (the "Series 1996 Bonds"); (ii) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000 (the "Series 2000 A Bonds"); (iii) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000 (the "Series 2004 A Bonds"); (iv) Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25, 2004, issued in the original aggregate principal amount of $400,000 (the "Series 2004 B Bonds"); and (v) Waterworks Design Revenue Bonds (West Virginia DWTRF Program), dated August 7, 2012, issued in the original aggregate principal amount of $244,500 (the "Series 2012 A Bonds"), (collectively, the "Prior Bonds"). Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2012 Bonds as to liens, pledge and/or source of and security for payment.

The Series 2012 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2012 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2012 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

H. The Issuer has complied with all requirements of West Virginia law, the Letter of Conditions and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System, including, without limitation, the imposition of rates and charges and the issuance of the Series 2012 Bonds, or will have so complied prior to issuance of

any thereof, including, the approval of the Project and the financing thereof by the Council and the obtaining of a certificate of convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2012 Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2012 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2012 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2012 C Bonds, Series 2012 D Bonds, Series 2012 E Bonds or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any temporary Chairman duly selected by the Governing Body.

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

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

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

"Bonds" means, collectively, the Series 2012 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

"Chairman" means the Chairman of the Governing Body of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2012 Bonds for all or a portion of the proceeds of the Series 2012 B Bonds from the Purchaser and for all or a portion of the proceeds of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds from the Authority and the Council.

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

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

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

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

"Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Council.

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

"Facilities" or "waterworks facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefore, hereafter at any time constructed or acquired.

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

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

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

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

"Grants" means all grant monies committed for the Project.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

"Issuer," "Borrower" or "District" means the Huttonsville Public Service District, a public service district and public corporation and political subdivision of the State of West Virginia, in Randolph County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated May 14, 2008, and all additional amendments thereto, if any, providing for the purchase of the Series 2012 B Bonds from the Issuer by the Purchaser.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2012 Bonds in the then current or any succeeding year.

"Net Proceeds" means the face amount of the Series 2012 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in any Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2012 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, fees and expenses of the Authority, fiscal agents, the Depository

Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent for the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds by the Issuer in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 1996 Bonds, Series 2000 A Bonds, Series 2004 A Bonds, Series 2004 B Bonds and Series 2012 A Bonds.

"Prior Resolutions" means, collectively, the Resolutions of the Issuer authorizing the Prior Bonds.

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

"Purchaser" or "Government" means the United States Department of Agriculture, Rural Utilities Service and any successor thereof acting for and on behalf of the United States of America, which is expected to be the original purchaser and Registered Owner of the Series 2012 B Bonds.

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

(a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolutions as the Depreciation Reserve and renamed and continued by Section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2012 Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 2012 Bonds and the Prior Bonds.

"Revenue Fund" means the Revenue Fund established by the Prior Resolutions and continued by Section 5.01 hereof.

"RUS Bonds" means, collectively, the Series 1996 Bonds, the Series 2000 A Bonds and the Series 2004 B Bonds.

"Secretary" means the Secretary of the Governing Body of the Issuer.

"Series 1996 Bonds" means the Issuer's Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000.

"Series 2000 A Bonds" means the Issuer's Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000.

"Series 2004 A Bonds" means the Issuer's Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000.

"Series 2004 B Bonds" means the Issuer's Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25, 2004, issued in the original aggregate principal amount of $400,000.

"Series 2012 A Bonds" means the Issuer's Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 7, 2012, issued in the original aggregate principal amount of $244,500.

"Series 2012 B Bonds" means the Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), of the Issuer, authorized by this Resolution.

"Series 2012 B Bonds Reserve Account" means the Series 2012 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2012 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2012 B Bonds in the then current or any succeeding year.

"Series 2012 C Bonds" means the Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), of the Issuer authorized by this Resolution.

"Series 2012 C Bonds Reserve Account" means the Series 2012 C Bonds Reserve Account established by Section 5.02 hereof.

"Series 2012 C Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2012 C Bonds in the then current or any succeeding year.

"Series 2012 C Bonds Sinking Fund" means the Series 2012 C Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2012 D Bonds" means the Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund), of the Issuer authorized by this Resolution.

"Series 2012 D Bonds Reserve Account" means the Series 2012 D Bonds Reserve Account established by Section 5.02 hereof.

"Series 2012 D Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2012 D Bonds in the then current or any succeeding year.

"Series 2012 D Bonds Sinking Fund" means the Series 2012 D Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2012 E Bonds" means the Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund), of the Issuer authorized by this Resolution.

"Series 2012 E Bonds Reserve Account" means the Series 2012 E Bonds Reserve Account established by Section 5.02 hereof.

"Series 2012 E Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2012 E Bonds in the then current year.

"Series 2012 E Bonds Sinking Fund" means the Series 2012 E Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2012 Bonds" means, collectively, the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 D Bonds and the Series 2012 E Bonds.

"Series 2012 Bonds Construction Trust Fund" means the Series 2012 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2012 C Bonds, Series 2012 D Bonds, Series 2012 E Bonds and the Series 2004 A Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2012 Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2012 Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means the complete existing waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall include the Project and any and all extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the waterworks system from any sources whatsoever, both within and without the Issuer.

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $11,995,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Purchaser, the Authority and the Council.

The Cost of the Project is estimated not to exceed $11,995,000, of which $4,975,000 will be obtained from proceeds of the Series 2012 B Bonds, $1,085,000 will be obtained from proceeds of the Series 2012 C Bonds, $1,100,000 will be obtained from proceeds of the Series 2012 D Bonds, $1,700,000 will be obtained from proceeds of the Series 2012 E Bonds, $2,135,000 will be obtained from proceeds of grants from the United States Department of Agriculture, and $1,000,000 will be obtained from proceeds of an Infrastructure Fund grant.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2012 Bonds, if any, funding reserve accounts for the Series 2012 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2012 Bonds of the Issuer.

The Series 2012 B Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2012 B (United States Department of Agriculture)," in the principal amount of not more than $4,975,000, the Series 2012 C Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund)," in the principal amount of not more than $1,085,000, the Series 2012 D Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund)," in the principal amount of not more than $1,100,000 and the Series 2012 E Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund)," in the principal amount of not more than $1,700,000 and each shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2012 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalizing interest on the Series 2012 Bonds, if any, shall be deposited in or credited to the Series 2012 Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds.

A. The Series 2012 B Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum rate, payable monthly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Series 2012 B Bond.

Unless otherwise provided by the Supplemental Resolution, the Series 2012 B Bonds shall initially be issued in the form of a single bond, numbered BR-1, fully registered to the Purchaser, and shall be dated the date of delivery thereof. The Series 2012 B Bonds shall bear interest from the date of delivery, payable monthly at the rate of 3.5% per annum, and shall be sold for the par value thereof. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $19,751, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond.

The Series 2012 B Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the respective Bond forms hereinafter set forth.

B. The Series 2012 C Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2012 C Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2012 C Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

The Series 2012 C Bonds shall initially be issued in the form of a single bond, numbered CR-1, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2012 C Bonds, all as provided in the Supplemental Resolution.

Subsequent series of Bonds, if any, shall be issued in fully registered form, in such denominations, dated such dates and bear interest at such rates as determined by a Supplemental Resolution. Such Bonds shall have such terms as set forth in a Supplemental Resolution.

C. The Series 2012 D Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2012 D Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is

legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2012 D Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

The Series 2012 D Bonds shall initially be issued in the form of a single bond, numbered DR-1, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2012 D Bonds, all as provided in the Supplemental Resolution.

Subsequent series of Bonds, if any, shall be issued in fully registered form, in such denominations, dated such dates and bear interest at such rates as determined by a Supplemental Resolution. Such Bonds shall have such terms as set forth in a Supplemental Resolution.

D. The Series 2012 E Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2012 E Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2012 E Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

The Series 2012 E Bonds shall initially be issued in the form of a single bond, numbered ER-1, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2012 E Bonds, all as provided in the Supplemental Resolution.

Subsequent series of Bonds, if any, shall be issued in fully registered form, in such denominations, dated such dates and bear interest at such rates as determined by a Supplemental Resolution. Such Bonds shall have such terms as set forth in a Supplemental Resolution.

The Series 2012 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that neither the Purchaser nor the Authority shall be obligated to pay any expenses of such exchange.

Section 3.03. Execution of Bonds. The Series 2012 Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2012 Bonds shall cease to be such officer of the Issuer before the Series 2012 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Bond Registrar; Authentication and Registration. A. The Issuer shall be the Bond Registrar with respect to the Series 2012 B Bonds and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2012 B Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2012 B Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2012 B Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2012 B Bonds for registration or transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2012 B Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2012 B Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

B. The Bond Registrar with respect to the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No Series 2012 C Bonds, Series 2012 D Bonds or Series 2012 E Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds shall be conclusive evidence that such Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds have been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds issued hereunder. The provisions of this Section 3.04 relating to authentication shall not apply to the Series 2012 B Bonds, notwithstanding anything herein to the contrary.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2012 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2012 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide Holder for value.

So long as the Series 2012 Bonds remain outstanding, the Bond Registrar for the Series 2012 Bonds shall keep and maintain books for the registration and transfer of such Bonds.

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2012 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2012 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2012 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2012 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all Series 2012 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2012 Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. A. With respect to the Series 2012 B Bonds, the Chairman is hereby authorized and directed to cause such Bonds, hereby awarded to the Purchaser pursuant to the Letter of Conditions, to be delivered to the Purchaser on the date of delivery.

B. The Issuer shall execute and deliver the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds to the original purchasers upon receipt of the documents set forth below:

(1) If other than the Authority, a list of the names in which the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

(2) A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds to the original purchasers;

(3) An executed and certified copy of the Bond Legislation;

(4) An executed copy of the Loan Agreement; and

(5) The unqualified approving opinions of bond counsel on the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds.

Section 3.10. Form of Bonds. The text of the Series 2012 Bonds shall be in substantially the following respective forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2012 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$4,975,000

No. BR-1 Date: _____, 2012

FOR VALUE RECEIVED, HUTTONSVILLE PUBLIC SERVICE DISTRICT (the "Borrower") promises to pay to the order of the UNITED STATES OF AMERICA (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of FOUR MILLION NINE HUNDRED SEVENTY FIVE THOUSAND DOLLARS ($4,975,000), plus interest on the unpaid principal balance at the rate of __% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing _____, 20___ and continuing on the corresponding day of each month for the first 24 months after the date hereof, and monthly installments of $_____, covering principal and interest, beginning _____, 20___, except that the final installment shall be paid _____, 20___ (40 years from the date of this Bond) in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder

on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system (the "System") of the Borrower, and (ii) paying costs of issuance, payable solely from the net revenues to be derived from the operation of the System in the manner provided in the hereinafter defined Resolution. This Bond does not in any manner constitute an indebtedness of Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the Registered Owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolutions and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted on _____, 2012, and a Supplemental Resolution of the Borrower duly adopted on _____, 2012, authorizing issuance of this Bond (collectively, the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for

loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmer and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE BORROWER'S (I) WATER REVENUE BONDS, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (II) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); (III) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $952,000 (THE "SERIES 2004 A BONDS"); (IV) WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 2004 B BONDS"); (V) WATERWORKS DESIGN REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 7, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $244,500 (THE "SERIES 2012 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS"); AND (VI) WATER REVENUE BONDS, SERIES 2012 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,085,000 (THE "SERIES 2012 C BONDS"), (VII)WATER REVENUE BONDS, SERIES 2012 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2012 D BONDS"), AND (VIII) WATER REVENUE BONDS, SERIES 2012 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,700,000 (THE "SERIES 2012 E BONDS").

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

HUTTONSVILLE PUBLIC
SERVICE DISTRICT

[CORPORATE SEAL]

_____
Chairman, Public Service Board
Post Office Box 490
Huttonsville, West Virginia 25669

ATTEST:

_____
Secretary, Public Service Board

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In presence of:

_____

(FORM OF SERIES 2012 C BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 C
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. CR-1 $1,085,000

KNOW ALL MEN BY THESE PRESENTS: That on the ____ day of _____, 2012, HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district and public corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum ONE MILLION EIGHTY FIVE THOUSAND DOLLARS ($1,085,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20_____ to and including _____ 1, 20____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further additions, betterments, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and

secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S: (I) WATER REVENUE BONDS, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (II) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); (III) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $952,000 (THE "SERIES 2004 A BONDS"); (IV) WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 2004 B BONDS"); (V) WATERWORKS DESIGN REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 7, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $244,500 (THE "SERIES 2012 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS"); AND (VI) WATER REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2012 B BONDS"), (VII) WATER REVENUE BONDS, SERIES 2012 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2012 D BONDS"); AND (VIII) WATER REVENUE BONDS, SERIES 2012 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,700,000 (THE "SERIES 2012 E BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 2012 B Bonds, Series 2012 D Bonds, Series 2012 E Bonds and the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2012 C Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2012 C Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2012 B Bonds, Series 2012 D Bonds, Series 2012 E Bonds and the Prior

Bonds; provided however, that so long as there exists in the Series 2012 C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2012 B Bonds, and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman, and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the date first written above.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 C Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2012

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

(FORM OF SERIES 2012 D BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 D
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. DR-1 $1,100,000

KNOW ALL MEN BY THESE PRESENTS: That on this ___ day of _____, 2012, the HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION ONE HUNDRED THOUSAND DOLLARS ($1,100,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, to and including _____ 1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest of 1.0% payable quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, to and including _____ 1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further additions, betterments, improvements or extensions thereto are herein called the "System." This

Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S: (I) WATER REVENUE BONDS, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (II) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); (III) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $952,000 (THE "SERIES 2004 A BONDS"); (IV) WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 2004 B BONDS"); (V) WATERWORKS DESIGN REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 7, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $244,500 (THE "SERIES 2012 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS"); AND (VI) WATER REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2012 B BONDS"), (VII) WATER REVENUE BONDS, SERIES 2012 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,085,000 (THE "SERIES 2012 C BONDS"); AND (VIII) WATER REVENUE BONDS, SERIES 2012 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,700,000 (THE "SERIES 2012 E BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 E Bonds and the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2012 D Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2012 D Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the

Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 E Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2012 D Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 E Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman, and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the date first written above.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

[SEAL]

_____

Chairman

ATTEST:

_____

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 D Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2012

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

(FORM OF SERIES 2012 E BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 E
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. ER-1 $1,700,000

KNOW ALL MEN BY THESE PRESENTS: That on the ____ day of _____, 2012, HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district and public corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS ($1,700,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20_____ to and including _____ 1, 20____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further additions, betterments, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and

secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S: (I) WATER REVENUE BONDS, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (II) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); (III) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $952,000 (THE "SERIES 2004 A BONDS"); (IV) WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 2004 B BONDS"); (V) WATERWORKS DESIGN REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 7, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $244,500 (THE "SERIES 2012 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS"); AND (VI) WATER REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2012 B BONDS"), (VII) WATER REVENUE BONDS, SERIES 2012 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,085,000 (THE "SERIES 2012 C BONDS"); AND (VIII) WATER REVENUE BONDS, SERIES 2012 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2012 D BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 D Bonds and the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2012 E Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2012 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 D Bonds and the Prior

Bonds; provided however, that so long as there exists in the Series 2012 E Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 D Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman, and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the date first written above.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 E Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2012

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement.

A. The Series 2012 B Bonds shall be sold to the Purchaser, pursuant to the terms and conditions of the Letter of Conditions. The Letter of Conditions, including all attachments, are hereby approved and incorporated into this Bond Legislation.

B. The Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule B" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Purchaser, the Authority and the Council, a schedule, the forms of which will be provided by the Purchaser, the Authority and the Council, setting forth the actual Costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Resolutions);

(2) Renewal and Replacement Fund (established by the Prior Resolutions);

(3) Series 2012 Bonds Construction Trust Fund.

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

(1) Series 1996 Bonds Reserve Account (established by Prior Resolutions);

(2) Series 2000 Bonds Reserve Account (established by Prior Resolutions);

(3) Series 2004 A Bonds Sinking Fund (established by Prior Resolutions);

(4) Series 2004 A Bonds Reserve Account (established by Prior Resolutions);

(5) Series 2004 B Bonds Reserve Account (established by Prior Resolutions);

(6) Series 2012 A Bonds Sinking Fund (established by Prior Resolutions);

(7) Series 2012 A Bonds Reserve Fund (established by Prior Resolutions);

(8) Series 2012 B Bonds Reserve Account;

(9) Series 2012 C Bonds Sinking Fund;

(10) Series 2012 C Bonds Reserve Account;

(11) Series 2012 D Bonds Sinking Fund;

(12) Series 2012 D Bonds Reserve Account;

(13) Series 2012 E Bonds Sinking Fund; and

(14) Series 2012 E Bonds Reserve Account.

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

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

(2) The Issuer shall next, each month, on or before the due date thereof, simultaneously transfer from the Revenue Fund and remit to (i) the National Finance Office the amount required by the Prior Resolutions to pay the interest on the Series 1996 Bonds, Series 2000 A Bonds and Series 2004 B Bonds; (ii) the National Finance Office, commencing 30 days following the date of delivery of the Series 2012 B Bonds, the amounts required to pay interest on the Series 2012 B Bonds over the life of the bond issue; and (iii) the Commission commencing 4 months prior to the first date of payment of interest of the Series 2012 D Bonds, for deposit in the Series 2012 D Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will accrue and become due on the Series 2012 D Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2012 D Bonds Sinking Fund and the next quarterly

interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, each month, simultaneously transfer from the Revenue Fund and (i) on or before the due date thereof, remit to the National Finance Office the amount required by the Prior Resolutions to pay the principal of the Series 1996 Bonds, Series 2000 A Bonds and Series 2004 B Bonds; (ii) on or before the due date thereof, remit to the Commission the amount required by the Prior Resolutions to pay the principal of the Series 2004 A Bonds and Series 2012 A Bonds; (iii) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2012 B Bonds, the amount required to amortize the principal of the Series 2012 B Bonds over the life of the bond issue; (iv) on the first day of each month, remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2012 C Bonds, for deposit in the Series 2012 C Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2012 C Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2012 C Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (v) on the first day of each month, remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2012 D Bonds, for deposit in the Series 2012 D Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2012 D Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2012 D Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (vi) on the first day of each month, remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2012 E Bonds, for deposit in the Series 2012 E Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2012 E Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2012 E Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, simultaneously transfer from the Revenue Fund and (i) remit to the Commission the amounts to be deposited in the respective reserve accounts for the Prior Bonds; (ii) beginning on the date specified by the purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly

anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission, for deposit in the Series 2012 B Bonds Reserve Account, an amount equal to 10% of the monthly payment amount, until the amount in the Series 2012 B Bonds Reserve Account equals the Series 2012 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2012 B Bonds Reserve Requirement; (iii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2012 C Bonds, if not fully funded upon issuance of the Series 2012 C Bonds, for deposit in the Series 2012 C Bonds Reserve Account, an amount equal to 1/120th of the Series 2012 C Bonds Reserve Requirement, until the amount in the Series 2012 C Bonds Reserve Account equals the Series 2012 C Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 C Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2012 C Bonds Reserve Requirement; and (iv) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2012 D Bonds, if not fully funded upon issuance of the Series 2012 D Bonds, for deposit in the Series 2012 D Bonds Reserve Account, an amount equal to 1/120th of the Series 2012 D Bonds Reserve Requirement, until the amount in the Series 2012 D Bonds Reserve Account equals the Series 2012 D Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 D Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2012 D Bonds Reserve Requirement. At Closing, the Series 2012 E Bonds Reserve Requirement will be $40,456 and the Series 2012 E Bonds Reserve Account will be fully funded with bond proceeds. Upon maturity of the Series 1996 Bonds, the balance of the Series 1996 Bonds Reserve Account will be transferred to the Series 2012 E Bonds Reserve Account and the Series 2012 E Bonds Reserve Requirement will be $95,536. Upon maturity of the Series 2000 A Bonds, the balance of the Series 2000 A Bonds Reserve Account will be transferred to the Series 2012 E Bonds Reserve Account and the Series 2012 E Bonds Reserve Requirement will be $135,808. Upon maturity of the Series 2012 A Bonds, the balance of the Series 2012 A Bonds Reserve Account will be transferred to the Series 2012 E Bonds Reserve Account and the Series 2012 E Bonds Reserve Requirement will be $143,956. Upon maturity of the Series 2004 A Bonds, the balance of the Series 2004 A Bonds Reserve Account will be transferred to the Series 2012 E Bonds Reserve Account and the Series 2012 E Bonds Reserve Requirement will be $168,844. Upon maturity of the Series 2004 B Bonds, the balance of the Series 2004 B Bonds Reserve Account will be transferred to the Series 2012 E Bonds Reserve Account and the Series 2012 E Bonds Reserve Requirement will be $190,876.

(5) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Accounts. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article

VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose of the System.

Monies in the Series 2012 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2012 B Bonds as the same shall come due, when other monies are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2012 B Bonds Reserve Account shall be sufficient to prepay the Series 2012 B Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Series 2012 B Bonds, together with accrued interest thereon to such prepayment date.

Monies in the Series 2012 C Bonds Sinking Fund shall be used only for the purpose of paying principal of and interest, if any, on the Series 2012 C Bonds as the same shall become due. Monies in the Series 2012 C Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2012 C Bonds as the same shall come due, when other monies in the Series 2012 C Bonds Sinking Fund are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2012 C Bonds Reserve Account shall be sufficient to prepay the Series 2012 C Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Series 2012 C Bonds and accrued interest, if any, thereon to such prepayment date.

Monies in the Series 2012 D Bonds Sinking Fund shall be used only for the purpose of paying principal of and interest, if any, on the Series 2012 D Bonds as the same shall become due. Monies in the Series 2012 D Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2012 D Bonds as the same shall come due, when other monies in the Series 2012 D Bonds Sinking Fund are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2012 D Bonds Reserve Account shall be sufficient to prepay the Series 2012 D Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Series 2012 D Bonds and accrued interest, if any, thereon to such prepayment date.

Monies in the Series 2012 E Bonds Sinking Fund shall be used only for the purpose of paying principal of and interest, if any, on the Series 2012 E Bonds as the same shall become due. Monies in the Series 2012 E Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2012 E Bonds as the same shall come due, when other monies in the Series 2012 E Bonds Sinking Fund are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2012 E Bonds Reserve Account shall be sufficient to prepay the Series 2012 E Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Series 2012 E Bonds and accrued interest, if any, thereon to such prepayment date.

All investment earnings on monies in the Series 2012 B Bonds Reserve Account (if fully funded), the Series 2012 C Bonds Sinking Fund, the Series 2012 C Bonds Reserve Account (if fully funded), the Series 2012 D Bonds Sinking Fund, the Series 2012 D Bonds Reserve Account (if fully funded), the Series 2012 E Bonds Sinking Fund and the Series 2012 E Bonds Reserve Account (if fully funded) shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2012 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2012 Bonds respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2012 B Bonds Reserve Account which result in a reduction in the balance of such account to below the Series 2012 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2012 C Bonds Reserve Account which result in a reduction in the balance of such account to below the Series 2012 C Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2012 D Bonds Reserve Account which result in a reduction in the balance of such account to below the Series 2012 D Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

Any withdrawals from the Series 2012 E Bonds Reserve Account which result in a reduction in the balance of such account to below the Series 2012 E Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2012 C Bonds Sinking Fund or the Series 2012 C Bonds Reserve Account when the aggregate amount of

funds therein are at least equal to the aggregate principal amount of the Series 2012 C Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2012 D Bonds Sinking Fund or the Series 2012 D Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2012 D Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Issuer shall not be required to make any further payments into the Series 2012 E Bonds Sinking Fund when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2012 E Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof. The Issuer shall not be required to make any further payments into the Series 2012 E Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the then current Series 2012 E Bonds Reserve Requirement.

(i) The Issuer covenants and agrees to transfer moneys in the Series 1996 Bonds Reserve Account to the Series 2012 E Bonds Reserve Account upon maturity of the Series 1996 Bonds. The Issuer covenants and agrees not to use the Series 1996 Bonds Reserve Account for the final payment of the Series 1996 Bonds.

(ii) The Issuer covenants and agrees to transfer moneys in the Series 2000 A Bonds Reserve Account to the Series 2012 E Bonds Reserve Account upon maturity of the Series 2000 A Bonds. The Issuer covenants and agrees not to use the Series 2000 A Bonds Reserve Account for the final payment of the Series 2000 A Bonds.

(iii) The Issuer covenants and agrees to transfer moneys in the Series 2012 A Bonds Reserve Account to the Series 2012 E Bonds Reserve Account upon maturity of the Series 2012 A Bonds. The Issuer covenants and agrees not to use the Series 2012 A Bonds Reserve Account for the final payment of the Series 2012 A Bonds.

(iv) The Issuer covenants and agrees to transfer moneys in the Series 2004 A Bonds Reserve Account to the Series 2012 E Bonds Reserve Account upon maturity of the Series 2004 A Bonds. The Issuer covenants and agrees not to use the Series 2004 A Bonds Reserve Account for the final payment of the Series 2004 A Bonds.

(v) The Issuer covenants and agrees to transfer moneys in the Series 2004 B Bonds Reserve Account to the Series 2012 E Bonds Reserve Account upon maturity of the Series 2004 B Bonds. The Issuer covenants and agrees not to use the Series 2004 B Bonds Reserve Account for the final payment of the Series 2004 B Bonds.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2012 Bonds and the Prior Bonds in accordance with the respective principal amounts then Outstanding.

The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser, the Council and the Authority.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2012 B Bonds Reserve Account, the Series 2012 C Bonds Sinking Fund, the Series 2012 C Bonds Reserve Account, the Series 2012 D Bonds Sinking Fund, the Series 2012 D Bonds Reserve Account, the Series 2012 E Bonds Sinking Fund and the Series 2012 E Bonds Reserve Account created hereunder, and all amounts required for such funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. The Issuer shall make the necessary arrangements whereby required payments into the said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2012 B Bonds Reserve Account, the Series 2012 C Bonds Sinking Fund, the Series 2012 C Bonds Reserve Account, the Series 2012 D Bonds Sinking Fund, the Series 2012 D Bonds Reserve Account, the Series 2012 E Bonds Sinking Fund and the Series 2012 E Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2012 B Bonds Reserve Account, the Series 2012 C Bonds Sinking Fund, the Series 2012 C Bonds Reserve Account, the Series 2012 D Bonds Sinking Fund, the Series 2012 D Bonds Reserve Account, the Series 2012 E Bonds Sinking Fund and the Series 2012 E Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2012 Bonds respectively, under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) remit to the Commission the required principal, interest and reserve account payments and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

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

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

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

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

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2012 Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2012 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2012 B Bonds, there shall be deposited with the Commission in the Series 2012 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2012 B Bonds Reserve Account.

B. From the proceeds of the Series 2012 C Bonds, there shall be deposited with the Commission in the Series 2012 C Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2012 C Bonds Reserve Account.

C. From the proceeds of the Series 2012 D Bonds, there shall be deposited with the Commission in the Series 2012 D Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2012 D Bonds Reserve Account.

D. From the proceeds of the Series 2012 E Bonds, there shall be deposited with the Commission in the Series 2012 E Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2012 E Bonds Reserve Account.

E. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2012 B Bonds.

F. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 C Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2012 C Bonds.

G. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 D Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2012 D Bonds.

H. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 E Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2012 E Bonds.

I. After completion of construction of the Project, as certified by the Consulting Engineers, and all Costs have been paid, any remaining proceeds of the Series 2012 B Bonds shall be expended as directed by the Purchaser and any remaining proceeds of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds shall be expended as directed by the Council.

Section 6.02. Disbursements From the Bond Construction Trust Fund. A. The proceeds of the Series 2012 B Bonds in the Series 2012 Bonds Construction Trust Fund shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

B. The Issuer shall each month provide the Council with a requisition for the Costs incurred for the Project, together with such documentation as the Council shall require. Payments of all Costs of the Project from the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of proceeds of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds from the Series 2012 Bonds Construction Trust Fund shall be made only after submission to the Council of a certificate, signed by an Authorized Officer stating that:

(i) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(ii) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(iii) Each of such costs has been otherwise properly incurred; and

(iv) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2012 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2012 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2012 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2012 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2012 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2012 Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all the Series 2012 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2012 Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall

supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision of the Public Service Commission of West Virginia entered February 25, 2010 which became Final Order on March 17, 2010 and Recommended Decision entered November 26, 2012 which became Final on December 4, 2012 per Commission Order Waiving the Exception Period dated November 29, 2012 in Case No. 09-1436-PWD-CN, and such rates are hereby adopted, which rates are incorporated herein by reference as a part hereof.

So long as the Prior Bonds and the Series 2012 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2012 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the provisions governing the sale of the System, or any part thereof, shall be as set forth and described in the Prior Resolutions and the System may not be sold, mortgaged, leased or otherwise disposed of unless the Issuer has obtained the written consent of the Purchaser, the Authority and the Council, as applicable Bondholders. Further, so long as the Series 2012 Bonds are outstanding and except as otherwise required by law, and with the written consent of the Purchaser, the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2012 B Bonds, immediately be remitted to the National Finance Office, and with respect to the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds immediately be remitted to the Commission for deposit in the respective Series 2012 Bonds Sinking Funds, and, with the written consent of the Purchaser, the Authority and the Council, the Issuer shall direct the National Finance Office and the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2012 Bonds. Any balance remaining after the payment of all the Series 2012 Bonds and interest, if any, thereon shall be remitted to the Issuer unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. Payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into such fund by other provisions of this Bond Legislation.

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

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

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

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2012 Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority, the Council and the Purchaser and without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2012 Bonds.

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

So long as the Series 2012 B Bonds and the RUS Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the RUS Bonds and Series 2012 B Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 2012 B Bonds and the RUS Bonds are no longer outstanding, the following parity requirement shall be met:

So long as the Series 2004 A Bonds, Series 2012 A Bonds, Series 2012 C Bonds, Series 2012 D Bonds or Series 2012 E Bonds are outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

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

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer, the time for appeal of which shall have expired prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public

Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2012 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2012 Bonds.

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

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

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

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

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

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

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereto and the Single Audit Act, or any successor thereto), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2012 Bonds and shall submit said report to the Purchaser, the Authority and the Council, or any other original purchaser of the Series 2012 Bonds. Such audit report submitted to the Purchaser, the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with

the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

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

Section 7.09. Rates. Prior to the issuance of the Series 2012 Bonds, equitable rates or charges for the use of and service rendered by the System shall 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 with the Secretary, 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 the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2012 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2012 Bonds, including the Prior Bonds; provided that, in the event that an amount equal to or in excess of the reserve requirement is on deposit respectively in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2012 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2012 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2012 Bonds, including the Prior Bonds. In any event, subject to any requirements of law, the Issuer shall not reduce the rates or charges for services described in Section 7.04 hereof.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Purchaser, the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding, which finding shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance within 30 days of adoption to the Purchaser, the Authority and the Council, or to any Holder of the Bonds, who shall file his or her address with the Issuer and

request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Purchaser, the Council, the Authority and any Holder of any Bonds or anyone acting for and on behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority and the Council by the 10th day of each month.

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

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

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the sewerage system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the sewerage facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such sewerage service, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

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

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

the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Purchaser, the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System. Such insurance to be procured not later than the date of delivery of the Series 2012 Bonds.

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

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Purchaser, the Authority and the Council and the Issuer shall verify such insurance prior to

commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Purchaser, the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling, or building intended to be served by the System to connect thereto.

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

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Bonds required by State law, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

Section 7.18. Compliance with Letter of Conditions, Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Letter of Conditions, the Loan Agreement, the Act and this Bond Legislation. The Issuer shall also comply with all applicable laws, rules and regulations issued by the Purchaser, the Authority and the Council, or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System. The Issuer shall provide the Council with copies of all documents submitted to the Purchaser and the Authority.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 7.19. Reserved.

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

Section 7.21. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2012 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2012 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.22. Contracts; Change Orders, Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2012 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Purchaser and the Council for written approval. The Issuer shall obtain the written approval of the Purchaser before expending any proceeds of the Series 2012 B Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Purchaser before expending any proceeds of the Series 2012 B Bonds made available due to bid or construction or project underruns.

C. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as

necessary to comply with the Code and assure the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds as a condition to issuance of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds as may be necessary in order to maintain the status of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2012 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any series of the Series 2012 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2012 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2012 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Notwithstanding anything herein to the contrary, if default occurs in the due and punctual payment of the principal of or interest on any series of the Series 2012 Bonds or the Prior Bonds, it shall constitute an "Event of Default" with respect to the other series of the Series 2012 Bonds.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2012 Bonds shall be on a parity with each other and the Prior Bonds.

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

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2012 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2012 Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied; except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2012 Bonds from gross income for federal income tax purposes.

Except through such direct payment to the Holder of the Series 2012 B Bonds, the Issuer may not defease the Series 2012 B Bonds or otherwise provide for payment thereof by escrow or like manner.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2012 Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2012 Bonds, no material modification or amendment of this Resolution, or of any resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2012 Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2012 Bonds so affected and then Outstanding; provided, that no change shall be made in

the maturity of the 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, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2012 Bonds from gross income of the Holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2012 Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution or the Series 2012 Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Resolutions. All orders or resolutions and or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided that, this Section shall not be applicable to the Loan Agreement or the Loan Resolution (Form FmHA 442-47); and provided that in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds or any portion thereof are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution 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 Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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Section 11.07. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 10th day of December, 2012.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

By: Steve Warnsley
Its: Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of HUTTONSVILLE PUBLIC SERVICE DISTRICT on the 10th of December, 2012.

Dated: December 18, 2012.

[SEAL]

Secretary

437410.00001

5105704

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 B;
(United States Department of Agriculture);
Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), WATER REVENUE BONDS, SERIES 2012 C (WEST VIRGINIA INFRASTRUCTURE FUND), WATER REVENUE BONDS, SERIES 2012 D (WEST VIRGINIA INFRASTRUCTURE FUND) AND WATER REVENUE BONDS, SERIES 2012 E (WEST VIRGINIA INFRASTRUCTURE FUND), OF HUTTONSVILLE PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE SERIES 2012 C BONDS, SERIES 2012 D BONDS AND SERIES 2012 E BONDS; AUTHORIZING AND APPROVING THE SALE OF THE SERIES 2012 B BONDS TO THE UNITED STATES DEPARTMENT OF AGRICULTURE AND THE SERIES 2012 C BONDS, SERIES 2012 D BONDS AND SERIES 2012 E BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Huttonsville Public Service District (the "Issuer") has duly and officially adopted a bond resolution on December 10, 2012 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF HUTTONSVILLE PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT

OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $4,975,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), NOT MORE THAN $1,085,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 C (WEST VIRGINIA INFRASTRUCTURE FUND); NOT MORE THAN $1,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 D (WEST VIRGINIA INFRASTRUCTURE FUND); NOT MORE THAN $1,700,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 E (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO THE SERIES 2012 C BONDS, SERIES 2012 D BONDS AND SERIES 2012 E BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Resolution provides for the issuance of Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), in the aggregate principal amount of $4,975,000 (the "Series 2012 B Bonds"); Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund) in the aggregate principal amount of $1,085,000 (the "Series 2012 C Bonds"), Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund) in the aggregate principal amount of $1,100,000 (the "Series 2012 D Bonds"), and Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund) in the aggregate principal amount of $1,700,000 (the "Series 2012 E Bonds") of the Issuer (collectively, the "Bonds"), and has authorized the execution and delivery of the loan agreement relating to the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"), all in accordance with Chapter 16, Article 13A, and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Series 2012 B Bonds are proposed to be purchased by the United States Department of Agriculture, Rural Utilities Service, acting for and on behalf of the United States of America (the "Purchaser") pursuant to a Letter of Conditions, and all amendments, and the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF HUTTONSVILLE PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer:

A. Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered BR-1 in the principal amount of $4,975,000. The Series 2012 B Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 3.5% per annum, interest only payable in monthly installments for the first 24 months commencing January 18, 2013 (30 days following delivery of the Series 2012 B Bonds) and continuing on the corresponding day of each month and, thereafter, monthly installments of $19,751, covering principal and interest, beginning January 18, 2015, to and including December 18, 2052 (40 years from the date of this Bond) in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2012 B Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2012 B Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

B. Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered CR-1, in the principal amount of $1,085,000. The Series 2012 C Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2052, and shall bear no interest. The principal of the Series 2012 C Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2014, to and including December 1, 2052, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2012 C Bonds.

The Series 2012 C Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption

premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2012 C Bonds.

C. Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered DR-1, in the principal amount of $1,100,000. The Series 2012 D Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2052, and shall bear interest at the rate of 1% per annum, with principal and interest payable in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2014, to and including December 1, 2052, and in amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2012 D Bonds.

The Series 2012 D Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2012 D Bonds.

D. Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered ER-1, in the principal amount of $1,700,000. The Series 2012 E Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2045, and shall bear no interest. The principal of the Series 2012 E Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2016, to and including September 1, 2045, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2012 E Bonds.

The Series 2012 E Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2012 E Bonds.

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

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The Issuer does hereby authorize, approve and accept the Letter of Conditions, and all amendments thereto, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2012 Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds under the Bond

Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds under the Bond Resolution.

Section 6. The Issuer does hereby appoint and designate Mountain Valley Bank, Elkins, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. All proceeds of the Series 2012 B Bonds shall be deposited in or credited to the Series 2012 Bonds Construction Trust Fund as received from the Purchaser from time to time for payment of Costs of the Project, including, without limitation, costs of issuance of the Series 2012 B Bonds and related costs.

Section 8. Series 2012 C Bonds proceeds in the amount of $-0- shall be deposited in the Series 2012 C Bonds Reserve Account.

Section 9. Series 2012 D Bonds proceeds in the amount of $-0- shall be deposited in the Series 2012 D Bonds Reserve Account.

Section 10. Series 2012 E Bonds proceeds in the amount of $40,456 shall be deposited in the Series 2012 E Bonds Reserve Account.

A. The Issuer instructs the Commission to transfer moneys in the Series 1996 Bonds Reserve Account to the Series 2012 E Bonds Reserve Account when the Series 1996 Bonds are paid in full. The Issuer covenants and agrees not to use the Series 1996 Bonds Reserve Account for the final payment of the Series 1996 Bonds.

B. The Issuer instructs the Commission to transfer moneys in the Series 2000 A Bonds Reserve Account to the Series 2012 E Bonds Reserve Account when the Series 2000 A Bonds are paid in full. The Issuer covenants and agrees not to use the Series 2000 A Bonds Reserve Account for the final payment of the Series 2000 A Bonds.

C. The Issuer instructs the Commission to transfer moneys in the Series 2012 A Bonds Reserve Account to the Series 2012 E Bonds Reserve Account when the Series 2012 A Bonds are paid in full. The Issuer covenants and agrees not to use the Series 2012 A Bonds Reserve Account for the final payment of the Series 2012 A Bonds.

D. The Issuer instructs the Commission to transfer moneys in the Series 2004 A Bonds Reserve Account to the Series 2012 E Bonds Reserve Account when the Series 2004 A Bonds are paid in full. The Issuer covenants and agrees not

to use the Series 2004 A Bonds Reserve Account for the final payment of the Series 2004 A Bonds.

E. The Issuer instructs the Commission to transfer moneys in the Series 2004 B Bonds Reserve Account to the Series 2012 E Bonds Reserve Account when the Series 2004 B Bonds are paid in full. The Issuer covenants and agrees not to use the Series 2004 B Bonds Reserve Account for the final payment of the Series 2004 B Bond.

Section 11. The balance of the proceeds of the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds shall be deposited in or credited to the Series 2012 Bonds Construction Trust Fund as received from the Authority and the Council from time to time for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 12. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Series 2012 B Bonds may be delivered on or about December 18, 2012 to the Purchaser pursuant to the Letter of Conditions, and the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds may be delivered on or about December 18, 2012 to the Authority pursuant to the Loan Agreement.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

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Adopted this 10th day of December, 2012.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

By: Steve Wamsley
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by HUTTONSVILLE PUBLIC SERVICE DISTRICT on this 10th day of December, 2012.

Dated: December 18, 2012.

[SEAL]

Secretary

437410.00001

IC-1
(08/11)

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"), acting on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the governmental agency designated below (the "Governmental Agency").

HUTTONSVILLE PUBLIC SERVICE DISTRICT
(2007W-963)

(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon request of the Council to make loans to governmental agencies for the acquisition or construction of projects by such governmental agencies, subject to such provisions and limitations as are contained in the Act;

WHEREAS, the Governmental Agency constitutes a governmental agency as defined by the Act;

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a project, as defined by the Act, and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

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

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an

Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and made all findings required by the Act and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with money in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's loan program (the "Program") as hereinafter set forth.

NOW, 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," "cost," "Council," "governmental agency," "project," "waste water facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.2 "Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds, acting in its administrative capacity pursuant to Section 10 of the Act and upon authorization from the Council.

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, "Consulting Engineers" shall mean the West Virginia Department of Environmental Protection, or any successor thereto.

1.4 "Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Section 9 of the Act.

1.5 "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.

1.6 "Local Act" means the official action of the Governmental Agency required by Section 4.1 hereof, authorizing the Local Bonds.

1.7 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority, all in accordance with the provisions of this Loan Agreement.

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

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

1.10 "Project" means the project hereinabove referred to, to be constructed or being constructed by the Governmental Agency in whole or in part with the net proceeds of the Local Bonds.

1.11 "System" means the project owned by the Governmental Agency, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

ARTICLE II

The Project and the System

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

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

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

2.4 The Governmental Agency agrees that the Authority and the Council and their 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 the Council and their duly authorized agents and representatives shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the pertinent provisions of the Act.

2.5 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 and the Council, acting by and through their directors or their duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

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

2.7 The 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 and shall verify or have verified such bonds prior to commencement of construction.

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers'

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

2.9 The Governmental Agency shall provide and maintain competent and adequate engineering services satisfactory to the Council and 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 engineer shall certify to the Authority, the Council 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.

2.10 The Governmental Agency shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of this Loan Agreement.

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

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

2.13 The Governmental Agency shall serve the additional customers at the location(s) as set forth in Schedule X. The Governmental Agency shall not reduce the amount of additional customers served by the project without the prior written approval of the WDA Board. Following completion of the Project the Governmental Agency shall certify to the Authority the number of customers added to the System.

2.14 The Governmental Agency shall perform an annual maintenance audit which maintenance audit shall be submitted to the WDA and the Public Service Commission of West Virginia.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

(a) The 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 delivery to the Authority of the Local Bonds described in this Article III and in Article IV hereof;

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

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

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

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, including compliance with Chapter 21, Article 1D of the Code of West Virginia, 1931, as amended, and the Authority and the Council shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

(g) The Governmental Agency shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and the Council shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority and the Council, to such effect;

(h) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and the Council shall have received a certificate of the accountant for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority and the Council, to such effect; and

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

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority, the Council or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Governmental Agency and the Governmental Agency shall accept the Loan 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 Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

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

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

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Council for loans from the Infrastructure Fund to finance projects and that the obligation of the Authority to make any such loan is subject to the Council's authorization and the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Infrastructure Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

ARTICLE IV

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

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues of the System, as more fully set forth in Schedule X attached hereto and in the Local Act;

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

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, 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 Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(v) 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 to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and the Council; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

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

(vii) That the Governmental Agency will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the 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 Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law;

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

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

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

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

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

(xiv) That the proceeds of the Local Bonds, advanced from time to time, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Governmental Agency and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem)

bond anticipation notes or other interim financing of such Governmental Agency, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and the Council, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Governmental Agency may not redeem any Local Bonds by it without the written consent of the Authority and the Council and otherwise in compliance with this Loan Agreement;

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

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

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

(xix) That the Governmental Agency shall take any and all action, or shall refrain from taking any action regarding the use of the proceeds of the Local Bonds, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the State's general obligation bonds or any bonds secured by the Local Bonds;

(xx) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction

of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

(xxii) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that term is defined in the Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

(xxiii) That the Governmental Agency shall submit all proposed change orders to the Council for written approval. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule B attached to the certificate of the Consulting Engineer. The Governmental Agency shall obtain the written approval of the Council before making any changes to the final Schedule B and also before expending any proceeds of the Local Bonds available due to bid/construction/project underruns;

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state

wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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, validity, 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 B.

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to such reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority and the Council.

4.3 The principal of the Loan shall be repaid by the Governmental Agency on the days and in the years provided in Schedule X hereto. Interest payments on the Loan shall be made by the Governmental Agency on a quarterly basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date and at the rate or rates per annum set forth on Schedule X hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

4.6 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the bonds which are the source of money used to purchase the Local Bonds, unless otherwise agreed to by the Council.

ARTICLE V

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

5.1 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 Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

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

5.3 In the event the Governmental Agency defaults in the payment due to the Authority pursuant to this Loan Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The 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 the Act and State law, including, without limitation, the right to an appointment of a receiver.

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

6.3 Notwithstanding Section 6.2, the Authority may at any time, in its sole discretion, cause the rebate calculations prepared by or on behalf of the Governmental Agency to be monitored or cause the rebate calculations for the Governmental Agency to be prepared, in either case at the expense of the Governmental Agency.

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

6.5 The Governmental Agency hereby agrees to file with the Authority and the Council upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule B to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

7.1 Additional definitions, additional terms and provisions of the Loan and additional covenants and agreements of the Governmental Agency, if any, may be set forth in Schedule Z attached hereto and incorporated herein by reference, with the same effect as if contained in the text of this Loan Agreement.

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

7.3 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement.

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

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

7.6 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.

7.7 This Loan Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.8 The Authority acknowledges that certain terms and requirements in this Loan Agreement may not be applicable when the Project is financed in part by the West Virginia Department of Environmental Protection, Office of Abandoned Mine

Lands and under that circumstance those terms and requirements are specifically waived or modified as agreed to by the Authority and set forth in the Local Act.

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

7.10 This Loan Agreement shall terminate upon the earlier of:

(i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

(ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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 Authority.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Its: Chairman
Date: December 18, 2012

Attest:

_____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: December 18, 2012

Attest:

_____
Its: Authorized Officer

{C2487516.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____

(Issuer)

_____

(Name of Bonds)

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

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meanings set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated _____.

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

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

hereto as Exhibit A and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) all contractors to be awarded contracts for the construction of the Project have submitted affidavits indicating such contractor has a drug free workplace plan pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931, as amended; (vi) the bid documents relating to the Project reflect the Project as approved by the [DEP/BPH/PSC] and the bid forms provided to the bidders contain all critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (x) as of the effective date thereof, [2]the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in the Schedule B attached hereto and approved by the Council; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

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

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

[SEAL]

_____

By: _____
West Virginia License No. _____

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

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
1009 Bullitt Street
Charleston, WV 25301

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

Ladies and Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a _____.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated _____, _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated _____, _____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal and interest to the Authority, with interest and principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning , 1, _____, and ending _____, 1, _____, as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the Governmental Agency on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the

conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

The Governmental Agency must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:		
Interest	$	
Principal	$	
Total:		$
Reserve Account:		$

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

A. Series 2012 C Bonds

Principal Amount of Local Bonds	$1,085,000
Purchase Price of Local Bonds	$1,085,000

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

The Governmental Agency shall authorize the Commission to electronically debit its monthly payments. The Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority.

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

The Governmental Agency may prepay the Local Bonds in full at any time at the price of par but only with the Council's written consent. The Governmental Agency shall request approval from the Authority and Council in writing of any proposed debt which will be issued by the Governmental Agency on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Governmental Agency:

(i) Huttonsville Public Service District Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000;

(ii) Huttonsville Public Service District Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000;

(iii) Huttonsville Public Service District Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000;

(iv) Huttonsville Public Service District Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25,

2004, issued in the original aggregate principal amount of $400,000; and

(v) Huttonsville Public Service District Waterworks Design Revenue Bonds (West Virginia DWTRF Program), dated August 7, 2012, issued in the original aggregate principal amount of $244,500.

Number of New Users: 53
Location: South Randolph County area

B. Series 2012 D Bonds

Principal Amount of Local Bonds	$1,100,000
Purchase Price of Local Bonds	$1,100,000

The Local Bonds shall bear interest at a rate of 1% per annum. Commencing December 1, 2014, principal and interest on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Governmental Agency shall authorize the Commission to electronically debit its monthly payments. The Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority.

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

The Governmental Agency may prepay the Local Bonds in full at any time at the price of par but only with the Council's written consent. The Governmental Agency shall request approval from the Authority and Council in writing of any proposed debt which will be issued by the Governmental Agency on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

C. Series 2012 D Bonds

Principal Amount of Local Bonds	$1,700,000
Purchase Price of Local Bonds	$1,700,000

The Local Bonds shall bear no interest. Commencing June 1, 2016, principal on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Governmental Agency shall authorize the Commission to electronically debit its monthly payments. The Commission will make quarterly

payments to the Authority at such address as is given to the Commission in writing by the Authority.

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

The Governmental Agency may prepay the Local Bonds in full at any time at the price of par but only with the Council's written consent. The Governmental Agency shall request approval from the Authority and Council in writing of any proposed debt which will be issued by the Governmental Agency on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

SCHEDULE Y
DEBT SERVICE SCHEDULE

Bond Debt Service
Huttonsville PSD
IF
$1,085,000
0% Interest Rate
40 Years from Closing Date
Dated Date 12/18/2012
Delivery Date 12/18/2012

Period Ending	Principal	Interest	Debt Service
12/1/2014	7,092		7,092
3/1/2015	7,092		7,092
6/1/2015	7,092		7,092
9/1/2015	7,092		7,092
12/1/2015	7,092		7,092
3/1/2016	7,092		7,092
6/1/2016	7,092		7,092
9/1/2016	7,092		7,092
12/1/2016	7,092		7,092
3/1/2017	7,092		7,092
6/1/2017	7,092		7,092
9/1/2017	7,092		7,092
12/1/2017	7,092		7,092
3/1/2018	7,092		7,092
6/1/2018	7,092		7,092
9/1/2018	7,092		7,092
12/1/2018	7,092		7,092
3/1/2019	7,092		7,092
6/1/2019	7,092		7,092
9/1/2019	7,092		7,092
12/1/2019	7,092		7,092
3/1/2020	7,092		7,092
6/1/2020	7,092		7,092
9/1/2020	7,092		7,092
12/1/2020	7,092		7,092
3/1/2021	7,092		7,092
6/1/2021	7,092		7,092
9/1/2021	7,092		7,092
12/1/2021	7,092		7,092
3/1/2022	7,092		7,092
6/1/2022	7,092		7,092
9/1/2022	7,092		7,092
12/1/2022	7,092		7,092
3/1/2023	7,092		7,092
6/1/2023	7,092		7,092
9/1/2023	7,092		7,092
12/1/2023	7,092		7,092
3/1/2024	7,092		7,092
6/1/2024	7,092		7,092
9/1/2024	7,092		7,092
12/1/2024	7,092		7,092
3/1/2025	7,092		7,092
6/1/2025	7,092		7,092

Bond Debt Service

Huttonsville PSD

IF

$1,085,000

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
9/1/2025	7,092		7,092
12/1/2025	7,092		7,092
3/1/2026	7,092		7,092
6/1/2026	7,092		7,092
9/1/2026	7,092		7,092
12/1/2026	7,092		7,092
3/1/2027	7,092		7,092
6/1/2027	7,092		7,092
9/1/2027	7,092		7,092
12/1/2027	7,092		7,092
3/1/2028	7,092		7,092
6/1/2028	7,092		7,092
9/1/2028	7,092		7,092
12/1/2028	7,092		7,092
3/1/2029	7,092		7,092
6/1/2029	7,092		7,092
9/1/2029	7,092		7,092
12/1/2029	7,092		7,092
3/1/2030	7,092		7,092
6/1/2030	7,092		7,092
9/1/2030	7,092		7,092
12/1/2030	7,092		7,092
3/1/2031	7,092		7,092
6/1/2031	7,092		7,092
9/1/2031	7,092		7,092
12/1/2031	7,092		7,092
3/1/2032	7,092		7,092
6/1/2032	7,092		7,092
9/1/2032	7,092		7,092
12/1/2032	7,092		7,092
3/1/2033	7,092		7,092
6/1/2033	7,092		7,092
9/1/2033	7,092		7,092
12/1/2033	7,091		7,091
3/1/2034	7,091		7,091
6/1/2034	7,091		7,091
9/1/2034	7,091		7,091
12/1/2034	7,091		7,091
3/1/2035	7,091		7,091
6/1/2035	7,091		7,091
9/1/2035	7,091		7,091
12/1/2035	7,091		7,091
3/1/2036	7,091		7,091
6/1/2036	7,091		7,091
9/1/2036	7,091		7,091
12/1/2036	7,091		7,091
3/1/2037	7,091		7,091

Bond Debt Service

Huttonsville PSD

IF

$1,085,000

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
6/1/2037	7,091		7,091
9/1/2037	7,091		7,091
12/1/2037	7,091		7,091
3/1/2038	7,091		7,091
6/1/2038	7,091		7,091
9/1/2038	7,091		7,091
12/1/2038	7,091		7,091
3/1/2039	7,091		7,091
6/1/2039	7,091		7,091
9/1/2039	7,091		7,091
12/1/2039	7,091		7,091
3/1/2040	7,091		7,091
6/1/2040	7,091		7,091
9/1/2040	7,091		7,091
12/1/2040	7,091		7,091
3/1/2041	7,091		7,091
6/1/2041	7,091		7,091
9/1/2041	7,091		7,091
12/1/2041	7,091		7,091
3/1/2042	7,091		7,091
6/1/2042	7,091		7,091
9/1/2042	7,091		7,091
12/1/2042	7,091		7,091
3/1/2043	7,091		7,091
6/1/2043	7,091		7,091
9/1/2043	7,091		7,091
12/1/2043	7,091		7,091
3/1/2044	7,091		7,091
6/1/2044	7,091		7,091
9/1/2044	7,091		7,091
12/1/2044	7,091		7,091
3/1/2045	7,091		7,091
6/1/2045	7,091		7,091
9/1/2045	7,091		7,091
12/1/2045	7,091		7,091
3/1/2046	7,091		7,091
6/1/2046	7,091		7,091
9/1/2046	7,091		7,091
12/1/2046	7,091		7,091
3/1/2047	7,091		7,091
6/1/2047	7,091		7,091
9/1/2047	7,091		7,091
12/1/2047	7,091		7,091
3/1/2048	7,091		7,091
6/1/2048	7,091		7,091
9/1/2048	7,091		7,091
12/1/2048	7,091		7,091

Bond Debt Service

Huttonsville PSD

IF

$1,085,000

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
3/1/2049	7,091		7,091
6/1/2049	7,091		7,091
9/1/2049	7,091		7,091
12/1/2049	7,091		7,091
3/1/2050	7,091		7,091
6/1/2050	7,091		7,091
9/1/2050	7,091		7,091
12/1/2050	7,091		7,091
3/1/2051	7,091		7,091
6/1/2051	7,091		7,091
9/1/2051	7,091		7,091
12/1/2051	7,091		7,091
3/1/2052	7,091		7,091
6/1/2052	7,091		7,091
9/1/2052	7,091		7,091
12/1/2052	7,092		7,092
	1,085,000		1,085,000

Bond Debt Service

Huttonsville PSD

IF

$1,100,000

1.0% ~~0%~~ Interest Rate

~~1% Administrative Fee~~

40 Years from Closing Date

Dated Date 12/18/2012

Delivery Date 12/18/2012

Period Ending	Principal	Coupon	Interest	Debt Service
12/1/2014	5,911	1.000%	2,750.00	8,661.00
3/1/2015	5,926	1.000%	2,735.22	8,661.22
6/1/2015	5,940	1.000%	2,720.41	8,660.41
9/1/2015	5,955	1.000%	2,705.56	8,660.56
12/1/2015	5,970	1.000%	2,690.67	8,660.67
3/1/2016	5,985	1.000%	2,675.75	8,660.75
6/1/2016	6,000	1.000%	2,660.78	8,660.78
9/1/2016	6,015	1.000%	2,645.78	8,660.78
12/1/2016	6,030	1.000%	2,630.75	8,660.75
3/1/2017	6,045	1.000%	2,615.67	8,660.67
6/1/2017	6,060	1.000%	2,600.56	8,660.56
9/1/2017	6,075	1.000%	2,585.41	8,660.41
12/1/2017	6,091	1.000%	2,570.22	8,661.22
3/1/2018	6,106	1.000%	2,554.99	8,660.99
6/1/2018	6,121	1.000%	2,539.73	8,660.73
9/1/2018	6,136	1.000%	2,524.43	8,660.43
12/1/2018	6,152	1.000%	2,509.09	8,661.09
3/1/2019	6,167	1.000%	2,493.71	8,660.71
6/1/2019	6,183	1.000%	2,478.29	8,661.29
9/1/2019	6,198	1.000%	2,462.83	8,660.83
12/1/2019	6,214	1.000%	2,447.34	8,661.34
3/1/2020	6,229	1.000%	2,431.80	8,660.80
6/1/2020	6,245	1.000%	2,416.23	8,661.23
9/1/2020	6,260	1.000%	2,400.62	8,660.62
12/1/2020	6,276	1.000%	2,384.97	8,660.97
3/1/2021	6,292	1.000%	2,369.28	8,661.28
6/1/2021	6,307	1.000%	2,353.55	8,660.55
9/1/2021	6,323	1.000%	2,337.78	8,660.78
12/1/2021	6,339	1.000%	2,321.97	8,660.97
3/1/2022	6,355	1.000%	2,306.12	8,661.12
6/1/2022	6,371	1.000%	2,290.24	8,661.24
9/1/2022	6,387	1.000%	2,274.31	8,661.31
12/1/2022	6,403	1.000%	2,258.34	8,661.34
3/1/2023	6,419	1.000%	2,242.33	8,661.33
6/1/2023	6,435	1.000%	2,226.29	8,661.29
9/1/2023	6,451	1.000%	2,210.20	8,661.20
12/1/2023	6,467	1.000%	2,194.07	8,661.07
3/1/2024	6,483	1.000%	2,177.90	8,660.90
6/1/2024	6,499	1.000%	2,161.70	8,660.70
9/1/2024	6,515	1.000%	2,145.45	8,660.45
12/1/2024	6,532	1.000%	2,129.16	8,661.16
3/1/2025	6,548	1.000%	2,112.83	8,660.83

Bond Debt Service

Huttonsville PSD

IF

$1,100,000

1.5% ~~0%~~ Interest Rate

~~1% Administrative Fee~~

40 Years from Closing Date

Period Ending	Principal	Coupon	Interest	Debt Service
6/1/2025	6,564	1.000%	2,096.46	8,660.46
9/1/2025	6,581	1.000%	2,080.05	8,661.05
12/1/2025	6,597	1.000%	2,063.60	8,660.60
3/1/2026	6,614	1.000%	2,047.11	8,661.11
6/1/2026	6,630	1.000%	2,030.57	8,660.57
9/1/2026	6,647	1.000%	2,014.00	8,661.00
12/1/2026	6,663	1.000%	1,997.38	8,660.38
3/1/2027	6,680	1.000%	1,980.72	8,660.72
6/1/2027	6,697	1.000%	1,964.02	8,661.02
9/1/2027	6,714	1.000%	1,947.28	8,661.28
12/1/2027	6,730	1.000%	1,930.49	8,660.49
3/1/2028	6,747	1.000%	1,913.67	8,660.67
6/1/2028	6,764	1.000%	1,896.80	8,660.80
9/1/2028	6,781	1.000%	1,879.89	8,660.89
12/1/2028	6,798	1.000%	1,862.94	8,660.94
3/1/2029	6,815	1.000%	1,845.94	8,660.94
6/1/2029	6,832	1.000%	1,828.91	8,660.91
9/1/2029	6,849	1.000%	1,811.83	8,660.83
12/1/2029	6,866	1.000%	1,794.70	8,660.70
3/1/2030	6,883	1.000%	1,777.54	8,660.54
6/1/2030	6,901	1.000%	1,760.33	8,661.33
9/1/2030	6,918	1.000%	1,743.08	8,661.08
12/1/2030	6,935	1.000%	1,725.78	8,660.78
3/1/2031	6,952	1.000%	1,708.45	8,660.45
6/1/2031	6,970	1.000%	1,691.07	8,661.07
9/1/2031	6,987	1.000%	1,673.64	8,660.64
12/1/2031	7,005	1.000%	1,656.17	8,661.17
3/1/2032	7,022	1.000%	1,638.66	8,660.66
6/1/2032	7,040	1.000%	1,621.11	8,661.11
9/1/2032	7,057	1.000%	1,603.51	8,660.51
12/1/2032	7,075	1.000%	1,585.86	8,660.86
3/1/2033	7,093	1.000%	1,568.18	8,661.18
6/1/2033	7,110	1.000%	1,550.44	8,660.44
9/1/2033	7,128	1.000%	1,532.67	8,660.67
12/1/2033	7,146	1.000%	1,514.85	8,660.85
3/1/2034	7,164	1.000%	1,496.98	8,660.98
6/1/2034	7,182	1.000%	1,479.07	8,661.07
9/1/2034	7,200	1.000%	1,461.12	8,661.12
12/1/2034	7,218	1.000%	1,443.12	8,661.12
3/1/2035	7,236	1.000%	1,425.07	8,661.07
6/1/2035	7,254	1.000%	1,406.98	8,660.98
9/1/2035	7,272	1.000%	1,388.85	8,660.85
12/1/2035	7,290	1.000%	1,370.67	8,660.67
3/1/2036	7,308	1.000%	1,352.44	8,660.44
6/1/2036	7,327	1.000%	1,334.17	8,661.17
9/1/2036	7,345	1.000%	1,315.86	8,660.86

Bond Debt Service

Huttonsville PSD

IF

$1,100,000

1.0% ~~0%~~ Interest Rate

~~1% Administrative Fee~~

40 Years from Closing Date

Period Ending	Principal	Coupon	Interest	Debt Service
12/1/2036	7,363	1.000%	1,297.49	8,660.49
3/1/2037	7,382	1.000%	1,279.09	8,661.09
6/1/2037	7,400	1.000%	1,260.63	8,660.63
9/1/2037	7,419	1.000%	1,242.13	8,661.13
12/1/2037	7,437	1.000%	1,223.58	8,660.58
3/1/2038	7,456	1.000%	1,204.99	8,660.99
6/1/2038	7,475	1.000%	1,186.35	8,661.35
9/1/2038	7,493	1.000%	1,167.66	8,660.66
12/1/2038	7,512	1.000%	1,148.93	8,660.93
3/1/2039	7,531	1.000%	1,130.15	8,661.15
6/1/2039	7,550	1.000%	1,111.32	8,661.32
9/1/2039	7,568	1.000%	1,092.45	8,660.45
12/1/2039	7,587	1.000%	1,073.53	8,660.53
3/1/2040	7,606	1.000%	1,054.56	8,660.56
6/1/2040	7,625	1.000%	1,035.55	8,660.55
9/1/2040	7,644	1.000%	1,016.48	8,660.48
12/1/2040	7,663	1.000%	997.37	8,660.37
3/1/2041	7,683	1.000%	978.22	8,661.22
6/1/2041	7,702	1.000%	959.01	8,661.01
9/1/2041	7,721	1.000%	939.75	8,660.75
12/1/2041	7,740	1.000%	920.45	8,660.45
3/1/2042	7,760	1.000%	901.10	8,661.10
6/1/2042	7,779	1.000%	881.70	8,660.70
9/1/2042	7,799	1.000%	862.25	8,661.25
12/1/2042	7,818	1.000%	842.76	8,660.76
3/1/2043	7,838	1.000%	823.21	8,661.21
6/1/2043	7,857	1.000%	803.62	8,660.62
9/1/2043	7,877	1.000%	783.97	8,660.97
12/1/2043	7,897	1.000%	764.28	8,661.28
3/1/2044	7,916	1.000%	744.54	8,660.54
6/1/2044	7,936	1.000%	724.75	8,660.75
9/1/2044	7,956	1.000%	704.91	8,660.91
12/1/2044	7,976	1.000%	685.02	8,661.02
3/1/2045	7,996	1.000%	665.08	8,661.08
6/1/2045	8,016	1.000%	645.09	8,661.09
9/1/2045	8,036	1.000%	625.05	8,661.05
12/1/2045	8,056	1.000%	604.96	8,660.96
3/1/2046	8,076	1.000%	584.82	8,660.82
6/1/2046	8,096	1.000%	564.63	8,660.63
9/1/2046	8,116	1.000%	544.39	8,660.39
12/1/2046	8,137	1.000%	524.10	8,661.10
3/1/2047	8,157	1.000%	503.76	8,660.76
6/1/2047	8,178	1.000%	483.36	8,661.36
9/1/2047	8,198	1.000%	462.92	8,660.92
12/1/2047	8,218	1.000%	442.42	8,660.42
3/1/2048	8,239	1.000%	421.88	8,660.88

Bond Debt Service

Huttonsville PSD

IF

$1,100,000

1.0% ~~0%~~ Interest Rate

~~1% Administrative Fee~~

40 Years from Closing Date

Period Ending	Principal	Coupon	Interest	Debt Service
6/1/2048	8,260	1.000%	401.28	8,661.28
9/1/2048	8,280	1.000%	380.63	8,660.63
12/1/2048	8,301	1.000%	359.93	8,660.93
3/1/2049	8,322	1.000%	339.18	8,661.18
6/1/2049	8,342	1.000%	318.37	8,660.37
9/1/2049	8,363	1.000%	297.52	8,660.52
12/1/2049	8,384	1.000%	276.61	8,660.61
3/1/2050	8,405	1.000%	255.65	8,660.65
6/1/2050	8,426	1.000%	234.64	8,660.64
9/1/2050	8,447	1.000%	213.57	8,660.57
12/1/2050	8,468	1.000%	192.46	8,660.46
3/1/2051	8,490	1.000%	171.29	8,661.29
6/1/2051	8,511	1.000%	150.06	8,661.06
9/1/2051	8,532	1.000%	128.78	8,660.78
12/1/2051	8,553	1.000%	107.45	8,660.45
3/1/2052	8,575	1.000%	86.07	8,661.07
6/1/2052	8,596	1.000%	64.63	8,660.63
9/1/2052	8,618	1.000%	43.14	8,661.14
12/1/2052	8,639	1.000%	21.60	8,660.60
	1,100,000		225,111.48	1,325,111.48

Bond Debt Service

Huttonsville PSD

IF

$1,700,000

0% Interest Rate

40 Years from Closing Date

Dated Date 12/18/2012

Delivery Date 12/18/2012

Period Ending	Principal	Interest	Debt Service
6/1/2016	2,013.47		2,013.47
9/1/2016	2,013.47		2,013.47
12/1/2016	2,179.76		2,179.76
3/1/2017	2,179.76		2,179.76
6/1/2017	2,179.76		2,179.76
9/1/2017	2,179.76		2,179.76
12/1/2017	2,179.76		2,179.76
3/1/2018	2,179.76		2,179.76
6/1/2018	2,179.76		2,179.76
9/1/2018	2,179.76		2,179.76
12/1/2018	2,179.76		2,179.76
3/1/2019	2,179.76		2,179.76
6/1/2019	2,179.76		2,179.76
9/1/2019	2,179.76		2,179.76
12/1/2019	2,179.76		2,179.76
3/1/2020	2,179.76		2,179.76
6/1/2020	2,179.76		2,179.76
9/1/2020	2,179.76		2,179.76
12/1/2020	2,179.76		2,179.76
3/1/2021	2,179.76		2,179.76
6/1/2021	2,179.76		2,179.76
9/1/2021	2,179.76		2,179.76
12/1/2021	2,179.76		2,179.76
3/1/2022	2,179.76		2,179.76
6/1/2022	2,179.76		2,179.76
9/1/2022	2,179.76		2,179.76
12/1/2022	2,332.61		2,332.61
3/1/2023	2,332.61		2,332.61
6/1/2023	2,332.61		2,332.61
9/1/2023	2,332.61		2,332.61
12/1/2023	2,383.56		2,383.56
3/1/2024	2,383.56		2,383.56
6/1/2024	2,383.56		2,383.56
9/1/2024	2,383.56		2,383.56
12/1/2024	10,112.91		10,112.91
3/1/2025	10,112.91		10,112.91
6/1/2025	10,112.91		10,112.91
9/1/2025	10,112.91		10,112.91
12/1/2025	10,112.91		10,112.91
3/1/2026	10,112.91		10,112.91
6/1/2026	10,112.91		10,112.91
9/1/2026	10,112.91		10,112.91
12/1/2026	10,112.91		10,112.91

Bond Debt Service

Huttonsville PSD

IF

$1,700,000

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
3/1/2027	10,112.91		10,112.91
6/1/2027	10,112.91		10,112.91
9/1/2027	10,112.91		10,112.91
12/1/2027	10,112.91		10,112.91
3/1/2028	10,112.91		10,112.91
6/1/2028	10,112.91		10,112.91
9/1/2028	10,112.91		10,112.91
12/1/2028	10,112.91		10,112.91
3/1/2029	10,112.91		10,112.91
6/1/2029	10,112.91		10,112.91
9/1/2029	10,112.91		10,112.91
12/1/2029	10,112.91		10,112.91
3/1/2030	10,112.91		10,112.91
6/1/2030	10,112.91		10,112.91
9/1/2030	10,112.91		10,112.91
12/1/2030	10,112.91		10,112.91
3/1/2031	10,112.91		10,112.91
6/1/2031	10,112.91		10,112.91
9/1/2031	10,112.91		10,112.91
12/1/2031	10,112.91		10,112.91
3/1/2032	10,112.91		10,112.91
6/1/2032	10,112.91		10,112.91
9/1/2032	10,112.91		10,112.91
12/1/2032	10,112.91		10,112.91
3/1/2033	10,112.91		10,112.91
6/1/2033	10,112.91		10,112.91
9/1/2033	10,112.91		10,112.91
12/1/2033	10,112.91		10,112.91
3/1/2034	10,112.91		10,112.91
6/1/2034	10,112.91		10,112.91
9/1/2034	10,112.91		10,112.91
12/1/2034	10,112.91		10,112.91
3/1/2035	10,112.91		10,112.91
6/1/2035	10,112.91		10,112.91
9/1/2035	10,112.91		10,112.91
12/1/2035	10,112.91		10,112.91
3/1/2036	10,112.91		10,112.91
6/1/2036	10,112.91		10,112.91
9/1/2036	10,112.91		10,112.91
12/1/2036	23,883.91		23,883.91
3/1/2037	23,883.91		23,883.91
6/1/2037	23,883.91		23,883.91
9/1/2037	23,883.91		23,883.91
12/1/2037	23,883.91		23,883.91
3/1/2038	23,883.91		23,883.91
6/1/2038	23,883.91		23,883.91
9/1/2038	23,883.91		23,883.91

Bond Debt Service

Huttonsville PSD

IF

$1,700,000

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
12/1/2038	23,883.91		23,883.91
3/1/2039	23,883.91		23,883.91
6/1/2039	23,883.91		23,883.91
9/1/2039	23,883.91		23,883.91
12/1/2039	23,883.91		23,883.91
3/1/2040	23,883.91		23,883.91
6/1/2040	23,883.91		23,883.91
9/1/2040	23,883.91		23,883.91
12/1/2040	33,951.91		33,951.91
3/1/2041	33,951.91		33,951.91
6/1/2041	33,951.91		33,951.91
9/1/2041	33,951.91		33,951.91
12/1/2041	33,951.91		33,951.91
3/1/2042	33,951.91		33,951.91
6/1/2042	33,951.91		33,951.91
9/1/2042	33,951.91		33,951.91
12/1/2042	35,479.66		35,479.66
3/1/2043	35,479.66		35,479.66
6/1/2043	35,479.66		35,479.66
9/1/2043	35,479.66		35,479.66
12/1/2043	39,100.02		39,100.02
3/1/2044	39,100.02		39,100.02
6/1/2044	39,100.02		39,100.02
9/1/2044	39,100.02		39,100.02
12/1/2044	46,824.48		46,824.48
3/1/2045	46,824.48		46,824.48
6/1/2045	46,824.48		46,824.48
9/1/2045	46,824.46		46,824.46
	1,700,000.00		1,700,000.00

SCHEDULE Z

(None)

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$4,975,000

No. BR-1

Date: December 18, 2012

FOR VALUE RECEIVED, HUTTONSVILLE PUBLIC SERVICE DISTRICT (the "Borrower") promises to pay to the order of the UNITED STATES OF AMERICA (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of FOUR MILLION NINE HUNDRED SEVENTY FIVE THOUSAND DOLLARS ($4,975,000), plus interest on the unpaid principal balance at the rate of 3.5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing January 18, 2013 and continuing on the corresponding day of each month for the first 24 months after the date hereof, and monthly installments of $19,751, covering principal and interest, beginning January 18, 2015, to and including December 18, 2052 (40 years from the date of this Bond) in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system (the "System") of the Borrower, and (ii) paying costs of issuance, payable solely from the net revenues to be derived from the operation of the System in the manner provided in the hereinafter defined Resolution. This Bond does not in any manner constitute an indebtedness of Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the Registered Owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolutions and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted on December 10, 2012, and a

Supplemental Resolution of the Borrower duly adopted on December 10, 2012, authorizing issuance of this Bond (collectively, the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmer and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE BORROWER'S (I) WATER REVENUE BONDS, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (II) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); (III) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $952,000 (THE "SERIES 2004 A BONDS"); (IV) WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 2004 B BONDS"); (V) WATERWORKS DESIGN REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 7, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $244,500 (THE "SERIES 2012 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS"); AND (VI) WATER REVENUE BONDS, SERIES 2012 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,085,000 (THE "SERIES 2012 C BONDS"), (VII)WATER REVENUE BONDS, SERIES 2012 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2012 D BONDS"), AND (VIII) WATER REVENUE BONDS, SERIES 2012 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,700,000 (THE "SERIES 2012 E BONDS").

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

Chairman, Public Service Board
Post Office Box 490
Huttonsville, West Virginia 25669

ATTEST:

Secretary, Public Service Board

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$501,800	12/18/2012	(19)		
(2)			(20)		
(3)			(21)		
(4)			(22)		
(5)			(23)		
(6)			(24)		
(7)			(25)		
(8)			(26)		
(9)			(27)		
(10)			(28)		
(11)			(29)		
(12)			(30)		
(13)			(31)		
(14)			(32)		
(15)			(33)		
(16)			(34)		
(17)			(35)		
(18)			(36)		

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 C
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. CR-1

$1,085,000

KNOW ALL MEN BY THESE PRESENTS: That on the 18th day of December, 2012, HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district and public corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum ONE MILLION EIGHTY FIVE THOUSAND DOLLARS ($1,085,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2014 to and including December 1, 2052, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated December 18, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further additions, betterments, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on December 10, 2012, and a Supplemental Resolution duly adopted by the Issuer on December 10, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled

to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S: (I) WATER REVENUE BONDS, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (II) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); (III) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $952,000 (THE "SERIES 2004 A BONDS"); (IV) WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 2004 B BONDS"); (V) WATERWORKS DESIGN REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 7, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $244,500 (THE "SERIES 2012 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS"); AND (VI) WATER REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED DECEMBER 18, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,975,000 (THE "SERIES 2012 B BONDS"), (VII) WATER REVENUE BONDS, SERIES 2012 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2012 D BONDS"); AND (VIII) WATER REVENUE BONDS, SERIES 2012 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,700,000 (THE "SERIES 2012 E BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 2012 B Bonds, Series 2012 D Bonds, Series 2012 E Bonds and the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2012 C Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2012 C Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable

from such revenues on a parity with the Bonds, including the Series 2012 B Bonds, Series 2012 D Bonds, Series 2012 E Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2012 C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2012 B Bonds, and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman, and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the date first written above.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

[SEAL]

Chairman

ATTEST:

SPECIMEN

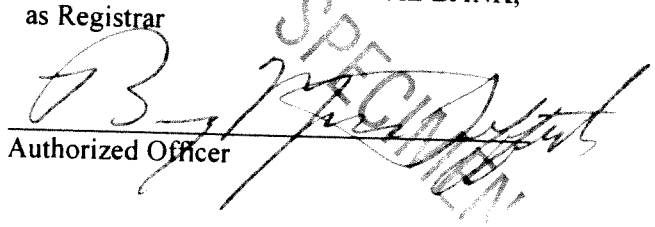
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 C Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: December 18, 2012

THE HUNTINGTON NATIONAL BANK,
as Registrar



Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $70,000	12/18/2012	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Bond Debt Service

Huttonsville PSD

IF

$1,085,000

0% Interest Rate

40 Years from Closing Date

Dated Date 12/18/2012

Delivery Date 12/18/2012

Period Ending	Principal	Interest	Debt Service
12/1/2014	7,092		7,092
3/1/2015	7,092		7,092
6/1/2015	7,092		7,092
9/1/2015	7,092		7,092
12/1/2015	7,092		7,092
3/1/2016	7,092		7,092
6/1/2016	7,092		7,092
9/1/2016	7,092		7,092
12/1/2016	7,092		7,092
3/1/2017	7,092		7,092
6/1/2017	7,092		7,092
9/1/2017	7,092		7,092
12/1/2017	7,092		7,092
3/1/2018	7,092		7,092
6/1/2018	7,092		7,092
9/1/2018	7,092		7,092
12/1/2018	7,092		7,092
3/1/2019	7,092		7,092
6/1/2019	7,092		7,092
9/1/2019	7,092		7,092
12/1/2019	7,092		7,092
3/1/2020	7,092		7,092
6/1/2020	7,092		7,092
9/1/2020	7,092		7,092
12/1/2020	7,092		7,092
3/1/2021	7,092		7,092
6/1/2021	7,092		7,092
9/1/2021	7,092		7,092
12/1/2021	7,092		7,092
3/1/2022	7,092		7,092
6/1/2022	7,092		7,092
9/1/2022	7,092		7,092
12/1/2022	7,092		7,092
3/1/2023	7,092		7,092
6/1/2023	7,092		7,092
9/1/2023	7,092		7,092
12/1/2023	7,092		7,092
3/1/2024	7,092		7,092
6/1/2024	7,092		7,092
9/1/2024	7,092		7,092
12/1/2024	7,092		7,092
3/1/2025	7,092		7,092
6/1/2025	7,092		7,092

Bond Debt Service

Huttonsville PSD

IF

$1,085,000

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
9/1/2025	7,092		7,092
12/1/2025	7,092		7,092
3/1/2026	7,092		7,092
6/1/2026	7,092		7,092
9/1/2026	7,092		7,092
12/1/2026	7,092		7,092
3/1/2027	7,092		7,092
6/1/2027	7,092		7,092
9/1/2027	7,092		7,092
12/1/2027	7,092		7,092
3/1/2028	7,092		7,092
6/1/2028	7,092		7,092
9/1/2028	7,092		7,092
12/1/2028	7,092		7,092
3/1/2029	7,092		7,092
6/1/2029	7,092		7,092
9/1/2029	7,092		7,092
12/1/2029	7,092		7,092
3/1/2030	7,092		7,092
6/1/2030	7,092		7,092
9/1/2030	7,092		7,092
12/1/2030	7,092		7,092
3/1/2031	7,092		7,092
6/1/2031	7,092		7,092
9/1/2031	7,092		7,092
12/1/2031	7,092		7,092
3/1/2032	7,092		7,092
6/1/2032	7,092		7,092
9/1/2032	7,092		7,092
12/1/2032	7,092		7,092
3/1/2033	7,092		7,092
6/1/2033	7,092		7,092
9/1/2033	7,092		7,092
12/1/2033	7,091		7,091
3/1/2034	7,091		7,091
6/1/2034	7,091		7,091
9/1/2034	7,091		7,091
12/1/2034	7,091		7,091
3/1/2035	7,091		7,091
6/1/2035	7,091		7,091
9/1/2035	7,091		7,091
12/1/2035	7,091		7,091
3/1/2036	7,091		7,091
6/1/2036	7,091		7,091
9/1/2036	7,091		7,091
12/1/2036	7,091		7,091
3/1/2037	7,091		7,091

Bond Debt Service

Huttonsville PSD

IF

$1,085,000

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
6/1/2037	7,091		7,091
9/1/2037	7,091		7,091
12/1/2037	7,091		7,091
3/1/2038	7,091		7,091
6/1/2038	7,091		7,091
9/1/2038	7,091		7,091
12/1/2038	7,091		7,091
3/1/2039	7,091		7,091
6/1/2039	7,091		7,091
9/1/2039	7,091		7,091
12/1/2039	7,091		7,091
3/1/2040	7,091		7,091
6/1/2040	7,091		7,091
9/1/2040	7,091		7,091
12/1/2040	7,091		7,091
3/1/2041	7,091		7,091
6/1/2041	7,091		7,091
9/1/2041	7,091		7,091
12/1/2041	7,091		7,091
3/1/2042	7,091		7,091
6/1/2042	7,091		7,091
9/1/2042	7,091		7,091
12/1/2042	7,091		7,091
3/1/2043	7,091		7,091
6/1/2043	7,091		7,091
9/1/2043	7,091		7,091
12/1/2043	7,091		7,091
3/1/2044	7,091		7,091
6/1/2044	7,091		7,091
9/1/2044	7,091		7,091
12/1/2044	7,091		7,091
3/1/2045	7,091		7,091
6/1/2045	7,091		7,091
9/1/2045	7,091		7,091
12/1/2045	7,091		7,091
3/1/2046	7,091		7,091
6/1/2046	7,091		7,091
9/1/2046	7,091		7,091
12/1/2046	7,091		7,091
3/1/2047	7,091		7,091
6/1/2047	7,091		7,091
9/1/2047	7,091		7,091
12/1/2047	7,091		7,091
3/1/2048	7,091		7,091
6/1/2048	7,091		7,091
9/1/2048	7,091		7,091
12/1/2048	7,091		7,091

Bond Debt Service

Huttonsville PSD

IF

$1,085,000

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
3/1/2049	7,091		7,091
6/1/2049	7,091		7,091
9/1/2049	7,091		7,091
12/1/2049	7,091		7,091
3/1/2050	7,091		7,091
6/1/2050	7,091		7,091
9/1/2050	7,091		7,091
12/1/2050	7,091		7,091
3/1/2051	7,091		7,091
6/1/2051	7,091		7,091
9/1/2051	7,091		7,091
12/1/2051	7,091		7,091
3/1/2052	7,091		7,091
6/1/2052	7,091		7,091
9/1/2052	7,091		7,091
12/1/2052	7,092		7,092
	1,085,000		1,085,000

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 D
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. DR-1

$1,100,000

KNOW ALL MEN BY THESE PRESENTS: That on this 18th day of December, 2012, the HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION ONE HUNDRED THOUSAND DOLLARS ($1,100,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2014, to and including December 1, 2052, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest at the rate of 1.0% per annum payable in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2014, to and including December 1, 2052, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated December 18, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further additions, betterments, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia,

including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on December 10, 2012, and a Supplemental Resolution duly adopted by the Issuer on December 10, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S: (I) WATER REVENUE BONDS, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (II) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); (III) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $952,000 (THE "SERIES 2004 A BONDS"); (IV) WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 2004 B BONDS"); (V) WATERWORKS DESIGN REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 7, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $244,500 (THE "SERIES 2012 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS"); AND (VI) WATER REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED DECEMBER 18, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,975,000 (THE "SERIES 2012 B BONDS"), (VII) WATER REVENUE BONDS, SERIES 2012 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,085,000 (THE "SERIES 2012 C BONDS"); AND (VIII) WATER REVENUE BONDS, SERIES 2012 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,700,000 (THE "SERIES 2012 E BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 E Bonds and the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2012 D Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2012 D Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the

Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 E Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2012 D Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 E Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman, and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the date first written above.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

[SEAL]

Chairman

ATTEST:

Secretary

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 D Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: December 18, 2012

THE HUNTINGTON NATIONAL BANK,
as Registrar

By _____
Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $-0-	12/18/2012	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Bond Debt Service

Huttonsville PSD

IF

$1,100,000

1% Interest Rate

40 Years from Closing Date

Dated Date 12/18/2012

Delivery Date 12/18/2012

Period Ending	Principal	Coupon	Interest	Debt Service
12/1/2014	5,911	1.000%	2,750.00	8,661.00
3/1/2015	5,926	1.000%	2,735.22	8,661.22
6/1/2015	5,940	1.000%	2,720.41	8,660.41
9/1/2015	5,955	1.000%	2,705.56	8,660.56
12/1/2015	5,970	1.000%	2,690.67	8,660.67
3/1/2016	5,985	1.000%	2,675.75	8,660.75
6/1/2016	6,000	1.000%	2,660.78	8,660.78
9/1/2016	6,015	1.000%	2,645.78	8,660.78
12/1/2016	6,030	1.000%	2,630.75	8,660.75
3/1/2017	6,045	1.000%	2,615.67	8,660.67
6/1/2017	6,060	1.000%	2,600.56	8,660.56
9/1/2017	6,075	1.000%	2,585.41	8,660.41
12/1/2017	6,091	1.000%	2,570.22	8,661.22
3/1/2018	6,106	1.000%	2,554.99	8,660.99
6/1/2018	6,121	1.000%	2,539.73	8,660.73
9/1/2018	6,136	1.000%	2,524.43	8,660.43
12/1/2018	6,152	1.000%	2,509.09	8,661.09
3/1/2019	6,167	1.000%	2,493.71	8,660.71
6/1/2019	6,183	1.000%	2,478.29	8,661.29
9/1/2019	6,198	1.000%	2,462.83	8,660.83
12/1/2019	6,214	1.000%	2,447.34	8,661.34
3/1/2020	6,229	1.000%	2,431.80	8,660.80
6/1/2020	6,245	1.000%	2,416.23	8,661.23
9/1/2020	6,260	1.000%	2,400.62	8,660.62
12/1/2020	6,276	1.000%	2,384.97	8,660.97
3/1/2021	6,292	1.000%	2,369.28	8,661.28
6/1/2021	6,307	1.000%	2,353.55	8,660.55
9/1/2021	6,323	1.000%	2,337.78	8,660.78
12/1/2021	6,339	1.000%	2,321.97	8,660.97
3/1/2022	6,355	1.000%	2,306.12	8,661.12
6/1/2022	6,371	1.000%	2,290.24	8,661.24
9/1/2022	6,387	1.000%	2,274.31	8,661.31
12/1/2022	6,403	1.000%	2,258.34	8,661.34
3/1/2023	6,419	1.000%	2,242.33	8,661.33
6/1/2023	6,435	1.000%	2,226.29	8,661.29
9/1/2023	6,451	1.000%	2,210.20	8,661.20
12/1/2023	6,467	1.000%	2,194.07	8,661.07
3/1/2024	6,483	1.000%	2,177.90	8,660.90
6/1/2024	6,499	1.000%	2,161.70	8,660.70
9/1/2024	6,515	1.000%	2,145.45	8,660.45
12/1/2024	6,532	1.000%	2,129.16	8,661.16
3/1/2025	6,548	1.000%	2,112.83	8,660.83

Bond Debt Service

Huttonsville PSD

IF

$1,100,000

1% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Coupon	Interest	Debt Service
6/1/2025	6,564	1.000%	2,096.46	8,660.46
9/1/2025	6,581	1.000%	2,080.05	8,661.05
12/1/2025	6,597	1.000%	2,063.60	8,660.60
3/1/2026	6,614	1.000%	2,047.11	8,661.11
6/1/2026	6,630	1.000%	2,030.57	8,660.57
9/1/2026	6,647	1.000%	2,014.00	8,661.00
12/1/2026	6,663	1.000%	1,997.38	8,660.38
3/1/2027	6,680	1.000%	1,980.72	8,660.72
6/1/2027	6,697	1.000%	1,964.02	8,661.02
9/1/2027	6,714	1.000%	1,947.28	8,661.28
12/1/2027	6,730	1.000%	1,930.49	8,660.49
3/1/2028	6,747	1.000%	1,913.67	8,660.67
6/1/2028	6,764	1.000%	1,896.80	8,660.80
9/1/2028	6,781	1.000%	1,879.89	8,660.89
12/1/2028	6,798	1.000%	1,862.94	8,660.94
3/1/2029	6,815	1.000%	1,845.94	8,660.94
6/1/2029	6,832	1.000%	1,828.91	8,660.91
9/1/2029	6,849	1.000%	1,811.83	8,660.83
12/1/2029	6,866	1.000%	1,794.70	8,660.70
3/1/2030	6,883	1.000%	1,777.54	8,660.54
6/1/2030	6,901	1.000%	1,760.33	8,661.33
9/1/2030	6,918	1.000%	1,743.08	8,661.08
12/1/2030	6,935	1.000%	1,725.78	8,660.78
3/1/2031	6,952	1.000%	1,708.45	8,660.45
6/1/2031	6,970	1.000%	1,691.07	8,661.07
9/1/2031	6,987	1.000%	1,673.64	8,660.64
12/1/2031	7,005	1.000%	1,656.17	8,661.17
3/1/2032	7,022	1.000%	1,638.66	8,660.66
6/1/2032	7,040	1.000%	1,621.11	8,661.11
9/1/2032	7,057	1.000%	1,603.51	8,660.51
12/1/2032	7,075	1.000%	1,585.86	8,660.86
3/1/2033	7,093	1.000%	1,568.18	8,661.18
6/1/2033	7,110	1.000%	1,550.44	8,660.44
9/1/2033	7,128	1.000%	1,532.67	8,660.67
12/1/2033	7,146	1.000%	1,514.85	8,660.85
3/1/2034	7,164	1.000%	1,496.98	8,660.98
6/1/2034	7,182	1.000%	1,479.07	8,661.07
9/1/2034	7,200	1.000%	1,461.12	8,661.12
12/1/2034	7,218	1.000%	1,443.12	8,661.12
3/1/2035	7,236	1.000%	1,425.07	8,661.07
6/1/2035	7,254	1.000%	1,406.98	8,660.98
9/1/2035	7,272	1.000%	1,388.85	8,660.85
12/1/2035	7,290	1.000%	1,370.67	8,660.67
3/1/2036	7,308	1.000%	1,352.44	8,660.44
6/1/2036	7,327	1.000%	1,334.17	8,661.17
9/1/2036	7,345	1.000%	1,315.86	8,660.86

Bond Debt Service

Huttonsville PSD

IF

$1,100,000

1% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Coupon	Interest	Debt Service
12/1/2036	7,363	1.000%	1,297.49	8,660.49
3/1/2037	7,382	1.000%	1,279.09	8,661.09
6/1/2037	7,400	1.000%	1,260.63	8,660.63
9/1/2037	7,419	1.000%	1,242.13	8,661.13
12/1/2037	7,437	1.000%	1,223.58	8,660.58
3/1/2038	7,456	1.000%	1,204.99	8,660.99
6/1/2038	7,475	1.000%	1,186.35	8,661.35
9/1/2038	7,493	1.000%	1,167.66	8,660.66
12/1/2038	7,512	1.000%	1,148.93	8,660.93
3/1/2039	7,531	1.000%	1,130.15	8,661.15
6/1/2039	7,550	1.000%	1,111.32	8,661.32
9/1/2039	7,568	1.000%	1,092.45	8,660.45
12/1/2039	7,587	1.000%	1,073.53	8,660.53
3/1/2040	7,606	1.000%	1,054.56	8,660.56
6/1/2040	7,625	1.000%	1,035.55	8,660.55
9/1/2040	7,644	1.000%	1,016.48	8,660.48
12/1/2040	7,663	1.000%	997.37	8,660.37
3/1/2041	7,683	1.000%	978.22	8,661.22
6/1/2041	7,702	1.000%	959.01	8,661.01
9/1/2041	7,721	1.000%	939.75	8,660.75
12/1/2041	7,740	1.000%	920.45	8,660.45
3/1/2042	7,760	1.000%	901.10	8,661.10
6/1/2042	7,779	1.000%	881.70	8,660.70
9/1/2042	7,799	1.000%	862.25	8,661.25
12/1/2042	7,818	1.000%	842.76	8,660.76
3/1/2043	7,838	1.000%	823.21	8,661.21
6/1/2043	7,857	1.000%	803.62	8,660.62
9/1/2043	7,877	1.000%	783.97	8,660.97
12/1/2043	7,897	1.000%	764.28	8,661.28
3/1/2044	7,916	1.000%	744.54	8,660.54
6/1/2044	7,936	1.000%	724.75	8,660.75
9/1/2044	7,956	1.000%	704.91	8,660.91
12/1/2044	7,976	1.000%	685.02	8,661.02
3/1/2045	7,996	1.000%	665.08	8,661.08
6/1/2045	8,016	1.000%	645.09	8,661.09
9/1/2045	8,036	1.000%	625.05	8,661.05
12/1/2045	8,056	1.000%	604.96	8,660.96
3/1/2046	8,076	1.000%	584.82	8,660.82
6/1/2046	8,096	1.000%	564.63	8,660.63
9/1/2046	8,116	1.000%	544.39	8,660.39
12/1/2046	8,137	1.000%	524.10	8,661.10
3/1/2047	8,157	1.000%	503.76	8,660.76
6/1/2047	8,178	1.000%	483.36	8,661.36
9/1/2047	8,198	1.000%	462.92	8,660.92
12/1/2047	8,218	1.000%	442.42	8,660.42
3/1/2048	8,239	1.000%	421.88	8,660.88

Bond Debt Service

Huttonsville PSD

IF

$1,100,000

1% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Coupon	Interest	Debt Service
6/1/2048	8,260	1.000%	401.28	8,661.28
9/1/2048	8,280	1.000%	380.63	8,660.63
12/1/2048	8,301	1.000%	359.93	8,660.93
3/1/2049	8,322	1.000%	339.18	8,661.18
6/1/2049	8,342	1.000%	318.37	8,660.37
9/1/2049	8,363	1.000%	297.52	8,660.52
12/1/2049	8,384	1.000%	276.61	8,660.61
3/1/2050	8,405	1.000%	255.65	8,660.65
6/1/2050	8,426	1.000%	234.64	8,660.64
9/1/2050	8,447	1.000%	213.57	8,660.57
12/1/2050	8,468	1.000%	192.46	8,660.46
3/1/2051	8,490	1.000%	171.29	8,661.29
6/1/2051	8,511	1.000%	150.06	8,661.06
9/1/2051	8,532	1.000%	128.78	8,660.78
12/1/2051	8,553	1.000%	107.45	8,660.45
3/1/2052	8,575	1.000%	86.07	8,661.07
6/1/2052	8,596	1.000%	64.63	8,660.63
9/1/2052	8,618	1.000%	43.14	8,661.14
12/1/2052	8,639	1.000%	21.60	8,660.60
	1,100,000		225,111.48	1,325,111.48

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 E
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. ER-1

$1,700,000

KNOW ALL MEN BY THESE PRESENTS: That on the 18th day of December, 2012, HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district and public corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS ($1,700,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2016 to and including September 1, 2045, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated December 18, 2012.

This Bond is issued (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (ii) funding a portion of the Series 2012 E Bonds Reserve Account; and (iii) paying certain costs of issuance and related costs. The existing public waterworks system of the Issuer, the Project and any further additions, betterments, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on December 10, 2012, and a Supplemental Resolution duly adopted by the Issuer on December 10, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds

would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S: (I) WATER REVENUE BONDS, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (II) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); (III) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $952,000 (THE "SERIES 2004 A BONDS"); (IV) WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 2004 B BONDS"); (V) WATERWORKS DESIGN REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 7, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $244,500 (THE "SERIES 2012 A BONDS"), (COLLECTIVELY, THE "PRIOR BONDS"); AND (VI) WATER REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED DECEMBER 18, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,975,000 (THE "SERIES 2012 B BONDS"), (VII) WATER REVENUE BONDS, SERIES 2012 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,085,000 (THE "SERIES 2012 C BONDS"); AND (VIII) WATER REVENUE BONDS, SERIES 2012 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 18, 2012, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2012 D BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 D Bonds and the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2012 E Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2012 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable

from such revenues on a parity with the Bonds, including the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 D Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2012 E Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2012 B Bonds, Series 2012 C Bonds, Series 2012 D Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman, and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the date first written above.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

[SEAL]

Chairman

ATTEST:

Secretary

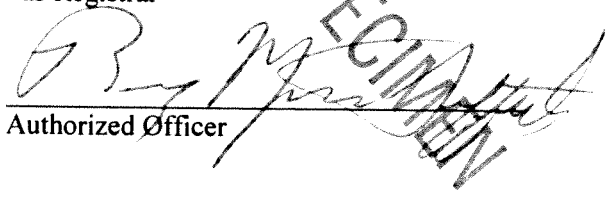
SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 E Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: December 18, 2012

THE HUNTINGTON NATIONAL BANK,
as Registrar



Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $40,456	12/18/2012	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Bond Debt Service

Huttonsville PSD

IF

$1,700,000

0% Interest Rate

40 Years from Closing Date

Dated Date 12/18/2012

Delivery Date 12/18/2012

Period Ending	Principal	Interest	Debt Service
6/1/2016	2,013.47		2,013.47
9/1/2016	2,013.47		2,013.47
12/1/2016	2,179.76		2,179.76
3/1/2017	2,179.76		2,179.76
6/1/2017	2,179.76		2,179.76
9/1/2017	2,179.76		2,179.76
12/1/2017	2,179.76		2,179.76
3/1/2018	2,179.76		2,179.76
6/1/2018	2,179.76		2,179.76
9/1/2018	2,179.76		2,179.76
12/1/2018	2,179.76		2,179.76
3/1/2019	2,179.76		2,179.76
6/1/2019	2,179.76		2,179.76
9/1/2019	2,179.76		2,179.76
12/1/2019	2,179.76		2,179.76
3/1/2020	2,179.76		2,179.76
6/1/2020	2,179.76		2,179.76
9/1/2020	2,179.76		2,179.76
12/1/2020	2,179.76		2,179.76
3/1/2021	2,179.76		2,179.76
6/1/2021	2,179.76		2,179.76
9/1/2021	2,179.76		2,179.76
12/1/2021	2,179.76		2,179.76
3/1/2022	2,179.76		2,179.76
6/1/2022	2,179.76		2,179.76
9/1/2022	2,179.76		2,179.76
12/1/2022	2,332.61		2,332.61
3/1/2023	2,332.61		2,332.61
6/1/2023	2,332.61		2,332.61
9/1/2023	2,332.61		2,332.61
12/1/2023	2,383.56		2,383.56
3/1/2024	2,383.56		2,383.56
6/1/2024	2,383.56		2,383.56
9/1/2024	2,383.56		2,383.56
12/1/2024	10,112.91		10,112.91
3/1/2025	10,112.91		10,112.91
6/1/2025	10,112.91		10,112.91
9/1/2025	10,112.91		10,112.91
12/1/2025	10,112.91		10,112.91
3/1/2026	10,112.91		10,112.91
6/1/2026	10,112.91		10,112.91
9/1/2026	10,112.91		10,112.91
12/1/2026	10,112.91		10,112.91

Bond Debt Service

Huttonsville PSD

IF

$1,700,000

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
3/1/2027	10,112.91		10,112.91
6/1/2027	10,112.91		10,112.91
9/1/2027	10,112.91		10,112.91
12/1/2027	10,112.91		10,112.91
3/1/2028	10,112.91		10,112.91
6/1/2028	10,112.91		10,112.91
9/1/2028	10,112.91		10,112.91
12/1/2028	10,112.91		10,112.91
3/1/2029	10,112.91		10,112.91
6/1/2029	10,112.91		10,112.91
9/1/2029	10,112.91		10,112.91
12/1/2029	10,112.91		10,112.91
3/1/2030	10,112.91		10,112.91
6/1/2030	10,112.91		10,112.91
9/1/2030	10,112.91		10,112.91
12/1/2030	10,112.91		10,112.91
3/1/2031	10,112.91		10,112.91
6/1/2031	10,112.91		10,112.91
9/1/2031	10,112.91		10,112.91
12/1/2031	10,112.91		10,112.91
3/1/2032	10,112.91		10,112.91
6/1/2032	10,112.91		10,112.91
9/1/2032	10,112.91		10,112.91
12/1/2032	10,112.91		10,112.91
3/1/2033	10,112.91		10,112.91
6/1/2033	10,112.91		10,112.91
9/1/2033	10,112.91		10,112.91
12/1/2033	10,112.91		10,112.91
3/1/2034	10,112.91		10,112.91
6/1/2034	10,112.91		10,112.91
9/1/2034	10,112.91		10,112.91
12/1/2034	10,112.91		10,112.91
3/1/2035	10,112.91		10,112.91
6/1/2035	10,112.91		10,112.91
9/1/2035	10,112.91		10,112.91
12/1/2035	10,112.91		10,112.91
3/1/2036	10,112.91		10,112.91
6/1/2036	10,112.91		10,112.91
9/1/2036	10,112.91		10,112.91
12/1/2036	23,883.91		23,883.91
3/1/2037	23,883.91		23,883.91
6/1/2037	23,883.91		23,883.91
9/1/2037	23,883.91		23,883.91
12/1/2037	23,883.91		23,883.91
3/1/2038	23,883.91		23,883.91
6/1/2038	23,883.91		23,883.91
9/1/2038	23,883.91		23,883.91

Bond Debt Service

Huttonsville PSD

IF

$1,700,000

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
12/1/2038	23,883.91		23,883.91
3/1/2039	23,883.91		23,883.91
6/1/2039	23,883.91		23,883.91
9/1/2039	23,883.91		23,883.91
12/1/2039	23,883.91		23,883.91
3/1/2040	23,883.91		23,883.91
6/1/2040	23,883.91		23,883.91
9/1/2040	23,883.91		23,883.91
12/1/2040	33,951.91		33,951.91
3/1/2041	33,951.91		33,951.91
6/1/2041	33,951.91		33,951.91
9/1/2041	33,951.91		33,951.91
12/1/2041	33,951.91		33,951.91
3/1/2042	33,951.91		33,951.91
6/1/2042	33,951.91		33,951.91
9/1/2042	33,951.91		33,951.91
12/1/2042	35,479.66		35,479.66
3/1/2043	35,479.66		35,479.66
6/1/2043	35,479.66		35,479.66
9/1/2043	35,479.66		35,479.66
12/1/2043	39,100.02		39,100.02
3/1/2044	39,100.02		39,100.02
6/1/2044	39,100.02		39,100.02
9/1/2044	39,100.02		39,100.02
12/1/2044	46,824.48		46,824.48
3/1/2045	46,824.48		46,824.48
6/1/2045	46,824.48		46,824.48
9/1/2045	46,824.46		46,824.46
	1,700,000.00		1,700,000.00

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

December 18, 2012

Huttonsville Public Service District
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture)

Huttonsville Public Service District
Mill Creek, West Virginia

United States Department of Agriculture
Elkins, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Huttonsville Public Service District in Randolph County, West Virginia (the "Issuer"), of its $4,975,000 Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), dated the date hereof (the "Bonds"), pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), a Bond Resolution duly adopted by the Issuer on December 10, 2012, and a Supplemental Resolution duly adopted by the Issuer on December 10, 2012 (collectively, the "Bond Legislation"). We have examined the law and such certified copies of proceedings and other papers as we deem necessary to render this opinion.

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

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

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and a political subdivision of the State of West Virginia with full power to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Bond Legislation has been duly and effectively adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

3. Pursuant to the Act, the Bond Legislation creates a valid lien on the funds pledged by the Bond Legislation for the security of the Bonds, on a parity with the Issuer's: (i) Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000 (the "Series 1996 Bonds"); (ii) Water Revenue Bonds,

Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000 (the "Series 2000 A Bonds"); (iii) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000 (the "Series 2004 A Bonds"); (iv) Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25, 2004, issued in the original aggregate principal amount of $400,000 (the "Series 2004 B Bonds"); (v) Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 7, 2012, issued in the original aggregate principal amount of $244,500 (the "Series 2012 A Bonds"); (vi) Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $ 1,085,000; (vii) Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $1,100,000; and (viii) Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $1,700,000, all in accordance with the terms of the Bonds and the Bond Legislation.

4. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

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

6. The Bonds are, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State, and interest on the Bonds is exempt from personal income taxes and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

Very truly yours,

STEPTOE & JOHNSON PLLC

437410.00001

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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Writer's Contact Information

December 18, 2012

Huttonsville Public Service District
Water Revenue Bonds, Series 2012 C
(West Virginia Infrastructure Fund)

Huttonsville Public Service District
Mill Creek, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Huttonsville Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $1,085,000 Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated December 18, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2014, to and including December 1, 2052, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purpose of (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on December 10, 2012, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 10, 2012 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been

entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, public corporation, and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (i) Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000 (the "Series 1996 Bonds"); (ii) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000 (the "Series 2000 A Bonds"); (iii) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000 (the "Series 2004 A Bonds"); (iv) Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25, 2004, issued in the original aggregate principal amount of $400,000 (the "Series 2004 B Bonds"); (v) Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 7, 2012, issued in the original aggregate principal amount of $244,500 (the "Series 2012 A Bonds"); (vi) Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $4,975,000; (vii) Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $1,100,000; and (viii) Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $1,700,000 all in accordance with the terms of the Bonds and the Bond Legislation.

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

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

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

Very truly yours,



STEPTOE & JOHNSON PLLC

STEPTOE & JOHNSON PLLC
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Writer's Contact Information

December 18, 2012

Huttonsville Public Service District
Water Revenue Bonds, Series 2012 D
(West Virginia Infrastructure Fund)

Huttonsville Public Service District
Mill Creek, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Huttonsville Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $1,100,000 Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated December 18, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal and interest to the Authority, bearing interest at the rate of 1.0% per annum, with principal and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2014, to and including December 1, 2052, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purpose of (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on December 10, 2012, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 10, 2012 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been

entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, public corporation, and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (i) Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000 (the "Series 1996 Bonds"); (ii) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000 (the "Series 2000 A Bonds"); (iii) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000 (the "Series 2004 A Bonds"); (iv) Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25, 2004, issued in the original aggregate principal amount of $400,000 (the "Series 2004 B Bonds"); (v) Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 7, 2012, issued in the original aggregate principal amount of $244,500 (the "Series 2012 A Bonds"); (vi) Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $4,975,000; (vii) Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $1,085,000; and (viii) Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $1,700,000 all in accordance with the terms of the Bonds and the Bond Legislation.

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

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

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

Very truly yours,



STEPTOE & JOHNSON PLLC

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Writer's Contact Information

December 18, 2012

Huttonsville Public Service District
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

Huttonsville Public Service District
Mill Creek, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Huttonsville Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $1,700,000 Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated December 18, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2016, to and including September 1, 2045, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purpose of (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (ii) funding a portion of the Series 2012 E Bonds Reserve Account; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on December 10, 2012, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 10, 2012 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been

entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, public corporation, and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (i) Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000 (the "Series 1996 Bonds"); (ii) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000 (the "Series 2000 A Bonds"); (iii) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000 (the "Series 2004 A Bonds"); (iv) Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25, 2004, issued in the original aggregate principal amount of $400,000 (the "Series 2004 B Bonds"); (v) Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 7, 2012, issued in the original aggregate principal amount of $244,500 (the "Series 2012 A Bonds"); (vi) Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $4,975,000; (vii) Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $1,085,000; and (viii) Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $1,100,000 all in accordance with the terms of the Bonds and the Bond Legislation.

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

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

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

Very truly yours,



STEPTOE & JOHNSON PLLC

437410.00001

5110801

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PARALEGALS:
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(Form of Opinion on Series 2012 Bonds of Counsel to Issuer)

December 18, 2012

Huttonsville Public Service District
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture);
Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

Huttonsville Public Service District
Mill Creek, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

United States Department of Agriculture
Elkins, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to Huttonsville Public Service District, a public service district, in Randolph County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinions of Steptoe & Johnson PLLC, as bond counsel, a Letter of Conditions dated May 14, 2008, and all amendments thereto, if any, for the Series 2012 B Bonds, a loan agreement for the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds dated December 18, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), the Bond Resolution duly adopted by the Issuer on December 10, 2012, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 10, 2012 (collectively, the "Bond Legislation"), and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds") and orders of The County Commission of Randolph County relating to the Issuer and the appointment of the members of the Public Service Board of the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

1. The Issuer has been duly created and is validly existing as a public service district and public corporation and political subdivision of the State of West Virginia.

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

3. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed and elected, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

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

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

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders, certificates, consents and approvals from the West Virginia Bureau for Public Health, the Council, t he County Commission of Randolph County, and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of resolution prescribing such rates and charges, the time for appeal of which has expired prior to the date hereof without appeal. The Issuer has duly published a notice of acquisition and construction of the Project, the issuance of the Bonds and related matters, as required under Chapter 16, Article 13A, Section 25 of the West Virginia Code of 1931, as amended, and has duly complied with the provisions thereof.

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

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

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

Very truly yours,

BUSCH, ZURBUCH & THOMPSON PLLC

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Writer's Contact Information

December 18, 2012

Huttonsville Public Service District
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture);
Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

Huttonsville Public Service District
Mill Creek, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

United States Department of Agriculture
Elkins, West Virginia

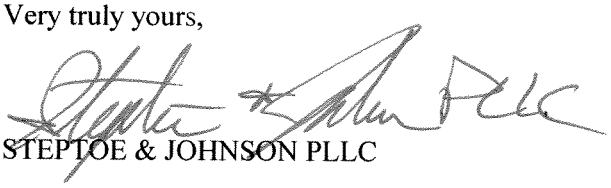
Ladies and Gentlemen:

We are special PSC counsel to Huttonsville Public Service District, a public service district in Randolph County, West Virginia (the "Issuer"). As such counsel, we have represented the Issuer before the Public Service Commission of West Virginia in connection with the issuance of the above-referenced bonds, and the acquisition and construction of the Project. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of opinion that the Issuer has received all orders, certificates and approvals from the Public Service Commission of West Virginia, including the Recommended Decision entered on February 25, 2010, which became a Final Order on March 17, 2010 and Recommended Decision entered November 26, 2012 which became Final on December 4, 2012 per Commission Order Waiving the Exception Period dated November 29, 2012 in Case No. 09-1436-PWD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, approving rates for the System and approving the financing for the Project. The time for appeal of the Order has not expired prior to the date hereof. The Issuer has certified that it does not intend to appeal such Order. Such Order remains in full force and effect.

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

Very truly yours,



STEPTOE & JOHNSON PLLC

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* *Also admitted in Virginia*

PARALEGALS:
Jacqueline M. Potts, CP
Lisa S. Severino, CP

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December 18, 2012

West Virginia Infrastructure & Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Huttonsville Public Service District
Final Title Opinion

Dear Ladies & Gentlemen:

I represent the Huttonsville Public Service District (the "District") with regard to a proposed water treatment plan project together with all appurtenant facilities (collectively, the "Project"), and provides this final title opinion on behalf of the District to satisfy the requirements of the West Virginia Infrastructure & Jobs Development Council (the "IJDC") with regard to the financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the District is a duly created and existing public service district possessed with all the powers and authority granted to public

service districts under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the West Virginia Bureau for Public Health.

2. That the District has obtained approval for all necessary permits and approvals for the construction of the Project.

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

4. That I have examined the records on file in the Office of the Clerk of the County Commission of Randolph County, West Virginia, the county in which the Project is to be located, and, in my opinion, the District has acquired legal title or such other estate or interest in the necessary site components for the Project sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed.

5. That all deeds or other documents which have been acquired to date by the District have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of the District.

Sincerely,

Busch, Zurbuch & Thompson, PLLC

WTP Project

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. AUTHORIZATION AND AWARD OF BONDS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES, ETC.
6. CERTIFICATION OF COPIES OF DOCUMENTS
7. INCUMBENCY AND OFFICIAL NAME, ETC.
8. DELIVERY AND PAYMENT
9. USE OF PROCEEDS
10. LAND AND RIGHTS-OF-WAY
11. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
12. CONTRACTORS' INSURANCE, ETC.
13. CONNECTIONS, ETC.
14. MANAGEMENT
15. GRANTS
16. CONFLICT OF INTEREST
17. PROCUREMENT OF ENGINEERING SERVICES
18. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and SECRETARY of the Public Service Board of Huttonsville Public Service District, in Randolph County, West Virginia (the "Issuer"), and the undersigned COUNSEL for the Issuer, acting for the Issuer and in its name, hereby state and certify on this the 18th day of December, 2012, in connection with the Huttonsville Public Service District Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), No. BR-1, dated the date hereof, fully registered, in the principal amount of $4,975,000 (the "Series 2012 B Bonds") as follows:

1. AUTHORIZATION AND AWARD OF BONDS: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Series 2012 B Bonds have been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions from the Purchaser, dated May 14, 2008, and all amendments thereto, and as appears in Section 3.09 of the Resolution of the Issuer duly adopted on December 10, 2012, and the Supplemental Resolution duly adopted on December 10, 2012, authorizing issuance of the Series 2012 B Bonds (collectively, the "Resolution" or "Bond Resolution"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning as defined in the Bond Resolution when used herein. The Series 2012 B

Bonds are being issued on this date to finance a portion of the cost of the acquisition and construction of the Project, herein defined and described, located within the boundaries of the Issuer.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the issuance and delivery of the Series 2012 B Bonds or receipt of any grant monies, if any, committed for the System, hereinafter defined; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2012 B Bonds; nor in any way questioning or affecting the validity of the grants, if any, committed for the System or the validity of the Series 2012 B Bonds or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of any monies or security therefor; nor questioning the existence, powers or proceedings of the Issuer or its Public Service Board (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the System or the acquisition and construction of the Project, a portion of the cost of which is being financed out of the proceeds of sale of the Series 2012 B Bonds; nor questioning the rates and charges provided for services of the System.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2012 B Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project were solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on February 25, 2010 which became Final Order on March 17, 2010 and Recommended Decision entered November 26, 2012 which became Final on December 4, 2012 per Commission Order Waiving the Exception Period dated November 29, 2012 in Case No. 09-1436-PWD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, approving rates for the System and approving the financing for the Project. The time for appeal of the Order has not expired prior to the date hereof. The Issuer hereby certifies that it does not intend to appeal such Order. Such Order is in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval by the Purchaser of a loan to assist in the acquisition and construction of the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2012 B Bonds as to liens, pledge and source of and security for payment, and in all respects, being the Issuer's: (i) Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000 (the "Series 1996 Bonds"); (ii) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000 (the "Series 2000 A Bonds"); (iii) Water Revenue

Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000 (the "Series 2004 A Bonds"); (iv) Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25, 2004, issued in the original aggregate principal amount of $400,000 (the "Series 2004 B Bonds"); and (v) Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 7, 2012, issued in the original aggregate principal amount of $244,500 (the "Series 2012 A Bonds"), (collectively, the "Prior Bonds"), and (vi) Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $1,085,000; (vii) Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $1,100,000; and (viii) Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund), dated December 18, 2012, issued concurrently herewith in the original aggregate principal amount of $1,700,000. Other than the Prior Bonds, Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds, there are no other Outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2012 B Bonds as to liens, pledge and/or service of and security for payment.

Prior to the issuance of the Series 2012 B Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consents of the Holders of the Prior Bonds to the issuance of the Series 2012 B Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

The Issuer is not in default under the terms of the Prior Bonds or the resolutions authorizing issuance of the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of Parity Bonds or has obtained a sufficient and valid consent or waiver thereof.

5. SIGNATURES, ETC.: The undersigned Chairman and Secretary did, for the Issuer on the date hereof, officially execute and seal the Series 2012 B Bonds with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures and said officers are the duly elected or appointed (as applicable), qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Series 2012 B Bonds for the Issuer.

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

Bond Resolution

Supplemental Resolution

Prior Bond Resolutions

Consent of USDA to Issuance of Parity Bonds

Consent of Water Development Authority to Issuance of Parity Bonds

USDA Letter of Conditions, with all amendments

Infrastructure Council Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders on Creation of District

County Commission Orders of Appointment of Current Board Members

Oaths of Office of Current Board Members

Rules of Procedure

Minutes of Current Year Organizational Meeting

Affidavit of Publication of Notice of Filing

Minutes on Adoption of Bond Resolution and Supplemental Resolution

Bureau for Public Health Permit

United States Department of Agriculture Loan Resolution

United States Department of Agriculture Grant Resolution

West Virginia Infrastructure and Jobs Development Council Grant Agreement

Evidence of Insurance

7. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Huttonsville Public Service District" and its principal office and place of business are in Randolph County, West Virginia. The Issuer is a public service district and public corporation and political subdivision of the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of three duly appointed, qualified and acting members, whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement Of Office	Date of Termination of Office
Steve Wamsley	11/19/2009	11/19/2015
Stewart Allen	01/04/2011	06/30/2016
Gary Morgan	02/15/2011	06/30/2014

The names of the duly elected, appointed, qualified and acting officers of said Public Service Board of said Issuer for the calendar year 2012 are as follows:

Chairman	-	Steve Wamsley
Secretary	-	Louise McAtee

The duly appointed and acting Attorney for the Issuer is Busch, Zurbuch & Thompson PLLC, of Elkins, West Virginia and Special PSC Counsel is Steptoe & Johnson PLLC, of Charleston, West Virginia.

8. DELIVERY AND PAYMENT: On the date hereof, the Series 2012 B Bonds were delivered to the Purchaser at Mill Creek, West Virginia, by the undersigned Chairman for the purposes set forth herein, and at the time of such delivery, the Series 2012 B Bonds have been duly and fully executed and sealed on behalf of the Issuer in accordance with the Resolution.

At the time of delivery of the Series 2012 B Bonds, the undersigned Chairman received $501,800, being a portion of the principal amount of the Series 2012 B Bonds. Further advances of the balance of the principal amount of the Series 2012 B Bonds will be paid to the Issuer as acquisition and construction of the Project progresses.

The Series 2012 B Bonds are dated the date hereof, and interest on advances of the principal thereof at the rate of 3.5% per annum is payable from the date of each respective advance.

The Series 2012 B Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

9. USE OF PROCEEDS: The total cost of the Project is estimated at $11,995,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2012 B Bonds	$4,975,000
Proceeds of the Series 2012 C Bonds	$1,085,000
Proceeds of the Series 2012 D Bonds	$1,100,000
Proceeds of the Series 2012 E Bonds	$1,700,000
USDA Grants	$2,135,000
Infrastructure Grant	$1,000,000
Total Sources	$11,995,000

USES

Costs of Acquisition and Construction of the Project	$11,908,044
Partially funding the Series 2012 E Bonds Reserve Account	$40,456
Costs of Issuance	$46,500
Total Uses	$11,995,000

10. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition, construction, operation and maintenance of the Project and the System have been acquired or can and will be acquired by purchase, or if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Series 2012 B Bonds.

11. MEETINGS; PUBLICATION AND POSTING OF NOTICES, 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 acquisition, construction, operation and financing of the Project and the System were authorized or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including particularly and without limitation, Chapter 6, Article 9A of the official West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed (as applicable), qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

12. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions and Commitment of the Purchaser, as amended, and the Resolution.

13. CONNECTIONS, ETC.: The Issuer will serve bona fide users with the System upon the completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

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

15. GRANTS: As of the date hereof, the grants from the Purchaser in the amount of $2,135,000 and the grant from the West Virginia Infrastructure and Jobs

Development Council in the amount of $1,000,000 are committed and in full force and effect.

16. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2012 B Bonds, the Bond Resolution and/or the Project, including, without limitation, with respect to the Depository Bank, as defined in the Bond Resolution. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

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

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

[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official corporate seal of HUTTONSVILLE PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

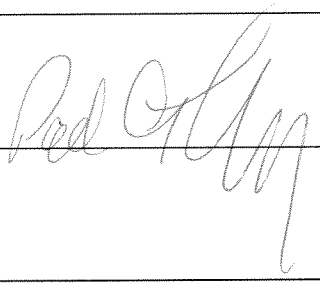
SIGNATURE	OFFICIAL TITLE
_____	Chairman
_____	Secretary
_____	Attorney for Issuer
_____	Special PSC Counsel (Paragraph 3)

437410.00001

5110060

WITNESS our signatures and the official corporate seal of HUTTONSVILLE PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
_____	Secretary
	Attorney for Issuer
_____	Special PSC Counsel (Paragraph 3)

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5110060

WTP Project

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME; ETC.
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. INSURANCE
12. VERIFICATION OF SCHEDULE
13. RATES
14. PUBLIC SERVICE COMMISSION ORDER
15. SIGNATURES AND DELIVERY
16. BOND PROCEEDS
17. PUBLICATION OF NOTICE OF FILING
18. SPECIMEN BONDS
19. CONFLICT OF INTEREST
20. GRANTS
21. PROCUREMENT OF ENGINEERING SERVICES
22. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and SECRETARY of the Public Service Board of Huttonsville Public Service District in Randolph County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the ISSUER, hereby certify, on this the 18th day of December, 2012, in connection with the Issuer's Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund) and Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund), all dated the date hereof (collectively, the "Series 2012 Bonds" or the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in

the Bond Resolution of the Issuer duly adopted December 10, 2012, and the Supplemental Resolution duly adopted December 10, 2012 (collectively, the "Bond Legislation").

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

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

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

There are outstanding bonds of the Issuer which will rank on a parity with the Series 2012 Bonds as to liens, pledge and source of and security for payment, and in all respects, being the Issuer's: (i) Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000 (the "Series 1996 Bonds"); (ii) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000 (the "Series 2000 A Bonds"); (iii) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000 (the "Series 2004 A Bonds"); (iv) Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25, 2004, issued in the original aggregate principal amount of $400,000 (the "Series 2004 B Bonds"); (v) Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 7, 2012, issued in the original aggregate principal amount of $244,500 (the "Series 2012 A Bonds"), (collectively, the "Prior Bonds"); and (vi) Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), dated December 18, 2012, issued concurrently herewith in the original

aggregate principal amount of $4,975,000. Other than the Prior Bonds and the Series 2012 B Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2012 Bonds as to liens, pledges and/or source of and security for payment.

The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2012 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, the Series 2012 B Bonds and the Series 2012 Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolutions.

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

Bond Resolution

Supplemental Resolution

Prior Bond Resolutions

Consent of USDA to Issuance of Parity Bonds

Consent of Water Development Authority to Issuance of Parity Bonds

USDA Letter of Conditions, with all amendments

Infrastructure Council Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders on Creation of District

County Commission Orders of Appointment of Current Board Members

Oaths of Office of Current Board Members

Rules of Procedure

Affidavit of Publication of Notice of Filing

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

Bureau for Public Health Permit

West Virginia Infrastructure and Jobs Development Council Grant Agreement

United States Department of Agriculture Loan Resolution

United States Department of Agriculture Grant Resolution

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Huttonsville Public Service District." The Issuer is a public service district duly created by The County Commission of Randolph County and presently existing under the laws of, and a public corporation and political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Steve Wamsley	11/19/2009	11/19/2015
Stewart Allen	01/04/2011	06/30/2016
Gary Morgan	02/15/2011	06/30/2014

The names of the duly elected and/or appointed, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 2012 are as follows:

Chairman	-	Steve Wamsley
Secretary	-	Louise McAtee

The duly appointed and acting counsel to the Issuer is Busch, Zurbuch & Thompson PLLC, of Elkins, West Virginia and duly appointed Special PSC Counsel is Steptoe & Johnson PLLC, of Charleston, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which

may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

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

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

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

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

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

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

13. RATES: The Issuer has received the Commission Order of the Public Service Commission of West Virginia entered on February 25, 2010 which became Final Order on March 17, 2010 and Recommended Decision entered November 26, 2012 which became Final on December 4, 2012 per Commission Order Waiving the Exception Period dated November 29, 2012 in Case No. 09-1436-PWD-CN, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of the Commission Order has expired prior to the date hereof. Such Order remains in full force and effect.

14. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on February 25, 2010 which became a Final Order on March 17, 2010 and Recommended Decision entered November 26, 2012 which became Final on December 4, 2012 per Commission Order Waiving the Exception Period dated November 29, 2012 in Case No. 09-1436-PWD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Order has not expired prior to the date hereof. The Issuer hereby certifies that it does not intend to appeal such Order. Such Order is in full force and effect.

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

16. BOND PROCEEDS: A. On the date hereof, the Issuer received $70,000 from the Authority and the Council, being a portion of the principal amount of the Series 2012 C Bonds. The balance of the principal amount of the Series 2012 C Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

B. On the date hereof, the Issuer received $-0- from the Authority and the Council, being a portion of the principal amount of the Series 2012 D Bonds. The balance of the principal amount of the Series 2012 D Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses

C. On the date hereof, the Issuer received $40,456 from the Authority and the Council, being a portion of the principal amount of the Series 2012 E Bonds. The

balance of the principal amount of the Series 2012 E Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

17. PUBLICATION OF NOTICE OF FILING: The Issuer has published the required notice with respect to, among other things, the acquisition and construction of the Project, anticipated user rates and charges, and filing of a formal application for a certificate of public convenience and necessity with the Public Service Commission of West Virginia.

18. SPECIMEN BONDS: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

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

20. GRANTS: As of the date hereof the grants from the Purchaser in the amount of $2,135,000 and the grant from the West Virginia Infrastructure and Jobs Development Council in the amount of $1,000,000 are committed and in full force and effect.

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

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

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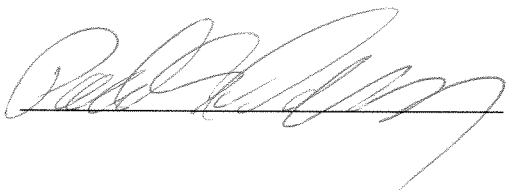
WITNESS our signatures and the official seal of HUTTONSVILLE PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
_____	Secretary
_____	Counsel to the Issuer
_____	Special PSC Counsel (Paragraphs 13 & 14)

WITNESS our signatures and the official seal of HUTTONSVILLE PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
_____	Secretary
	Counsel to the Issuer
_____	Special PSC Counsel (Paragraphs 13 & 14)

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture);
Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

I, Michael Green, Registered Professional Engineer, West Virginia License No. 7621, of Green Engineering, Inc., Philippi, West Virginia, hereby certify this 18th day of December, 2012 as follows:

1. My firm is engineer for the acquisition and construction of certain additions, improvements and extensions (the "Project") to the existing waterworks system (the "System") of Huttonsville Public Service District (the "Issuer") to be constructed primarily in Randolph County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on December 10, 2012, as supplemented by the Supplemental Resolution adopted by the Issuer December 10, 2012, the Letter of Conditions, as amended, of the Rural Utilities Service (the "RUS") for the Series 2012 B Bonds dated May 14, 2008 (the "Letter of Conditions'), and the Loan Agreement for the Series 2012 C Bonds, Series 2012 D Bonds and Series 2012 E Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated December 18, 2012 (the "Loan Agreement").

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of additions, improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (ii) funding a portion of the Series 2012 E Bonds Reserve Account; and (iii) paying costs of issuance of the Bonds and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by RUS, the Authority and the Council, and any change orders approved by the Issuer, RUS, the Council, the Authority, and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least forty years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear;

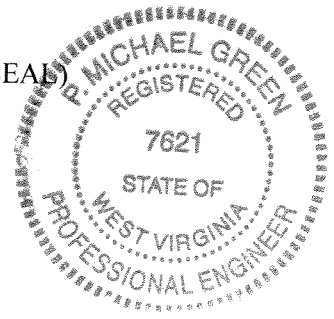
(iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and the Issuer's counsel, Busch, Zurbuch & Thompson PLLC, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vi) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain all critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by RUS, the Authority and the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The project will serve 53 new customers in the southern Randolph County area.

[Remainder of Page Intentionally Blank]

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

(SEAL)



GREEN ENGINEERING, INC.

Michael Green, P. E.
West Virginia License No. 7621

437410.00001

Huttonsville Public Service District
Schedule B
IJDC Project 2007W-963

A. COST OF PROJECT	TOTAL	USDA Loan [2012 B]	USDA Grants	IJDC Loan (1%, 40) [2012 D]	IJDC Loan (wrap) [2012 E]	IJDC Loan (0%, 40) [2012 C]	IJDC Grant
1 Construction							
Contract 1 (Famco)	7,446,895.00	3,861,500.00	1,583,400.00	266,512.00	0.00	991,000.00	744,483.00
Contract 2 (JF Allen)	2,252,082.00	0.00	0.00	592,538.00	1,659,544.00	0.00	0.00
Contract 3 (Mid Atlantic)	240,950.00	0.00	0.00	240,950.00	0.00	0.00	0.00
2 Construction Contingency 5.4%	533,544.00	20,427.00	257,600.00	0.00	0.00	0.00	255,517.00
3 Lands & ROWs	20,000.00	0.00	0.00	0.00	0.00	20,000.00	0.00
4 Legal							
a. Legal - Title / Contracts (Thompson)	30,000.00	24,000.00	6,000.00	0.00	0.00	0.00	0.00
b. Legal - PSC Case (S&J)	8,000.00	8,000.00	0.00	0.00	0.00	0.00	0.00
5 Accounting (Bennett & Dobbins)	17,500.00	0.00	0.00	0.00	0.00	17,500.00	0.00
6 Technical Services (Green Engineers							
a. Preliminary	41,000.00	41,000.00	0.00	0.00	0.00	0.00	0.00
b. Design	490,000.00	423,000.00	67,000.00	0.00	0.00	0.00	0.00
c. Inspection	420,000.00	213,000.00	207,000.00	0.00	0.00	0.00	0.00
d. Special services	25,000.00	25,000.00	0.00	0.00	0.00	0.00	0.00
7 Administration (RCAP)	40,000.00	0.00	0.00	0.00	0.00	40,000.00	0.00
8 Project Contingency	18,073.00	4,073.00	14,000.00	0.00	0.00	0.00	0.00
9 Sub Total line 1 thru 8	11,583,044.00	4,620,000.00	2,135,000.00	1,100,000.00	1,659,544.00	1,068,500.00	1,000,000.00
B. Cost of Financing							
10 Funded Reserve (wrap loan)	40,456.00	0.00	0.00	0.00	40,456.00	0.00	0.00
11 Capitalized Interest	325,000.00	325,000.00	0.00	0.00	0.00	0.00	0.00
12 Registrar Fees (Huntington Bank)	1,500.00	0.00	0.00	0.00	0.00	1,500.00	0.00
13 Bond Counsel (S&J)	45,000.00	30,000.00	0.00	0.00	0.00	15,000.00	0.00
14 Sub Total Cost of Financing	411,956.00	355,000.00	0.00	0.00	40,456.00	16,500.00	0.00
15 Total Cost of Project (Line 8 + Line 12)	11,995,000.00	4,975,000.00	2,135,000.00	1,100,000.00	1,700,000.00	1,085,000.00	1,000,000.00
C. SOURCES OF OTHER FUNDS							
16 Federal Grant USDA)	935,000.00	0.00	935,000.00	0.00	0.00	0.00	0.00
17 Federal Grant USDA)	1,200,000.00		1,200,000.00	0.00	0.00		
18 State Grant (IJDC)	1,000,000.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00
19 Other Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20 Total Grants	3,135,000.00	0.00	2,135,000.00	0.00	0.00	0.00	1,000,000.00
21 Total Bond Issue	**8,860,000.00**	**4,975,000.00**	**0.00**	**1,100,000.00**	**1,700,000.00**	**1,085,000.00**	**0.00**

Huttonsville PSD

December 18, 2012
Date

Green Engineering

December 18, 2012
Date

Bennett & Dobbins PLLC

CERTIFIED PUBLIC ACCOUNTANTS

317 Cleveland Avenue
Fairmont, WV 26554-1604
Telephone: (304) 366-4295 Fax: (304) 366-4311

GARY K. BENNETT, MBA-CPA
ZACHARY D. DOBBINS, CPA

December 18, 2012

Huttonsville Public Service District
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture);
Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

Huttonsville Public Service District
Mill Creek, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

United States Department of Agriculture
Elkins, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges set forth in the Recommended Decision dated February 25, 2010 which became a Final Order on March 17, 2010 and Recommended Decision entered November 26, 2012 which became Final on December 4, 2012 per Commission Order Waiving the Exception Period dated November 29, 2012 in Case No. 09-1436-PWD-CN of the Public Service Commission of West Virginia and projected operating expenses and anticipated customer usage as furnished to me by Green Engineering, Inc., Consulting Engineer, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of Huttonsville Public Service District (the "Issuer"), will provide for all Operating Expenses of the System and will leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Issuer's:

(1) Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), dated December 18, 2012, issued in the original aggregate principal amount of $4,975,000;

(2) Water Revenue Bonds, Series 2012 C Bonds (West Virginia Infrastructure Fund), dated December 18, 2012, issued in the original aggregate principal amount of $1,085,000;

(3) Water Revenue Bonds, Series 2012 D Bonds (West Virginia Infrastructure Fund), dated December 18, 2012, issued in the original aggregate principal amount of $1,100,000; and

(4) Water Revenue Bonds, Series 2012 E Bonds (West Virginia Infrastructure Fund), dated December 18, 2012, issued in the original aggregate principal amount of $1,700,000 (collectively, the "Series 2012 Bonds")

and all other obligations secured by or payable from such revenues, including the Issuer's:

(1) Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000 (the "Series 1996 Bonds");

(2) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000 (the "Series 2000 A Bonds");

(3) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000 (the "Series 2004 A Bonds");

(4) Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25, 2004, issued in the original aggregate principal amount of $400,000 (the "Series 2004 B Bonds"); and

(5) Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 7, 2012, issued in the original aggregate principal amount of $244,500 (the "Series 2012 A Bonds"), (collectively, the "Prior Bonds").

It is further our opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Series 2012 Bonds are issued will be at least 115% of the average annual debt service on the Prior Bonds and the Series 2012 Bonds; and (ii) the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2012 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2012 Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2012 Bonds.

Very truly yours,

Bennett & Dobbins PLLC

BENNETT & DOBBINS PLLC

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

On this 18th day of December, 2012, the undersigned Chairman of the Public Service Board of Huttonsville Public Service District in Randolph County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of its $1,085,000 Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), $1,100,000 Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund), and $1,700,000 Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund), all dated December 18, 2012 (collectively, the "Series 2012 Bonds" or the "Bonds"), hereby certifies as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on December 10, 2012 and the Supplemental Resolution duly adopted by the Issuer on December 10, 2012 (collectively, the "Bond Resolution"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on December 10, 2012, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2012 Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. A. The Series 2012 C Bonds were sold on December 18, 2012, to the Authority, pursuant to a Loan Agreement dated December 18, 2012, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $1,085,000 (100% of par), at which time, the Issuer received $70,000 from the Authority and the Council, being the first advance of the principal amount of the Series 2012 C Bonds. No accrued interest has been or will be paid on the Series 2012 C Bonds. The balance of the principal amount of the Series 2012 C Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

B. The Series 2012 D Bonds were sold on December 18, 2012, to the Authority, pursuant to a Loan Agreement dated December 18, 2012, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $1,100,000 (100% of par), at which time, the Issuer received $-0- from the Authority and the Council, being the first advance of the principal amount of the Series 2012 D Bonds. No accrued interest has been or will be paid on the Series 2012 D Bonds. The balance of the principal amount of the Series 2012 D Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

A. The Series 2012 E Bonds were sold on December 18, 2012, to the Authority, pursuant to a Loan Agreement dated December 18, 2012, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $1,700,000 (100% of par), at which time, the Issuer received $40,456 from the Authority and the Council, being the first advance of the principal amount of the Series 2012 E Bonds. No accrued interest has been or will be paid on the Series 2012 E Bonds. The balance of the principal amount of the Series 2012 E Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2012 Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks facilities of the Issuer (the "Project"); (ii) funding a portion of the Series 2012 E Bonds Reserve Account; and (iii) paying certain costs of issuance of the Series 2012 Bonds and related costs.

On the date hereof, the Issuer has simultaneously issued its Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), in the aggregate principal amount of $4,975,000 (the "Series 2012 B Bonds"), to pay a portion of the costs of the Project.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Series 2012 Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Reserve Account for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before September 1, 2014. The acquisition and construction of the Project is expected to be completed by March 1, 2014.

8. The total Cost of the Project is estimated at $11,995,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2012 B Bonds	$4,975,000
Proceeds of the Series 2012 C Bonds	$1,085,000
Proceeds of the Series 2012 D Bonds	$1,100,000
Proceeds of the Series 2012 E Bonds	$1,700,000
USDA Grants	$2,135,000
Infrastructure Grant	$1,000,000
Total Sources	$11,995,000

USES

Costs of Acquisition and Construction of the Project	$11,908,044
Partially funding the Series 2012 E Bonds Reserve Account	$40,456
Costs of Issuance	$46,500
Total Uses	$11,995,000

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued relative to the Series 2012 Bonds:

(1) Revenue Fund (created by Prior Resolutions);

(2) Renewal and Replacement Fund (created by Prior Resolutions);

(3) Series 2012 Bonds Construction Trust Fund;

(4) Series 2012 C Bonds Sinking Fund;

(5) Series 2012 C Bonds Reserve Account;

(6) Series 2012 D Bonds Sinking Fund;

(7) Series 2012 D Bonds Reserve Account;

(8) Series 2012 E Bonds Sinking Fund; and

(9) Series 2012 E Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Resolution, the proceeds of the Series 2012 Bonds will be deposited as follows:

(1) Series 2012 C Bonds proceeds in the amount of $-0- will be deposited in the Series 2012 C Bonds Reserve Account.

(2) Series 2012 D Bonds proceeds in the amount of $-0- will be deposited in the Series 2012 D Bonds Reserve Account.

(3) Series 2012 E Bonds proceeds in the amount of $40,456 will be deposited in the Series 2012 E Bonds Reserve Account.

(4) The balance of the proceeds of the Series 2012 Bonds will be deposited in the Series 2012 Bonds Construction Trust Fund as received from time to time and applied solely to payment of Costs of the Project, including costs of issuance of the Series 2012 Bonds and related costs.

11. A. Monies held in the Series 2012 C Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2012 C Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2012 C Bonds Sinking Fund and Series 2012 C Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2012 Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

B. Monies held in the Series 2012 D Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2012 D Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2012 D Bonds Sinking Fund and Series 2012 D Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2012 Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

C. Monies held in the Series 2012 E Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2012 E Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2012 E Bonds Sinking Fund and Series 2012 E Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2012 Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 14 months of the date hereof.

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the respective Series 2012 Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 20 months from the date of issuance thereof.

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

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

17. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

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

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

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Resolution authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain governmental or public purpose bonds.

23. A. The Issuer has either (a) funded the Series 2012 C Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2012 C Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2012 C Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2012 C Bonds Reserve Account and the Series 2012 C Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay Costs of the Project.

B. The Issuer has either (a) funded the Series 2012 D Bonds Reserve Account at the maximum amount of principal and interest which will mature and become

due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2012 D Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2012 D Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2012 D Bonds Reserve Account and the Series 2012 D Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay Costs of the Project.

C. The Issuer has either (a) funded the Series 2012 E Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current year with the proceeds of the Bonds, or (b) created the Series 2012 E Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2012 E Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current. Monies in the Series 2012 E Bonds Reserve Account and the Series 2012 E Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay Costs of the Project.

24. Other than the Series 2012 B Bonds, and the Series 2012 Bonds there are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

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

26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

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

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WITNESS my signature on the date first written above.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Steve Wamsley

Chairman

437410.00001

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 18-Dec-12

ISSUE: Huttonsville Public Service District
Water Revenue Bonds, Series 2012 B (United States Department of Agriculture)

ADDRESS: PO Box 277, Mill Creek, WV 26280 COUNTY: Randolph

PURPOSE OF ISSUE:
New Money: x
Refunding:

ISSUE DATE: 18-Dec-12
ISSUE AMOUNT: $4,975,000
1ST DEBT SERVICE DUE: N/A
1ST DEBT SERVICE AMOUNT N/A

REFUNDS ISSUE(S) DATED: NA
CLOSING DATE: 18-Dec-12
RATE: 3.500%
1ST PRINCIPAL DUE: N/A
PAYING AGENT: Issuer

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm:
Contact:
Phone:

CLOSING BANK:
Bank: N/A
Contact:
Phone:

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Louse McAtee
Position: General Manager
Phone: 304.338.2383

OTHER:
Agency: United States Department of Agriculture
Contact: Joe Crickenberger
Position: Rural Development Specialist
Phone: 304.636.2158

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

____ Accrued Interest: $
____ Capitalized Interest: $
____ Reserve Account: $
____ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT

____ To Escrow Trustee $
____ To Issuer $
____ To Cons. Invest. Func $
____ To Other: ____ $

NOTES: Monthly debt service payments will be made directly to the National Finance Office.
The Municipal Bond Commission will only hold the Series 2012 B Bonds Reserve Account.
Payments into the Series 2012 B Bonds Reserve Account will commence 24 months following the date hereof.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 18-Dec-12

ISSUE: Huttonsville Public Service District
Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund)

ADDRESS: PO Box 277, Mill Creek, WV 26280 COUNTY: Randolph

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 12/18/2012 CLOSING DATE: 18-Dec-12

ISSUE AMOUNT: $1,085,000 RATE: 0%

1ST DEBT SERVICE DUE: 1-Dec-14 1ST PRINCIPAL DUE: 1-Dec-14

1ST DEBT SERVICE AMOUNT $7,092 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: Mountain Valley Bank
Contact: Diana Summerfield
Phone: 304.335.2222

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Louse McAtee
Position: General Manager
Phone: 304.338.2383

OTHER:
Agency: West Virginia Inftrastructure & Jobs Development Council
Contact: Jim Ellars, PE
Position: Executive Director
Phone:

DEPOSITS TO MBC AT CLOSE
By:
_____ Check

_____ Accrued Interest: $ _____
_____ Capitalized Interest: $ _____
_____ Reserve Account: $ _____
_____ Other: $ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By:
_____ Wire
_____ Check
_____ IGT

_____ To Escrow Trustee $ _____
_____ To Issuer $ _____
_____ To Cons. Invest. Func $ _____
_____ To Other: _____ $ _____

NOTES: The Series 2012 C Bonds Reserve Account will be funded over 10 years

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 18-Dec-12

ISSUE: Huttonsville Public Service District
Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund)

ADDRESS: PO Box 277, Mill Creek, WV 26280 COUNTY: Randolph

PURPOSE OF ISSUE:
New Money: x
Refunding:

ISSUE DATE: 12/18/2012
ISSUE AMOUNT: $1,100,000
1ST DEBT SERVICE DUE: 1-Dec-14
1ST DEBT SERVICE AMOUNT $8,661.00*
*see DSS

REFUNDS ISSUE(S) DATED: NA
CLOSING DATE: 18-Dec-12
RATE: 1%
1ST PRINCIPAL DUE: 1-Dec-14
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

CLOSING BANK:
Bank: Mountain Valley Bank
Contact: Diana Summerfield
Phone: 304.335.2222

KNOWLEDGEABLE ISSUER CONTACT
Contact: Louse McAtee
Position: General Manager
Phone: 304.338.2383

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

OTHER:
Agency: West Virginia Inftrastructure & Jobs Development Council
Contact: Jim Ellars, PE
Position: Executive Director
Phone:

DEPOSITS TO MBC AT CLOSE
By:
____ Check

____ Accrued Interest: $
____ Capitalized Interest: $
____ Reserve Account: $
____ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE
By:
____ Wire
____ Check
____ IGT

____ To Escrow Trustee $
____ To Issuer $
____ To Cons. Invest. Func $
____ To Other: ____ $

NOTES: The Series 2012 D Bonds Reserve Account will be funded over 10 years

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 12/18/2012

ISSUE: Huttonsville Public Service District
Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund)

ADDRESS: PO Box 277, Mill Creek, WV 26280 COUNTY: Randolph

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 12/18/2012
CLOSING DATE: 12/18/2012

ISSUE AMOUNT: $1,700,000
RATE: 0%

1ST DEBT SERVICE DUE: 1-Jun-16
1ST PRINCIPAL DUE: 1-Jun-16

1ST DEBT SERVICE AMOUNT see DSS
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: Mountain Valley Bank
Contact: Diana Summerfield
Phone: 304.335.2222

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Louse McAtee
Position: General Manager
Phone: 304.338.2383

OTHER:
Agency: West Virginia Inftrastructure & Jobs Development Council
Contact: Jim Ellars, PE
Position: Executive Director
Phone:

DEPOSITS TO MBC AT CLOSE
By: x Wire
Check

	Accrued Interest:	$
	Capitalized Interest:	$
X	Reserve Account:	$ 40,456
	Other:	$

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: Wire
Check
IGT

	To Escrow Trustee	$
	To Issuer	$
	To Cons. Invest. Func	$
	To Other:	$

NOTES: The Series 2012 D Bonds Reserve Account will initially be funded by $40,456 deposited at Closing. The Issuer has convenanted to transfer the respective reserve accounts for the Series 1996 Bonds, Series 2000 A Bonds Series 2012 A Bonds, Series 2004 A Bonds and Series 2004 B Bonds upon maturity to the Series 2012 E Bonds Reserve Account.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

WTP Project

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Mountain Valley Bank, Mill Creek, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution of Huttonsville Public Service District (the "Issuer"), adopted December 10, 2012, and a Supplemental Resolution of the Issuer adopted December 10, 2012 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), issued in the original aggregate principal amount of $1,085,000; Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund), issued in the original aggregate principal amount of $1,100,000; and Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund), issued in the original aggregate principal amount of $1,700,000, all dated December 18, 2012 (collectively, the "Bonds") and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 18th day of December, 2012.

MOUNTAIN VALLEY BANK

By: _____
Its: Authorized Officer

437410.00001

WTP Project

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR OF SERIES 2012 C BONDS,
SERIES 2012 D BONDS AND SERIES 2012 E BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Huttonsville Public Service District Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), dated December 18, 2012, in the principal amount of $1,085,000; Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund), dated December 18, 2012, in the principal amount of $1,100,000; and Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund), dated December 18, 2012, in the principal amount of $1,700,000 (collectively, the "Bonds") and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 18th day of December, 2012.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

437410.00001

5106078

WTP Project

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF
SERIES 2012 C BONDS; SERIES 2012 D BONDS; AND SERIES 2012 E BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned bond issue of the Huttonsville Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Huttonsville Public Service District Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of $1,085,000, numbered CR-1; Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of $1,100,000, numbered DR-1; and Water Revenue Bonds, Series 2012 e (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of $1,700,000, numbered ER-1, all dated December 18, 2012 are registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 18th day of December, 2012.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

437410.00001

5110019

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of this 18th day of December, 2012, by and between HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district and public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $1,085,000 Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund); $1,100,000 Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund); and $1,700,000 Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund) in fully registered form (collectively, the "Bonds"), pursuant to a Bond Resolution of the Issuer duly adopted December 10, 2012, and a Supplemental Resolution of the Issuer duly adopted December 10, 2012 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Huttonsville Public Service District
Post Office Box 277
Mill Creek, West Virginia 26280
Attention: Chairman

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Bond Legislation.

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

437410.00001

5110471

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See attached)

SWEEP RESOLUTION

Huttonsville Public Service District

WHEREAS, Huttonsville Public Service District (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, PURSUANT TO Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the "MBC Fee");

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, along with the MBC Fee, shall be made to the MBC by electronic transfer by the State Treasurer form the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Chairman and Secretary are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 10th day of December, 2012.

Chairman

Secretary

USDA Rural Development
United States Department of Agriculture
Rural Development
West Virginia State Office

December 18, 2012

Huttonsville Public Service District
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture);
Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present Holder of the Series 1996 Bonds, Series 2000 A Bonds and Series 2004 B Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the: (1) Water Revenue Bonds, Series 2012 B (United States Department of Agriculture) in the original aggregate principal amount of $4,975,000; (2) Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund) in the original aggregate principal amount of $1,085,000; (3) Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund) in the original aggregate principal amount of $1,100,000; and (4) Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund) in the original aggregate principal amount of $1,700,000 (collectively, the "Bonds") by Huttonsville Public Service District (the "Issuer"), under the terms of the bond resolution authorizing the issuance of the Bonds (the "Resolution"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding: Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000 (the "Series 1996 Bonds"); Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000 (the "Series 2000 A Bonds"); and Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25, 2004, issued in the original aggregate principal amount of $400,000 (the "Series 2004 B Bonds"), (collectively, the "Prior Bonds"), and (ii) waives the requirements imposed by the Prior Bonds or the resolution authorizing the Prior Bonds, regarding the issuance of parity bonds which are not met by the Bonds or the Resolution.

WITNESSETH my signature on this 18th day of December, 2012.

State Director

1550 Earl Core Road, Suite 101, Morgantown, WV 26505
304.284.4860 • 1.800.295.8228 • 304.284-4893 • TTY/TDD 304.284.4836 • Web: http://www.rurdev.usda.gov

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WEST VIRGINIA
Water Development Authority
Celebrating 36 Years of Service ***1974 - 2012***

December 18, 2012

Huttonsville Public Service District
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture);
Water Revenue Bonds, Series 2012 C;
Water Revenue Bonds, Series 2012 D; and
Water Revenue Bonds, Series 2012 E
(West Virginia Infrastructure Fund)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Bennett & Dobbins PLLC, the independent certified public accountants and an opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative for the West Virginia Water Development Authority, the Registered Owner of the entire Outstanding aggregate principal amount of the Prior Bonds, hereinafter defined and described, of Huttonsville Service District (the "Issuer"), hereby consents to the issuance of the (1) Water Revenue Bonds, Series 2012 B (United States Department of Agriculture) in the original aggregate principal amount of $4,975,000; (2) Water Revenue Bonds, Series 2012 C (West Virginia Infrastructure Fund) in the original aggregate principal amount of $1,085,000; (3) Water Revenue Bonds, Series 2012 D (West Virginia Infrastructure Fund) in the original aggregate principal amount of $1,100,000; and (4) Water Revenue Bonds, Series 2012 E (West Virginia Infrastructure Fund) in the original aggregate principal amount of $1,700,000 (collectively, the "Bonds"), by the Issuer, under the terms of the Resolution authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment with the Issuer's: (i) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000 (the "Series 2004 A Bonds"); and (ii) Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), dated August 7, 2012, issued in the original aggregate principal amount of $244,500 (the "Series 2012 A Bonds"), (collectively, the "Prior Bonds").

Sheila A. Miller
Authorized Representative

1009 Bullitt Street, Charleston, WV 25301
Phone (304) 414-6500 / fax (304) 414-0865
www.wvwda.org

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Water Revenue Bond, Series 1996

BOND RESOLUTION

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HUTTONSVILLE PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE OF $1,000,000 WATER REVENUE BOND, SERIES 1996, OF HUTTONSVILLE PUBLIC SERVICE DISTRICT, TO FINANCE THE COST, NOT OTHERWISE PROVIDED, OF ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF AN EXISTING WATER SYSTEM AND IMPROVEMENTS AND EXTENSIONS THERETO, AND ALL APPURTENANT FACILITIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF HUTTONSVILLE PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Huttonsville Public Service District (the "Issuer") is a public corporation and public service district and political subdivision of the State of West Virginia in Randolph County of said State, duly created pursuant to the Act by The County Commission of Randolph County.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer does not currently own or operate a public waterworks system. The Issuer desires to finance and acquire, construct, operate and maintain certain public service properties consisting of an existing water system, and improvements and extensions to such existing waterworks facilities, within the boundaries of the Issuer to be owned and operated by the Issuer.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer, and, accordingly, it is hereby ordered, that there be acquired certain waterworks facilities heretofore owned by Valley Water Company, and that there be constructed certain improvements and extensions thereto, the abandonment of the Valley Water Company plant, and replacement of approximately fifteen and one-half (15-1/2) miles of watermain, and all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed with the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The Project and any further extensions or improvements thereto constituting waterworks facilities, are herein called the "System." The Issuer will purchase water from the Town of Beverly pursuant to a water purchase contract between the Issuer and the Town of Beverly. The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bond (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is $2,839,000, of which $1,000,000 will be obtained from the proceeds of sale of the Bond herein authorized, $1,134,000 from a grant by the Purchaser (as hereinafter defined), and $705,000 from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia).

E. It is necessary for the Issuer to issue its water revenue bond in the principal amount of $1,000,000 to finance a portion of the cost of such acquisition and construction in the manner hereinafter provided. The cost of such acquisition and construction shall be deemed to include, without being limited to, the cost of acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Bond prior to, during and for 6 months after completion of such acquisition or construction; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, and such other expenses as may be necessary or incident to the financing authorized hereby and the acquisition or construction of the properties and the placing of same in operation; provided, that reimbursement to the

Issuer for any amounts expended by it for the repayment of indebtedness incurred for costs of the Project by the Issuer shall be deemed costs of the Project.

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

G. There are no outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Bond as to liens, pledge and/or source of and security for payment.

H. It is in the best interest of the Issuer that the Bond be sold to the Purchaser, pursuant to the terms and provisions of a Letter of Conditions dated June 24, 1993, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bond, or will have so complied prior to issuance of the Bond, including, among other things and without limitation, the consent and approval, pursuant to the Act and other applicable provisions of law, of the issuance of the Bond, the acquisition and construction of the Project, the imposition of rates and charges, and the obtaining of a certificate of public convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bond by those who shall be the Registered Owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Bond.

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

"Act" means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended.

"Bond" means the Water Revenue Bond, Series 1996, authorized hereby to be issued pursuant to this Bond Legislation.

"Bond Legislation," "Bond Resolution" or "Resolution" means this Resolution and all resolutions supplemental hereto and amendatory hereof.

"Bond Registrar" means the Issuer, which shall usually so act by its Secretary.

"Chairman" means the Chairman of the Governing Body.

"Consulting Engineer" means Green Engineering, Inc., Philippi, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means Mountain Valley Bank, National Association, Elkins, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns, except that with respect to the Project Construction Account, the Depository Bank shall be Citizens National Bank, Elkins, West Virginia.

"Facilities" or "waterworks facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired..

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Public Service Board of the Issuer.

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

"Herein" or "herein" means in this Bond Legislation.

"Issuer," "Borrower" or "District" means Huttonsville Public Service District, a public service district and public corporation and political subdivision of the State of West Virginia, in Randolph County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated June 24, 1993, and all amendments thereto, if any.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Bond and into the Reserve Fund and the Depreciation Fund have been made to the last monthly payment date prior to the date of such retention.

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service (formerly Farmers Home Administration), and any successor thereof, acting for and on behalf of the United States of America.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

(a) Government Obligations;

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

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

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other

federal agency and backed by the full faith and credit of the United States of America;

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

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

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

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

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

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

"Revenues" or "Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Secretary" means the Secretary of the Governing Body.

"State" means the State of West Virginia.

"System" means the waterworks of the Issuer as improved, extended, enlarged and expanded by the Project, and includes the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system of the Issuer.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bond or any certificate or other document by the Chairman or the Secretary shall mean that such Bond, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $2,839,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bond hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 3.01. Authorization of Bond. Subject and pursuant to the provisions of the Bond Legislation, the Bond of the Issuer, to be known as "Water Revenue Bond, Series 1996," is hereby authorized to be issued in the aggregate principal amount of not exceeding $1,000,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bond. The Bond shall be issued in single form, numbered R-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Bond shall bear interest from the date of delivery, payable monthly at the rate of 4.5% per annum, and shall be sold for the par value thereof.

The Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bond. The Bond shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Bond, and the right to principal of and stated interest on the Bond, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Bond shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Bond shall be permitted to be made after the 15th day next preceding any installment payment date on the Bond.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the registration and transfer of the Bond, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Bond initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Bond as hereinbefore provided.

The Bond Registrar shall accept the Bond for registration or transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Bond shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Bond shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be Federal Building, Room 320, 75 High Street, Morgantown, West Virginia 26505-7500, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bond. The Bond shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Bond shall cease to be such officer of the Issuer before the Bond so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bond had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bond shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bond Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bond Secured by Pledge of Net Revenues. The payment of the debt service of the Bond shall be secured forthwith by a first lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bond, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

HUTTONSVILLE PUBLIC SERVICE DISTRICT

WATER REVENUE BOND, SERIES 1996

$1,000,000

No. R-1 Date: _____

FOR VALUE RECEIVED, HUTTONSVILLE PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION DOLLARS ($1,000,000), plus interest on the unpaid principal balance at the rate of 4.5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $4,590, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing the cost of improvements and extensions to the existing waterworks system (the "System") of the Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a resolution of the Borrower duly adopted authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

HUTTONSVILLE PUBLIC SERVICE DISTRICT
(Name of Borrower)

[CORPORATE SEAL]

_____
(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

Post Office Box 277
(P. O. Box No. or Street Address)

Mill Creek, West Virginia 26280
(City, State and Zip Code)

ATTEST:

_____
(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Executive Official)

(Form of)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established with, and shall be held by, the Depository Bank, separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund;

(2) Reserve Fund;

(3) Depreciation Fund; and

(4) Project Construction Account.

Section 4.02. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Bond shall be deposited upon receipt by the Issuer in the Project Construction Account. The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Moneys in the Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installments on the Bond if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.02, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance

remaining in the Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bond remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Bond as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Resolution.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(i) The Issuer shall first, each month, pay from the moneys in the Revenue Fund all current Operating Expenses.

(ii) The Issuer shall next, each month, on or before the due date of payment of each installment on the Bond, transfer from the Revenue Fund and remit to the National Finance Office designated in the Bond (or such other place as may be provided pursuant to the Bond), the amounts required to pay the interest on the Bond, and to amortize the principal of the Bond over the life of the Bond issue.

(iii) The Issuer shall next, each month, on each date that payment is made as set forth in (ii) above, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Reserve Fund, 1/12th of 1/10th of the amount, as of the date of calculation, equal to the maximum aggregate amount of principal and interest which will become due on the Bond in any year, until the amount in the Reserve Fund equals such maximum amount (the "Minimum Reserve"). After the Minimum Reserve has been accumulated in the Reserve Fund, the Issuer shall monthly deposit into the Reserve Fund such part of the moneys remaining in the Revenue Fund, after such

provision for payment of monthly installments on the Bond and for payment of Operating Expenses of the System, as shall be required to maintain the Minimum Reserve in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bond to said National Finance Office (or other place provided) as the same shall become due or for prepayment of installments on the Bond, or for mandatory prepayment of the Bond as hereinafter provided, and for no other purpose.

(iv) The Issuer shall next, each month, on each date that payment is made as set forth in (ii) above, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Depreciation Fund, the moneys remaining in the Revenue Fund and not permitted to be retained therein, until there has been accumulated in the Depreciation Fund the aggregate sum of $142,000, and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Fund shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Bond as the same become due, and next to restore to the Reserve Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Depreciation Fund may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part thereof.

(v) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, moneys remaining therein and not permitted to be retained therein, if any, may be used to prepay installments of the Bond, or for any lawful purpose.

Whenever the money in the Reserve Fund shall be sufficient to prepay the Bond in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Bond at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Reserve Fund and the Depreciation Fund herein provided, and all amounts required for the Reserve Fund and the Depreciation Fund will be deposited therein by the Issuer upon transfers of funds from the

Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

The Revenue Fund, the Reserve Fund and the Depreciation Fund shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Bond and the interest thereon, but the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

The Depository Bank, at the direction of the Issuer, shall keep the moneys in the Reserve Fund and the Depreciation Fund invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia State Board of Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings upon moneys in the Reserve Fund, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually into the Revenue Fund by the Depository Bank.

C. CHANGE OF FISCAL AGENT. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank and Fiscal Agent if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Bond, provide evidence that there will be at least 491 bona fide full-time users

upon the Project on completion, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

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

H. GROSS REVENUES. The Gross Revenues of the System shall only be used for purposes of the System.

Section 4.04. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of proceeds of the grants and advances of principal of the Bond, the Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed $500,000 (the "Notes"). The Notes shall be in the form of a line of credit from a commercial bank or other lender, and the Issuer is hereby authorized to enter into a credit agreement, with such bank or other lender. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the credit agreement.

The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Bond or the grants. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth herein.

ARTICLE V

GENERAL COVENANTS, ETC.

Section 5.01. General Statement. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund a sum sufficient to prepay the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Bondholder.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Bond and sufficient to make the payments required herein into the Reserve Fund and the Depreciation Fund and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Bond is outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional parity bonds or obligations payable out of any of the Revenues of the System shall be issued after the issuance of the Bond pursuant hereto, except with the prior written consent of the Purchaser.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Bond remains outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

A. Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application

of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

B. Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Bond.

C. Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

D. Workers' Compensation Coverage for All Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds have been or will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

E. Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer; however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

F. Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $50,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the

Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

G. Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bond is outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Bond.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

A. Failure to make payment of any monthly amortization installment upon the Bond at the date specified for payment thereof; and

B. Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bond or herein, or violation of or failure to observe any provision of any pertinent law.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Purchaser, such court may, upon proof of such default appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 5.09. Fiscal Year; Budget. While the Bond is outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next year preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.11. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer on file with the Secretary on the date of adoption hereof, subject to permitted changes.

Section 5.12. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public

accountants and shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.13. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bond is outstanding.

Section 5.14. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Final Order of the Public Service Commission of West Virginia, entered on December 11, 1995, Case No. 94-0070-PWD-CN, which Final Order is incorporated herein by reference as a part hereof.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other Revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bond. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Bond, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Bond, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Bond, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 7.02. Modification or Amendment. Prior to issuance of the Bond, this Resolution may be amended or supplemented in any way by resolution. Following issuance of the Bond, no resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bond. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause the Bond, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 7.05. Conflicting Provisions Repealed. All resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed

or to be taken precedent to and in the adoption of this Resolution 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, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 7.08. Effective Time. This Resolution shall take effect immediately upon its adoption.

Adopted: June 7, 1996.

Chairman

Member

Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of HUTTONSVILLE PUBLIC SERVICE DISTRICT on the 7th day of June, 1996.

Dated: June 7, 1996.

[SEAL]

Secretary, Public Service Board

HUTTONSVILLE PUBLIC SERVICE DIST.
ESTABLISHED
JUNE 13, 1972

05/15/96
HUTJM.A4
437410/93001

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 1996
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO THE RESERVE ACCOUNT ESTABLISHED FOR THE WATER REVENUE BONDS, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICULTURE), OF HUTTONSVILLE PUBLIC SERVICE DISTRICT AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Huttonsville Public Service District (the "Issuer") has duly and officially adopted a bond resolution on June 7, 1996 (the "Series 1996 Bond Resolution"), entitled:

RESOLUTION AUTHORIZING THE ISSUANCE OF $1,000,000 WATER REVENUE BOND, SERIES 1996, OF HUTTONSVILLE PUBLIC SERVICE DISTRICT, TO FINANCE THE COST, NOT OTHERWISE PROVIDED, OF ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF AN EXISTING WATER SYSTEM AND IMPROVEMENTS AND EXTENSIONS THERETO, AND ALL APPURTENANT FACILITIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Series 1996 Bond Resolution when used herein;

WHEREAS, the Series 1996 Bond Resolution provided for, and the Issuer has issued, the Water Revenue Bonds, Series 1996 (United States Department of Agriculture), in the aggregate principal amount of $1,000,000 (the "Series 1996 Bonds"), all in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Series 1996 Bond Resolution provided for the establishment of the Reserve Account for the Series 1996 Bonds (the "Series 1996 Bonds Reserve Account") held by the Depository Bank;

WHEREAS, the Issuer now desires to transfer the Series 1996 Bonds Reserve Account from the Depository Bank to the West Virginia Municipal Bond Commission (the "Commission");

WHEREAS, pursuant to Section 4.03(iii) of the Series 1996 Bond Resolution the Minimum Reserve required for the Series 1996 Bonds is $55,080; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF HUTTONSVILLE PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Series 1996 Bond Resolution and the Act, this Supplemental Resolution is adopted.

Section 2. The Issuer hereby approves and directs the transfer of the Series 1996 Bonds Reserve Account from the Depository Bank to the Commission at the earliest practical date and the establishment of the Series 1996 Bonds Reserve Account at the Commission.

Section 3. In connection with the Series 1996 Bonds Reserve Account, $55,080 shall be transferred from the Depository Bank to the Commission; and deposited in the Series 1996 Bonds Reserve Account, which is sufficient to fully fund the Series 1996 Bonds Reserve Account to the amount required by the Series 1996 Bond Resolution.

Section 4. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 12th day of October, 2012.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

By: Steve Wamsley
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by HUTTONSVILLE PUBLIC SERVICE DISTRICT on this 12th day of October, 2012.

Dated: October 12, 2012.

[SEAL]

Daniel A. McClure
Secretary

437410.00001

(SPECIMEN BOND)

HUTTONSVILLE PUBLIC SERVICE DISTRICT

WATER REVENUE BOND, SERIES 1996

$1,000,000

No. R-1 Date: June 7, 1996

FOR VALUE RECEIVED, HUTTONSVILLE PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION DOLLARS ($1,000,000), plus interest on the unpaid principal balance at the rate of 4.5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $4,590, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing the cost of improvements and extensions to the existing waterworks system (the "System") of the Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of

West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a resolution of the Borrower duly adopted authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

_____

Chairman, Public Service Board

Post Office Box 277
Mill Creek, West Virginia 26280

ATTEST:

_____

Secretary, Public Service Board

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

TOTAL $

ASSIGNMENT

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

_____

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

Dated: _____, _____.

_____

In the presence of:

_____

HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2000 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

BOND AND LINE OF CREDIT RESOLUTION

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EXHIBIT A - PROJECT DESCRIPTION

HUTTONSVILLE PUBLIC SERVICE DISTRICT

BOND AND LINE OF CREDIT RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF HUTTONSVILLE PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT TO EXCEED $731,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), AND THE SALE THEREOF TO THE UNITED STATES OF AMERICA, UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL UTILITIES SERVICE; AUTHORIZING A LINE OF CREDIT NOT TO EXCEED $731,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF HUTTONSVILLE PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" or "Bond Act" means Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended and in effect on the date of adoption of this Resolution.

"Board" means the public service board of the Issuer and shall include the membership of the Board as may hereafter be duly constituted as the legal successors to the present membership or any other authority vested with and authorized to exercise the powers of the Issuer.

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

"Bond Registrar" means the Issuer, which shall so serve by the Secretary of the Issuer.

"Bonds" means, collectively, the Series 2000 A Bonds, the Prior Bonds and any Additional Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution.

"Chairperson" means the Chairperson of the Governing Body of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Bonds for all or a portion of the proceeds of the Bonds.

"Consulting Engineers" means Green Engineering, Inc., Philippi, West Virginia, or any engineer or firm of engineers, licensed by the State, which shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Costs" or "Costs of the Project" means those costs described in Section 1.03E hereof to be a part of the cost of acquisition and construction of the Project.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means a state banking corporation or national banking association located in the State, eligible under the laws of the State to receive deposits of state and municipal funds and insured by the FDIC, which Depository Bank shall be named in the Supplemental Resolution.

"Depreciation Fund" means the Depreciation Fund established by the Prior Resolution and continued by Section 5.01 hereof.

"Event of Default" means any Event of Default specified in Section 8.01 hereof.

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

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

"Governing Body" or "Board" means the public service board of the Issuer, as is now or may hereafter be constituted.

"Government" means the United States of America, United States Department of Agriculture, Rural Utilities Service, which is expected to be the original purchaser of the Series 2000 A Bonds.

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

"Gross Revenues" means all rates, rents, fees, charges, or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

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

"Issuer" or "District" means Huttonsville Public Service District, a public service district, public corporation and political subdivision of the State, in Randolph County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions from the Government dated March 23, 1998, and any supplements or amendments thereto.

"Line of Credit" means the line of credit authorized by Section 4.01 hereof, the terms and exact amount of which shall be approved by a resolution supplemental hereto.

"Line of Credit Agreement" means the agreement establishing and securing the Line of Credit, said agreement to be approved by a resolution supplemental hereto.

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

"Note" or "Notes" means the note evidencing the Line of Credit, said note to be approved by a resolution supplemental hereto.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Bonds and into the Reserve Accounts and the Depreciation Fund have been made to the last monthly payment date prior to the date of such retention.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond canceled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Section 10.06 hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

"Prior Bonds" means the Issuer's Water Revenue Bonds, Series 1996, dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000.

"Prior Resolution" means the resolution duly adopted by the Issuer on June 7, 1996, authorizing the Prior Bonds.

"Project" means the acquisition and construction of certain extensions, additions, betterments and improvements to the System, a description of which is attached hereto as Exhibit A and incorporated herein by reference.

"PSC" means the Public Service Commission of West Virginia and any successor to the functions thereof.

"PSC Order" means the final order of the PSC, granting the Issuer a certificate of convenience and necessity to construct the Project and approving the financing for the Project and the rates for the System.

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

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing any said repurchase agreement either must mature as nearly as practicable coincident with the maturity of said repurchase agreement or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase

agreement, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts of the Series 2000 A Bonds and the Prior Bonds.

"Resolution" means this resolution, as from time to time amended or supplemented.

"Revenue Fund" means the fund established by the Prior Resolution and continued by Section 5.01 hereof.

"Secretary" means the Secretary of the Governing Body of the Issuer.

"Series 2000 A Bonds" means the Huttonsville Public Service District Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), authorized to be issued hereby.

"Series 2000 A Bonds Construction Trust Fund" means the Series 2000 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2000 A Bonds Reserve Account" means the Series 2000 A Bonds Reserve Account established by Section 5.01 hereof.

"Series 2000 A Bonds Reserve Requirement" means an amount equal to $40,272.

"Series 2000 A Bonds Sinking Fund" means the Series 2000 A Bonds Sinking Fund established by Section 5.03(A)(2) hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 2000 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2000 A Bonds and not so included may be included in another Supplemental Resolution.

"System" means the waterworks of the Issuer as improved, extended, enlarged and expanded by the Project, and includes the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system of the Issuer.

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Series 2000 A Bonds or any certificate or other document by the Chairperson or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairperson or Acting Secretary.

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

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

Section 1.02. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. It is hereby found, determined and declared as follows:

A. The Issuer is a public service district, public corporation and political subdivision of the State in Randolph County of said State. The Issuer presently owns and operates a public waterworks system. However, the Issuer deems it necessary and desirable for the health, welfare and safety of the inhabitants of the Issuer that there be acquired and constructed the Project, in accordance with the plans and specifications prepared by the Consulting Engineer, which plans and specifications have been approved by the Government and the Issuer.

B. The Issuer intends to permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the Government.

C. The estimated maximum cost of acquisition and construction of the Project is $1,500,000. The Project will be financed with the proceeds of the sale of the Series 2000 A Bonds anticipated to be in the amount of $731,000, a grant from the Government in the amount of $469,000, and a grant from the Appalachian Regional Commission in the amount of $300,000.

D. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all Operating Expenses of the System, the principal of and interest on the Prior Bonds and the Series 2000 A Bonds and to make payments into all funds and accounts provided for in this Resolution and the Prior Resolution.

E. It is deemed necessary for the Issuer to issue the Series 2000 A Bonds in the aggregate principal amount of not more than $731,000, to permanently finance a portion of the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of acquisition or construction of any public service properties, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest on the Series 2000 A Bonds, prior to and during acquisition or construction and for six months after completion of acquisition or construction of the Project; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense and such other expenses as may be necessary or incident to the financing herein authorized, the acquisition or construction of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof.

F. The Series 2000 A Bonds shall be issued on a parity with the Prior Bonds as to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the parity and coverage requirements of the Prior Bonds and the Prior Resolution. Prior to the issuance of the Series 2000 A Bonds, the Issuer will obtain the

consent of the Holders of the Prior Bonds to the issuance of the Series 2000 A Bonds on a parity with the lien of the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

H. It is in the best interests of the Issuer that the Series 2000 A Bonds be sold to the Government pursuant to the terms and provisions of the Letter of Conditions.

I. The Issuer has complied with all requirements of West Virginia law and the Letter of Conditions relating to authorization of the acquisition, construction and operation of the Project and issuance of the Series 2000 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of the PSC Order, the time for rehearing and appeal of which have expired.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2000 A Bonds by those who shall be the Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF PROJECT

Section 2.01. Authorization of Acquisition and Construction of Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $1,500,000, in accordance with the plans and specifications prepared by the Consulting Engineers, approved by the Government and the Issuer and heretofore filed in the office of the Governing Body. The proceeds of the Series 2000 A Bonds shall be applied as provided in Article VI hereof.

The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, which are in an amount and otherwise compatible with the terms of the Letter of Conditions.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Resolution, the Series 2000 A Bonds of the Issuer, to be known as "Huttonsville Public Service District Water Revenue Bonds, Series 2000 A (United States Department of Agriculture)," is hereby authorized to be issued in the aggregate principal amount of not more than $731,000, for the purpose of permanently financing a portion of the cost of acquisition and construction of the Project.

Section 3.02. Terms of Bonds. The Series 2000 A Bonds shall be issued as fully registered Bonds with a record of advances attached, numbered AR-1, and shall be dated the date of delivery thereof.

The Series 2000 A Bonds shall bear interest from the date of delivery on the amount outstanding as evidenced on the record of advances, payable monthly, commencing 30 days following the date of delivery of the Series 2000 A Bonds and continuing on the corresponding day of each month thereafter for the first 24 months after the date thereof, and thereafter, on the corresponding day of each month in installments of principal and interest in the aggregate amount of $3,356, except that the final installment shall be paid at the end of 40 years from the date of the Series 2000 A Bonds in the sum of the unpaid principal and interest due on the date thereof, at a rate, not exceeding 4.50% per annum, as shall be determined by the Supplemental Resolution and shall be sold for the par value thereof.

The Series 2000 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, shall be payable as provided in the Series 2000 A Bond form hereinafter set forth, and shall have such other terms not inconsistent with this Resolution, as shall be set forth in the Supplemental Resolution and such Series 2000 A Bond form.

Section 3.03. Execution of Bonds. The Series 2000 A Bonds shall be executed in the name of the Issuer by the manual or facsimile signature of the Chairperson, and the seal of the Issuer shall be impressed thereon and attested by the manual or facsimile signature of 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.

Section 3.04. Negotiability, Transfer and Registration. The Series 2000 A Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State , but the Series 2000 A Bonds, and the right to principal of and stated interest on the Series 2000 A Bonds, may only be transferred by transfer of the registration thereof upon the books of the Bond Registrar, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2000 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2000 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No registration of transfer of the Series 2000 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2000 A Bonds.

The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, books for the registration and transfer of the Series 2000 A Bonds and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2000 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2000 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2000 A Bonds for registration or transfer only if ownership thereof is to be registered in the name of the Government, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Series 2000 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2000 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, 1520 Market Street, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2000 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer proof of ownership 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 so surrendered shall be canceled and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.06. Bonds not to be Indebtedness of the Issuer. The Series 2000 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System, as herein provided. No Holder or Holders of any of the Series 2000 A Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay the Series 2000 A Bonds or the interest thereon.

Section 3.07. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2000 A Bonds shall be secured by a first lien on the Net Revenues on a parity with the lien of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2000 A Bonds and the Prior Bonds and to make the payments into all funds and accounts hereinafter established or established in the Prior Resolution, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2000 A Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Bonds. The text of the Series 2000 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2000 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. AR-1 $_____ _____, 2000

FOR VALUE RECEIVED, HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public corporation organized and existing under the laws of, and a political subdivision of, the State of West Virginia, in Randolph County (herein called the "Borrower"), promises to pay to the order of the United States of America (herein called the "Government"), at its National Finance Office, 1520 Market Street, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, and in the manner provided below, the principal sum of _____ DOLLARS ($_____), or such lesser amount as is set forth on the Record of Advances attached hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of ___% per annum.

The principal of and interest on this Bond shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing 30 days following the date of delivery of this Bond and continuing on the corresponding day of each month thereafter for the first 24 months after the date hereof, and thereafter, on the corresponding day of each month in installments of principal and interest in the aggregate amount of $_____, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof and except that prepayments may be made as provided below. This consideration shall support any agreement modifying the foregoing schedule of payments.

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

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

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Borrower. Extra payments, as defined in the regulations of the Government, shall, after payment of interest, be applied to the installment last to come due under this Bond and shall not affect the obligation of the Borrower to pay the remaining installments as scheduled herein.

Any amount advanced or expended by the Government for the collection hereof, or to preserve or to protect any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government, shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by the Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government. Borrower has granted to the Government a lien on the proceeds of this Bond until such proceeds are expended for authorized purposes.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing waterworks system of the Borrower (the "Project" and together with any further extensions, additions, betterments and improvements thereto, herein called the "System"); and (ii) to pay certain costs of issuance and related costs. This Bond is authorized and issued under 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 Borrower on _____, 2000, as supplemented by a Supplemental Resolution duly adopted by the Borrower on _____, 2000 (collectively, the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution.

THIS BOND IS ISSUED ON A PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE BORROWER'S WATER REVENUE BONDS, SERIES 1996, DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of a first lien on the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, which lien is on a parity with the lien of the Prior Bonds, moneys in the Series 2000 A Bonds Reserve Account created under the Resolution and unexpended proceeds of this Bond. Such

Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provisions or limitations, nor shall the Borrower be obligated to pay the same or the interest hereon except from the Net Revenues, the moneys in the Series 2000 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Resolution, the Borrower has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the proper and reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the average annual debt service requirements on this Bond, the Prior Bonds and on all obligations secured by or payable from such revenues on a parity with this Bond. The Borrower has entered into certain further covenants with the owner of this Bond for the terms of which reference is made to the Resolution. Remedies provided the owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Resolution, only upon the books of the Secretary of the Borrower, as registrar (the "Registrar"), which shall be kept for that purpose at the office of the Registrar, by the owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar duly executed by the owner or its attorney or legal representative duly authorized in writing.

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

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for such purposes and periods of time.

If at any time it so appears to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private creditor at reasonable rates and terms for loans for such purposes and period of time, Borrower will at the Government's request apply for and accept such loan in sufficient amount to repay the Government.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts connected with the issuance hereof, as provided by law and the Resolution, shall be applied solely to the costs of acquisition and construction of the Project, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Bond will be in default should any proceeds of this Bond be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

All provisions of the Resolution, 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.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Rural Development Act of 1972. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairperson and its seal to be hereunto impressed and attested by its Secretary, all as of the date first written above.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

_____

Chairperson

[SEAL]

ATTEST:

_____

Secretary

(Form of)

RECORD OF ADVANCES

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

TOTAL $

(Form of)

ASSIGNMENT

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

Dated: _____, ___.

_____

In the presence of:

_____

Section 3.09. Sale of Bonds. The Series 2000 A Bonds shall be sold to the Government pursuant to the terms and conditions of the Letter of Conditions. The provisions of the Letter of Conditions are specifically incorporated in this Resolution.

ARTICLE IV

LINE OF CREDIT

Section 4.01. Authorization of Line of Credit. To provide funds for the acquisition and construction of the Project when other funds are temporarily not available therefor, the Issuer is hereby authorized to arrange for a Line of Credit in an aggregate principal amount not to exceed $731,000. The exact amount and terms of the Line of Credit shall be approved by a resolution supplemental hereto; provided, that the Issuer has obtained an order of the PSC approving the Line of Credit, the time for rehearing and appeal of which has expired or the rights of all parties have been waived. The text of the Note and the Line of Credit Agreement shall be in substantially the form set forth in a resolution supplemental hereto.

Section 4.02. Security for the Note. The principal of and interest on the Note shall be payable solely from and secured by the proceeds of the Series 2000 A Bonds and the grants for the Project.

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Resolution);

(2) Series 2000 A Bonds Construction Trust Fund;

(3) Series 2000 A Bonds Reserve Account; and

(4) Depreciation Fund (established by the Prior Resolution).

Section 5.02. (Reserved)

Section 5.03. System Revenues and Application Thereof. So long as the Bonds shall be Outstanding and unpaid, the Issuer covenants with the Bondholders as follows:

(A) The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. Funds in the Revenue Fund shall be disposed of only in the following manner and order of priorities and as provided in the Prior Resolution.

(1) The Issuer shall first, each month, pay from the moneys in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, each month, from the moneys in the Revenue Fund (i) make the interest payments on the Prior Bonds in the amounts and on the dates required by the Prior Resolution, and (ii) commencing on the day which is 30 days following the date of delivery of the Series 2000 A Bonds and continuing on the corresponding day of each month, remit to the address designated by the Series 2000 A Bonds (herein called the "Series 2000 A Bonds Sinking Fund"), the monthly payment of interest set forth in the Supplemental Resolution or such lesser amount as is evidenced by the Record of Advances attached to the Series 2000 A Bonds. If funds in the Revenue Fund are not sufficient to make

all the payments required by this Section, the Issuer shall apportion and prorate the funds available to the payments required herein.

(3) The Issuer shall next, each month, from the moneys in the Revenue Fund (i) make the principal payments of the Prior Bonds in the amounts and on the dates required by the Prior Resolution, and (ii) commencing on the day which is 24 months following the date of delivery of the Series 2000 A Bonds and continuing on the corresponding day of each month, remit to the Series 2000 A Bonds Sinking Fund, the monthly payment of principal set forth in the Supplemental Resolution or such lesser amount as is evidenced by the Record of Advances attached to the Series 2000 A Bonds, such amount being the amount required to amortize the principal of the Series 2000 A Bonds over the life of the Series 2000 A Bonds. If funds in the Revenue Fund are not sufficient to make all the payments required by this Section, the Issuer shall apportion and prorate the funds available to the payments required herein.

The deposits to the Series 2000 A Bonds Sinking Fund provided in this paragraph and in Section 5.03(A)(2) above, constitute actual payments of principal of and interest on the Series 2000 A Bonds to the Government.

(4) The Issuer shall next, each month, from the moneys in the Revenue Fund (i) make the reserve account payments into the Reserve Account of the Prior Bonds in the amounts and on the dates required by the Prior Resolution, and (ii) commencing on the day which is 24 months following the date of delivery of the Series 2000 A Bonds and continuing on the corresponding day of each month, remit to the Depository Bank for deposit in the Series 2000 A Bonds Reserve Account, an amount equal to ½ of $1/12^{th}$ of $1/10^{th}$ of the Series 2000 A Bonds Reserve Requirement, until the amount in the Series 2000 A Bonds Reserve Account equals the Series 2000 A Bonds Reserve Requirement. In the event additional monies shall be required to maintain the Series 2000 A Bonds Reserve Requirement in the Series 2000 A Bond Reserve Account, payment of monies to the Depreciation Fund as provided in Section 5.03(A)(5) hereof shall not be made but instead such payments shall be made to the Series 2000 A Bonds Reserve Account until the Series 2000 A Bonds Reserve Requirement is accumulated therein, at which time payments to the Depreciation Fund shall resume.

(5) The Issuer shall next, each month, from the moneys in the Revenue Fund, (i) make the payments into the Depreciation Fund in the amounts and on the dates required by the Prior Resolution, and (ii) commencing on the day which is 24 months following the date of delivery of the Series 2000 A Bonds and continuing on the corresponding day of each month, remit to the Depository Bank for deposit in Depreciation Fund, an amount equal to ½ of $1/12^{th}$ of $1/10^{th}$ of the Series 2000 A Bonds Reserve Requirement; provided, that after the Series 2000 A Bonds Reserve Requirement has been accumulated in the Series 2000 A Bonds Reserve Account as provided in Section 5.03(A)(4)(ii) hereof, the Issuer shall, each

month, remit to the Depository Bank for deposit in the Depreciation Fund, an amount equal to 1/12th of 1/10th of the Series 2000 A Bonds Reserve Requirement so long as the Series 2000 A Bonds are outstanding. Moneys in the Depreciation Fund shall be used first, to make up any deficiencies for monthly payments of principal of and interest on the Series 2000 A Bonds and the Prior Bonds as the same become due, and next to restore to the Reserve Accounts, any sum or sums transferred therefrom, all on a pro rata basis. Thereafter, and provided that payments into the Reserve Accounts are current and in accordance with the foregoing provisions, moneys in the Depreciation Fund may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part therefor.

(6) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, moneys remaining therein and not permitted to be retained therein, if any, may be used to prepay installments of the Bonds, or for any lawful purpose.

Whenever the moneys in the Series 2000 A Bonds Reserve Account shall be sufficient to prepay the Series 2000 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2000 A Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank shall keep the moneys in the Series 2000 A Bonds Reserve Account and the Depreciation Fund invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Resolution shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Investment Management Board. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investments shall be credited or charged to the appropriate fund or account.

(B) All of the funds and accounts provided for above shall constitute trust funds and shall be used only for the purposes provided herein.

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

(D) If on any monthly payment date the Net Revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payments dates; provided, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Section 5.03(A), above, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority.

(E) All remittances made by the Issuer to the Government or the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

(F) The Gross Revenues of the System shall only be used for purposes of the System.

ARTICLE VI

APPLICATION OF BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. All the moneys received from time to time from the sale of the Series 2000 A Bonds shall be deposited in the Series 2000 A Bonds Construction Trust Fund and shall be used solely to pay costs of the Project and until so expended, are hereby pledged as additional security for the Series 2000 A Bonds.

Section 6.02. Disbursements from Bond Construction Trust Fund. The Series 2000 A Bonds Construction Trust 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 payment of the costs of the Project and purposes incidental thereto, including payment of any borrowings by the Issuer made for the purpose of temporarily financing a portion of the costs of the Project, and for the payment of interest on the Series 2000 A Bonds during construction and for a period up to six months thereafter and for no other purposes whatsoever. If approved by the Government, the moneys in said fund shall be secured at all times by Government Obligations having a fair market value at least equal to the balance in said fund in excess of the amount insured by the FDIC. If for any reason the amounts on deposit in the Series 2000 A Bonds Construction Trust Fund are not necessary for, or are not applied to, such purposes, then such unapplied amounts shall be deposited by the Issuer as determined by the rules and regulations of the Government. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys, until so applied, in favor of the Holders of the Series 2000 A Bonds hereby authorized.

Expenditures or disbursements by the Depository Bank from the Series 2000 A Bonds Construction Trust Fund shall be made only after such expenditures or disbursements shall have been approved in writing by the Governing Body, the Consulting Engineers and the Government.

The Issuer shall coordinate with the Government on the monthly payment of the costs of the Project and shall submit invoices and requisitions as directed by the Government.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2000 A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as the Series 2000 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay the Series 2000 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2000 A Bonds shall be secured by a first lien on the Net Revenues on a parity with the lien of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2000 A Bonds and to make the payments into all funds and accounts and all other payments provided for in this Resolution and the Prior Resolution are hereby irrevocably pledged, in the manner provided herein and therein, to the payment of the principal of and interest on the Prior Bonds and the Series 2000 A Bonds as the same become due, and for the other purposes provided in this Resolution and the Prior Resolution.

Section 7.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved in the PSC Order and such rates are hereby adopted.

In the event the schedule of rates and charges initially established for the System in connection with the Series 2000 A Bonds shall prove to be insufficient to produce the amounts required by this Resolution, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the amounts required by this Resolution.

Section 7.05. Sale of the System. So long as the Series 2000 A Bonds are Outstanding, the System may be sold, transferred, mortgaged, leased or otherwise disposed of or encumbered (other than any statutory mortgage lien created under the Act on account of obligations issued within the restrictions hereof) only with the written consent of the Government, and such consent will specify the disposition of the proceeds of any such sale or transfer. So long as the Prior Bonds are outstanding, the System may be sold, transferred, mortgaged, leased or otherwise disposed of only in accordance with the terms of the Prior Resolution.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. So long as any of the Series 2000 A Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2000 A Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof and in the Prior Resolution (so long as the Prior Bonds are Outstanding). All obligations hereafter issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2000 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein and in the Prior Resolution have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the liens of the Series 2000 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2000 A Bonds and the interest thereon in this Resolution, or upon the System or any part thereof.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, no Parity Bonds shall be issued except in accordance with the terms of the Prior Resolution. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued pursuant to this Resolution, except under the conditions and in the manner herein provided and with the prior written consent of the Government.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Prior Bonds and the Series 2000 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions or improvements to the System or refunding one or more series of Bonds issued pursuant hereto or the Prior Resolution, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the fiscal year following the year in which the Series 2000 A Bonds are issued will be at least 120% of the average annual debt service requirements on all Bonds Outstanding, including the Parity Bonds. This limitation may be waived or modified by the written consent of Bondholders representing 75% of the then Outstanding Series 2000 A Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2000 A Bonds.

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Government, acting by and through its duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Issuer shall submit to the Government such documents and information as it may reasonably require in connection with the acquisition, construction and

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

The Issuer shall permit the Government and its agents and representatives to have access to the records pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed by the uniform system of accounts promulgated by the PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system, which may be installed remote from the direct supervision of the Governing Body, shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Government, or any other original purchasers of the Series 2000 A Bonds, 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, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Resolution with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Prior Bonds, Bonds, Notes or other obligations outstanding and secured by a lien on the Net Revenues of the System.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor

thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds and shall submit said report to the Government, or any other original purchasers of the Bonds. Such audit report submitted to the Government shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and this Resolution and that the Issuer's revenues are adequate to meet its operation and maintenance expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Letter of Conditions and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

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

Section 7.09. Rates. Prior to issuance of the Series 2000 A Bonds, approvals of equitable rates or charges for the use of and service rendered by the System shall have been obtained in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, 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 the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reductions in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses and (ii) to leave a balance each year equal to at least 120% of the average annual debt service requirements on all Bonds Outstanding, including any Parity Bonds. This limitation may be waived or modified by the written consent of Bondholders representing 75% of the then Outstanding Series 2000 A Bonds.

Section 7.10. Fiscal Year; Budget. While the Bonds are Outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Government within 30 days of the adoption thereof. No expenditures for operation and maintenance expenses of the System in excess of such annual budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Board.

If for any reason the Issuer shall not have adopted the annual budget before the first day of any Fiscal Year, it shall adopt a budget of current expenses from month to month until the adoption of the annual budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten percent (10%); and provided further, that adoption of a budget of current expenses shall not constitute compliance with the covenant to adopt an annual budget unless the Issuer's failure to submit an annual budget shall be for a reason beyond the control of the Issuer. Each such budget of current expenses shall be delivered and mailed immediately as in the case of the annual budget.

Section 7.11. No Competing Franchise. To the extent allowable by law, 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 for the providing of any services which would compete with services provided by the System.

Section 7.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals, or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent, to the full extent permitted or authorized by the laws of the State and the rules and regulations of the PSC. All such rates and charges, if not paid when due, shall become a lien on the premises served by the System to the extent allowed by law.

To the extent allowed by law and the PSC, whenever any rates, rentals or charges for the services and facilities of the System, shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent and the owner, user and property shall be held liable at law until such time as all such rates and charges are fully paid.

The Issuer further covenants and agrees that it will, to the full extent permitted by law and the rules and regulations promulgated by the PSC, for any account not paid within sixty

(60) days, discontinue and shut off the services and facilities of the System and, in the event the Issuer owns a sewerage system, the sewerage system to all users of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System have been paid in full and all accrued penalties plus a reconnection charge have been paid and shall take all further actions to enforce collections to the maximum extent permitted by law. The Issuer further covenants to use its best efforts to enter into agreements with any other entities providing sewerage service to its users, providing for discontinuing and shutting off the services and facilities of the sewerage system to users of the System delinquent in payment.

Section 7.13. No Free Services. 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 department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Insurance and Bonds. The Issuer hereby covenants and agrees that, so long as the Bonds remain Outstanding, it will, as an expense of operation and maintenance of the System, procure, carry and maintain insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(A) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured prior to acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground insurable portions of the System, including machinery and equipment housed therein, in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(B) Public Liability Insurance, with limits of not less than $500,000 for personal liability to protect the Issuer from claims for bodily injury and/or death and not less than $200,000 from claims for damage to property of others which may arise from the

operation of the System, such insurance to be procured at the commencement of construction of the Project.

(C) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated for the benefit of the Issuer, with limits of not less than $500,000 for personal liability to protect the Issuer from claims for bodily injury and/or death and not less than $200,000 from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle.

(D) Workers' Compensation Coverage for All Employees of the Issuer Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each contractor dealing directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of Randolph County prior to commencement of construction of the Project in compliance with Chapter 38, Article 2, Section 39 of the Code of West Virginia, 1931, as amended.

(E) Fidelity Bonds will be provided as to every officer and employee of the Issuer having custody of the Revenue Fund or of any revenues or other funds or property of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount required by the Government and to be increased thereafter as necessary to cover the maximum amount of funds under control of that position at any one time.

(F) Flood Insurance will be obtained by the Issuer if available; however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

(G) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this section, during construction of the Project and so long as the Government holds any of the Bonds, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor to carry insurance, of such types and in such amounts as the Government may specify, and with insurance carriers or bonding companies acceptable to the Government.

Section 7.15. Certificate of Consulting Engineers. Prior to or on the date of issuance of the Series 2000 A Bonds, the Issuer shall obtain the certificate of the Consulting Engineers, stating that the Project has been designed and will be constructed in accordance with the approved plans, specifications and design as submitted to the Government, that the Project will be adequate for the purposes for which it was designed, and the funding plan as submitted to

the Government is sufficient to pay the costs of the acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the PSC, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.17. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2000 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Series 2000 A Bonds; provided however, that the statutory mortgage lien in favor of the Holders of the Series 2000 A Bonds issued hereunder shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.18. Completion of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the PSC and other state agencies necessary for the acquisition and construction of the Project, the operation of the System and the issuance of the Series 2000 A Bonds, with all requisite appeal periods having expired without successful appeal.

Section 7.19. Compensation of Board Members. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Board in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein and in the Prior Resolution, nor when there is a default in the performance of or compliance with any covenants or provision hereof or of the Prior Resolution.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Except as specifically provided herein, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, including but not limited to those in the Series 2000 A Bonds Construction Trust Fund, and used for the purpose of such fund or account. The interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the Owner, including the value of accrued interest and giving effect to the amortization of discount and investments in the "consolidated fund" of the West Virginia Investment Management Board shall be valued at par. The Commission or the Depository Bank, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this Section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Notwithstanding the foregoing, any investments made pursuant to this Resolution shall comply with the guidelines of the Government.

ARTICLE IX

DEFAULTS AND REMEDIES

Section 9.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Series 2000 A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2000 A Bonds; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2000 A Bonds set forth in this Resolution, any Supplemental Resolution or the Series 2000 A Bonds and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Government, the Depository Bank, the Bond Registrar, any Paying Agent or a Registered Owner of a Bond; or

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

(D) If default occurs under the Prior Resolution or the Prior Bonds.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the resolution with respect to the Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Holders of the Series 2000 A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, after commencement of operation of the System, the making and

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

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Resolution for any reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution 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 Event of Default, any Registered Owner of Bonds issued pursuant to this Resolution 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 Registered Owners of Bonds issued pursuant to this Resolution. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and Registered Owners, and the curing and making good of any default under the provisions of this

Resolution, 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.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Holders of the Series 2000 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2000 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Modification or Amendment. Prior to the issuance of the Series 2000 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2000 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto that would materially and adversely affect the rights of Owners of the Series 2000 A Bonds shall be made without the consent in writing of the Owners of the Series 2000 A Bonds then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2000 A Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Resolution Constitutes Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the Registered Owners of the Series 2000 A Bonds and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Resolution, any Supplemental Resolution or the Series 2000 A Bonds.

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

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

Section 11.06. Covenant of Due Procedure. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution 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 Chairperson, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred, and are, duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Resolution shall take effect immediately upon its adoption.

Adopted this 25th day of July, 2000.

Chairperson

Member

Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of Huttonsville Public Service District on July 25, 2000.

Dated this 27th day of July, 2000.

[SEAL]



Secretary

07/14/00
000630/00301

EXHIBIT A

PROJECT DESCRIPTION

The Project consists of approximately 11 miles of water line to serve approximately 100 new customers in the East Dailey, Georgetown Road and Valley Bend areas in Randolph County, West Virginia, together with all appurtenant facilities.

HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2000 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE HUTTONSVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DESIGNATING A DEPOSITORY BANK AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Board") of Huttonsville Public Service District (the "Issuer") has duly and officially adopted a Bond and Line of Credit Resolution on July 25, 2000 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF HUTTONSVILLE PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT TO EXCEED $731,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), AND THE SALE THEREOF TO THE UNITED STATES OF AMERICA, UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL UTILITIES SERVICE; AUTHORIZING A LINE OF CREDIT NOT TO EXCEED $731,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance of the Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), of the Issuer, in an aggregate

principal amount not to exceed $731,000 (the "Bonds"), all in accordance with Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"), and in the Resolution it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Bonds are proposed to be purchased by the Government; and

WHEREAS, the Board deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF HUTTONSVILLE PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Huttonsville Public Service District Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), of the Issuer, in the original principal amount of $731,000. The Bonds shall be issued in the form of one Bond, shall be dated the date of delivery, shall mature forty years from the date thereof, shall be numbered AR-1, and the principal amount advanced under the Bonds shall bear interest at the rate of 4.50% per annum. Monthly installments of interest only on the amounts advanced under the Bonds are payable 30 days following the date of delivery of the Bonds and on the corresponding day of each month thereafter for the first 24 months after delivery of the Bonds, and thereafter, monthly installments of principal and interest on the Bonds, in the aggregate amount of $3,356, are payable on the corresponding day of each month, except that the final installment on the Bonds shall be paid at the end of 40 years from the date of the Bonds in the sum of the unpaid principal and interest remaining unpaid on the date thereof. The Bonds are subject to prepayment as set forth in the Resolution and the Bonds.

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

Section 3. The Issuer hereby approves and accepts the offer of the Government to purchase the Bonds. The execution and delivery of the Bonds by the Chairperson and Secretary, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The proceeds of the Bonds shall be deposited in the Series 2000 A Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 5. All principal and interest payments on the Bonds will be paid by the Issuer directly to the order of the United States of America at its National Finance Office, 1520 Market Street, St. Louis, Missouri 63103.

Section 6. The Issuer hereby appoints and designates Mountain Valley Bank, National Association, Elkins, West Virginia, to serve as the Depository Bank for the Revenue Fund, the Series 2000 A Bonds Reserve Account and the Depreciation Fund.

Section 7. The Issuer hereby appoints and designates Citizens National Bank, Elkins, West Virginia, to serve as the Depository Bank for the Series 2000 A Bonds Construction Trust Fund.

Section 8. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer.

Section 9. The Chairperson and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered to the Government on or about July 27, 2000.

Section 10. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. The Issuer hereby approves all contracts relating to the financing, acquisition and construction of the Project.

Section 12. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 25th day of July, 2000.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Chairperson

Member

Member

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Huttonsville Public Service District on July 25, 2000.

Dated this 27th day of July, 2000.

[SEAL]



Secretary

07/13/00
000630/00301

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2000 A
(United States Department of Agriculture)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO THE RESERVE ACCOUNT ESTABLISHED FOR THE WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), OF HUTTONSVILLE PUBLIC SERVICE DISTRICT AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Huttonsville Public Service District (the "Issuer") has duly and officially adopted a bond resolution on July 25, 2000 (the "Series 2000 A Bond Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF HUTTONSVILLE PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTEHRWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT TO EXCEED $731,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), AND THE SALE THEREOF TO THE UNITED STATES OF AMERICA, UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL UTILITIES SERVICE; AUTHORIZING A LINE OF CREDIT NOT TO EXCEED $731,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Governing Body had duly and officially adopted a supplemental resolution on July 25, 2000 (the "Supplemental Resolution"), entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE HUTTONSVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DESIGNATING A DEPOSITORY BANK AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Series 2000 A Bond Resolution when used herein;

WHEREAS, the Series 2000 A Bond Resolution provided for, and the Issuer has issued, the Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), in the aggregate principal amount of $731,000 (the "Series 2000 A Bonds"), all in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Series 2000 A Bond Resolution provided for the establishment of the Reserve Account for the Series 2000 A Bonds (the "Series 2000 A Bonds Reserve Account") held by the Depository Bank;

WHEREAS, the Issuer now desires to transfer the Series 2000 A Bonds Reserve Account from the Depository Bank to the West Virginia Municipal Bond Commission (the "Commission");

WHEREAS, the Series 2000 A Bonds Reserve Requirement is $40,272. Pursuant to Section 5.03 (A)(4) of the Series 2000 A Bond Resolution the amount to be deposited in the Series 2000 A Bonds Reserve Account each month is 1/2 of 1/12th of 1/10th of $40,272 (the "Series 2000 A Bonds Reserve Requirement") or $167.80 each month until the amount in the Series 2000 A Bonds Reserve Account equals $40,272; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Second Supplemental Resolution") be adopted;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF HUTTONSVILLE PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Series 2000 A Bond Resolution and the Act, this Second Supplemental Resolution is adopted.

Section 2. The Issuer hereby approves and directs the transfer of the Series 2000 A Bonds Reserve Account from the Depository Bank to the Commission at the earliest practical date and the establishment of the Series 2000 A Bonds Reserve Account at the Commission.

Section 3. In connection with the Series 2000 A Bonds Reserve Account, $20,808 shall be transferred from the Depository Bank to the Commission; and deposited in the Series 2000 A Bonds Reserve Account, which is sufficient to fund the Series 2000 A Bonds Reserve Fund to the current amount required by the Series 2000 A Bond Resolution.

Section 4. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 12th day of October, 2012.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

By: Steve Wamsley
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by HUTTONSVILLE PUBLIC SERVICE DISTRICT on this 12th day of October, 2012.

Dated: October 12, 2012.

[SEAL]

Secretary

437410.00001

91-04

NUMBER

AR-1



COPY

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2000 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. AR-1 $731,000 July 27, 2000

FOR VALUE RECEIVED, HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public corporation organized and existing under the laws of, and a political subdivision of, the State of West Virginia, in Randolph County (herein called the "Borrower"), promises to pay to the order of the United States of America (herein called the "Government"), at its National Finance Office, 1520 Market Street, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, and in the manner provided below, the principal sum of SEVEN HUNDRED THIRTY ONE THOUSAND DOLLARS ($731,000), or such lesser amount as is set forth on the Record of Advances attached hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of 4.50% per annum.

The principal of and interest on this Bond shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing 30 days following the date of delivery of this Bond and continuing on the corresponding day of each month thereafter for the first 24 months after the date hereof, and thereafter, on the corresponding day of each month in installments of principal and interest in the aggregate amount of $3,356, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof and except that prepayments may be made as provided below. This consideration shall support any agreement modifying the foregoing schedule of payments.

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

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

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Borrower. Extra payments, as defined in the regulations of the Government, shall, after payment of interest, be applied to the installment last to come due under this Bond and shall not affect the obligation of the Borrower to pay the remaining installments as scheduled herein.

Any amount advanced or expended by the Government for the collection hereof, or to preserve or to protect any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government, shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by the Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government. Borrower has granted to the Government a lien on the proceeds of this Bond until such proceeds are expended for authorized purposes.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing waterworks system of the Borrower (the "Project" and together with any further extensions, additions, betterments and improvements thereto, herein called the "System"); and (ii) to pay certain costs of issuance and related costs. This Bond is authorized and issued under 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 Borrower on July 25, 2000, as supplemented by a Supplemental Resolution duly adopted by the Borrower on July 25, 2000 (collectively, the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution.

THIS BOND IS ISSUED ON A PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE BORROWER'S WATER REVENUE BONDS, SERIES 1996, DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of a first lien on the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, which lien is on a parity with the lien of the Prior Bonds, moneys in the Series 2000 A Bonds

Reserve Account created under the Resolution and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provisions or limitations, nor shall the Borrower be obligated to pay the same or the interest hereon except from the Net Revenues, the moneys in the Series 2000 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Resolution, the Borrower has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the proper and reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the average annual debt service requirements on this Bond, the Prior Bonds and on all obligations secured by or payable from such revenues on a parity with this Bond. The Borrower has entered into certain further covenants with the owner of this Bond for the terms of which reference is made to the Resolution. Remedies provided the owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Resolution, only upon the books of the Secretary of the Borrower, as registrar (the "Registrar"), which shall be kept for that purpose at the office of the Registrar, by the owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar duly executed by the owner or its attorney or legal representative duly authorized in writing.

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

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for such purposes and periods of time.

If at any time it so appears to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private creditor at reasonable rates and terms for loans for such purposes and period of time, Borrower will at the Government's request apply for and accept such loan in sufficient amount to repay the Government.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts connected with the issuance hereof, as provided by law and the Resolution, shall be applied solely to the costs of acquisition and construction of the Project, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Bond will be in default should any proceeds of this Bond be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

All provisions of the Resolution, 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.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Rural Development Act of 1972. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

[The remainder of this page intentionally left blank.]

NUMBER

AR-1

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairperson and its seal to be hereunto impressed and attested by its Secretary, all as of the date first written above.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Roy C McClure

Chairperson

[SEAL]

HUTTONSVILLE PUBLIC SERVICE DIST.
ESTABLISHED
JUNE 13, 1972

ATTEST:

Secretary

NUMBER

AR-1

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $92,500	7/27/00	(19) $	
(2) $ 190,903.22	9-6-00	(20) $	
(3) $ 141,100.00	9-22-00	(21) $	
(4) $ 145,000.00	10-19-00	(22) $	
(5) $ 14,000.00	10-24-00	(23) $	
(6) $ 147,496.78	11-16-00	(24) $	
(7) $		(25) $	
(8) $		(26) $	
(9) $		(27) $	
(10) $		(28) $	
(11) $		(29) $	
(12) $		(30) $	
(13) $		(31) $	
(14) $		(32) $	
(15) $		(33) $	
(16) $		(34) $	
(17) $		(35) $	
(18) $		(36) $	

TOTAL $ 731,000.00

NUMBER

AR-1

ASSIGNMENT

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

_____

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

Dated: _____, ___.

_____

In the presence of:

_____

HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS,
SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND
SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE)

BOND RESOLUTION

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HUTTONSVILLE PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATER FACILITIES OF HUTTONSVILLE PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $952,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), AND NOT MORE THAN $400,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF HUTTONSVILLE PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. Huttonsville Public Service District (the "Issuer") is a public service district, public corporation and political subdivision of the State of West Virginia in Randolph County of said State.

B. The Issuer presently owns and operates a public water system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public water facilities of the Issuer, consisting of approximately 178,000 linear feet of 12-inch, 10-inch, 8-inch, 6-inch, 4-inch and 2-inch waterlines, 2 water storage tanks and 3 water booster pump stations to serve approximately 438 potential customers, together with all appurtenant facilities (collectively, the "Project"), which constitute public service properties for the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses (the existing public water facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the United States of America, United States Department of Agriculture, Rural Utilities Service (the "Government") and the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Infrastructure Fund administered by the Authority pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds in the total aggregate principal amount of not more than $1,352,000, in two series (collectively, the "Series 2004 Bonds"), being the Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $952,000 (the "Series 2004 A Bonds"), and the Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), in the aggregate principal amount of not more than $400,000 (the "Series 2004 B Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Such costs shall be deemed to include the cost of acquisition and construction of any public service properties and any improvements and extensions thereto, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, on the Series 2004 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the respective Reserve Account for the Series 2004 Bonds (as hereinafter defined);

engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2004 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2004 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that (i) the Series 2004 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer, and (ii) the Series 2004 B Bonds be sold to the Government pursuant to the terms and provisions of the Letter of Conditions (as hereinafter defined).

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2004 Bonds as to liens, pledge, source of and security for payment, being the Water Revenue Bonds, Series 1996, dated June 7, 1996, issued in the original principal amount of $1,000,000, and the Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original principal amount of $731,000 (collectively, the "Prior Bonds").

The Series 2004 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2004 Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Registered Owner of the Prior Bonds to the issuance of the Series 2004 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all Operating Expenses of the System, the principal of and interest, if any, on the Series 2004 Bonds and the Prior Bonds and all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System, and the issuance of the Series 2004 Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia (the "PSC") by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2004 Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2004 Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2004 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2004 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Chairperson of the Governing Body of the Issuer or any temporary Acting Chairperson duly elected by the Governing Body.

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

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

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

"Bonds" means, collectively, the Series 2004 Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

"Chairperson" means the Chairperson of the Governing Body of the Issuer or any temporary Acting Chairperson duly elected by the Governing Body.

"Closing Date" means the date upon which there is an exchange of the Series 2004 Bonds for all or a portion of the proceeds of the Series 2004 Bonds.

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

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

"Consulting Engineers" means Horner Brothers Engineers, Clarksburg, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

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

"Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Council.

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

"Depreciation Fund" means the Depreciation Fund created by the Prior Resolutions and continued by Section 5.01 hereof.

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

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

"Governing Body" or "Board" means the public service board of the Issuer, as it may now or hereafter be constituted.

"Government" means the United States of America, United States Department of Agriculture, Rural Utilities Service, which is expected to be the original purchaser and Registered Owner of the Series 2004 B Bonds.

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

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

"Gross Revenues" means all rates, rents, fees, charges, or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

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

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

"Investment Property" means:

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means Huttonsville Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Randolph County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Government dated April 18, 2002, and all amendments thereto.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2004 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2004 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2004 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Bonds and into the Reserve Accounts and the Depreciation Fund have been made to the last monthly payment date prior to the date of such retention.

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2004 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Issuer's Water Revenue Bonds, Series 1996, dated June 7, 1996, issued in the original principal amount of $1,000,000, and the Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original principal amount of $731,000.

"Prior Resolutions" means, collectively, the resolutions of the Issuer

adopted June 7, 1996 and July 25, 2000, authorizing the Prior Bonds.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

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

"PSC" means the Public Service Commission of West Virginia and any successor to the functions thereof.

"PSC Order" means, collectively, the final order or orders of the PSC, granting the Issuer a certificate of convenience and necessity to construct the Project and approving the financing for the Project and the rates of the System.

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be

replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Reserve Accounts" means, collectively, the respective reserve accounts of the Series 2004 Bonds and the Prior Bonds.

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

"Revenue Fund" means the Revenue Fund created by the Prior Resolutions and continued by Section 5.01 hereof.

"Secretary" means the Secretary of the Governing Body of the Issuer.

"Series 2004 Bonds" means, collectively, the Series 2004 A Bonds and the Series 2004 B Bonds.

"Series 2004 Bonds Construction Trust Fund" means the Series 2004 Bonds Construction Trust Fund created by Section 5.01 hereof.

"Series 2004 A Bonds" means the Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2004 A Bonds Reserve Account" means the Series 2004 A Bonds Reserve Account created by Section 5.02 hereof.

"Series 2004 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2004 A Bonds in the then current or any succeeding year.

"Series 2004 A Bonds Sinking Fund" means the Series 2004 A Bonds Sinking Fund created by Section 5.02 hereof.

"Series 2004 B Bonds" means the Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), of the Issuer, authorized by the Resolution.

"Series 2004 B Bonds Reserve Account" means the Series 2004 B Bonds Reserve Account created by Section 5.02 hereof.

"Series 2004 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2004 B Bonds in the then current or any succeeding year.

"Series 2004 B Bonds Sinking Fund" means the Series 2004 B Bonds Sinking Fund created by Section 5.03A(2) hereof.

"Sinking Funds" means, collectively, the respective sinking funds of the Series 2004 Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2004 Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2004 Bonds, and not so included, may be included in another Supplemental Resolution.

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

"System" means the complete public service properties of the Issuer for the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the Code of West Virginia, 1931, as amended and in effect on the date of adoption hereof.

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairperson or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairperson or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $6,569,390, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2004 Bonds shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Government, the Authority, and the Council.

The cost of the Project is estimated to be $6,569,390, of which approximately $952,000 will be obtained from proceeds of the Series 2004 A Bonds, approximately $400,000 will be obtained from proceeds of the Series 2004 B Bonds, approximately $2,125,000will be obtained from a grant by the Government, approximately $1,500,000 will be obtained from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia), and approximately $1,592,390 will be obtained from a grant by the Council.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2004 Bonds, funding the respective Reserve Account for the Series 2004 Bonds, paying Costs of the Project not otherwise provided for, and paying certain costs of issuance of the Series 2004 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2004 Bonds of the Issuer. The Series 2004 Bonds shall be issued in two series, each as a single bond, designated respectively as "Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund)," in the principal amount of not more than $952,000, and "Water Revenue Bonds, Series 2004 B (United States Department of Agriculture)," in the principal amount of not more than $400,000, and each shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2004 Bonds remaining after funding the Reserve Accounts (if funded from Bond proceeds) and capitalizing interest on the Series 2004 Bonds, if any, shall be deposited in or credited to the Series 2004 Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. A. The Series 2004 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2004 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2004 A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2004 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2004 A Bonds. The Series 2004 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding

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

B. The Series 2004 B Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the legal maximum rate, payable monthly on such dates, shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Series 2004 B Bonds.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall have such terms as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2004 Bonds shall be executed in the name of the Issuer by the Chairperson, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2004 Bonds shall cease to be such officer of the Issuer before the Series 2004 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2004 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Bond Registrar; Authentication and Registration. A. The Bond Registrar for the Series 2004 A Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No such Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any such Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of such Bonds issued hereunder. The provisions of this paragraph relating to authentication and registration shall not apply to the Series 2004 B Bonds.

B. The Issuer shall be the Bond Registrar for the Series 2004 B Bonds and will keep, or cause to be kept by its agent, at its office, books for the registration and transfer of the Series 2004 B Bonds and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2004 B Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2004 B Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2004 B Bonds for registration or transfer only if ownership thereof is to be registered in the name of the Government, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Series 2004 B Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2004 B Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, 1520 Market Street, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2004 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 Registered Owner, in accepting the Series 2004 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Registered Owner shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide registered owner for value.

So long as the Series 2004 Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2004 Bonds shall be transferable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto, together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2004 Bonds or transferring the registered Series 2004 Bonds is exercised, all such Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All such Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of such Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on such Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2004 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Registered Owner's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2004 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Registered Owner of such Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay such Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2004 A Bonds and the Series 2004 B Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2004 Bonds and the Prior

Bonds and to make all other payments provided for in the Bond Legislation and the Prior Resolutions, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. A. The Issuer shall execute and deliver the Series 2004 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2004 A Bonds to the original purchasers upon receipt of a request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver such Bonds to the original purchasers.

B. The Issuer shall execute and deliver the Series 2004 B Bonds to the Government as soon as the Government will accept such delivery.

Section 3.10. Form of Bonds. The text of each series of the Series 2004 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2004 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2004 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 200__.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public water facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water facilities of the Issuer, the Project and any further

improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 200_, and a Supplemental Resolution duly adopted by the Issuer on _____, 200_ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 1996, DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (2) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); AND (3) WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 200_, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ _ (THE "SERIES 2004 B BONDS"). THE SERIES 1996 BONDS AND THE SERIES 2000 A BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds and the Series 2004 B Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2004 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2004 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount of principal of and interest, if any, on this Bond payable in any year and all other obligations secured by a lien on

or payable from such revenues on a parity with this Bond, including the Prior Bonds and the Series 2004 B Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds and the Series 2004 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Bond Legislation) of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Bond will be in default should any proceeds of this Bond be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

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

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairperson and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____,200__.

[SEAL]

_____
Chairperson

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 200__.

_____

_____, as Registrar

_____

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, ____.

_____

In the presence of:

_____

(FORM OF SERIES 2004 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2004 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. BR-1 $_____

FOR VALUE RECEIVED, HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), promises to pay to the order of the UNITED STATES OF AMERICA (the "Government"), at its National Finance Office, 1520 Market Street, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, and in the manner provided below, the principal sum of _____ _____ DOLLARS ($_____), or such lesser amount as is set forth on the Record of Advances attached hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of _____% per annum.

The principal of and interest on this Bond shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing 30 days following the date of delivery of this Bond and continuing on the corresponding day of each month thereafter for the first 24 months after the date hereof, and thereafter, on the corresponding day of each month in installments of principal and interest in the aggregate amount of $_____, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof and except that prepayments may be made as provided below. This consideration shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to the Issuer as requested by the Issuer and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

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

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer. Extra payments, as defined in the regulations of the

Government, shall, after payment of interest, be applied to the installment last to come due under this Bond and shall not affect the obligation of the Issuer to pay the remaining installments as scheduled herein.

Any amount advanced or expended by the Government for the collection hereof, or to preserve or to protect any security therefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government, shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by the Issuer to the Government without demand. The Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Government. The Issuer has granted to the Government a lien on the proceeds of this Bond until such proceeds are expended for authorized purposes.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public water facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 200_, and a Supplemental Resolution duly adopted by the Issuer on _____, 200_(collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1)WATER REVENUE BONDS, SERIES 1996, DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (2)WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); AND (3) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 200__, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ _(THE "SERIES 2004 A BONDS"). THE SERIES 1996 BONDS AND THE SERIES 2000 A BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds and the Series 2004 A Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2004 B Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2004 B Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount of principal of and interest on this Bond payable in any year and all other obligations secured by a lien or payable from such revenues on a parity with this Bond, including the Prior Bonds and the Series 2004 A Bonds; provided however, that so long as there exists in the Series 2004 B Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds and the Series 2004 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Bond Legislation) of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth in the Bond Legislation, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Secretary of the Issuer, as registrar (the "Registrar"), which shall be kept for that purpose at the office of the Registrar, by the Registered Owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney or legal representative duly authorized in writing.

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

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

The Issuer hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for such purposes and periods of time.

If at any time it so appears to the Government that the Issuer may be able to obtain a loan from a responsible cooperative or private creditor at reasonable rates and terms for loans for such purposes and period of time, the Issuer will at the Government's request apply for and accept such loan in sufficient amount to repay the Government.

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Bond will be in default should any proceeds of this Bond be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

This Bond is given as evidence of a loan to the Issuer made or insured by the Government pursuant to the Rural Development Act of 1972. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of 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 its Chairperson and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 200__.

_____
Chairperson

[SEAL]

ATTEST:

_____
Secretary

(Form of)

RECORD OF ADVANCES

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

TOTAL $_____

(Form of)

ASSIGNMENT

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

Dated: _____, ___.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2004 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairperson is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation. The Series 2004 B Bonds shall be sold to the Government, pursuant to the terms and conditions of the Letter of Conditions. The Letter of Conditions, including all attachments, are hereby approved and incorporated into this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority, the Council and the Government, a schedule, the forms of which will be provided by the Council and the Government, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Resolutions);

(2) Depreciation Fund (established by the Prior Resolutions); and

(3) Series 2004 Bonds Construction Trust Fund.

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

(1) Series 2004 A Bonds Sinking Fund;

(2) Series 2004 A Bonds Reserve Account; and

(3) Series 2004 B Bonds Reserve Account.

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

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office, the amount required by the Prior Resolutions for payment of the interest on the Prior Bonds; and (ii) remit to the National Finance Office for deposit in the Series 2004 B Bonds Sinking Fund hereby established at the National Finance Office, the amount of interest due as set forth in the Series 2004 B Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office, the amount required by the Prior Resolutions for payment of the principal of the Prior Bonds; (ii) remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2004 A Bonds, for deposit in the Series 2004 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2004 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (iii) remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2004 B Bonds, for deposit in the Series 2004 B Bonds Sinking Fund, the amount of principal due as set forth in the Series 2004 B Bonds.

The deposits into the Series 2004 B Bonds Sinking Fund provided in this paragraph and in Section 5.03A(2) above, constitute actual payments of principal of and interest on the Series 2004 B Bonds to the Government.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Depository Bank for deposit in the Reserve Accounts for the Prior Bonds, the amounts required by the Prior Resolutions to be deposited therein; (ii) remit to the Commission, commencing 3 months after the completion of construction of the Project, as certified by the Consulting Engineers, if not fully funded upon the issuance of the Series 2004 A Bonds, for deposit in the Series 2004 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2004 A Bonds Reserve Requirement, until the amount in the Series 2004 A Bonds Reserve Account equals the Series 2004 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2004 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2004 A Bonds Reserve Requirement; and (iii) remit to the Commission, commencing 3 months after the completion of construction of the Project, as certified by the Consulting Engineers, if not fully funded upon the issuance of the Series 2004 B Bonds, for deposit in the Series 2004 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2004 B Bonds Reserve Requirement, until the amount

in the Series 2004 B Bonds Reserve Account equals the Series 2004 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2004 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2004 B Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Depreciation Fund, (i) the amounts required by the Prior Resolutions to be deposited therein; and (ii) an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account, so long as the Series 2004 Bonds are outstanding. All funds in the Depreciation Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Depreciation Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with moneys from the Depreciation Fund.

Moneys in the Series 2004 A Bonds Sinking Fund and the Series 2004 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2004 Bonds, respectively, as the same shall become due. Moneys in the Series 2004 A Bonds Reserve Account and the Series 2004 B Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2004 Bonds, respectively, as the same shall come due, when other moneys in the respective Sinking Funds are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2004 A Bonds Reserve Account and the Series 2004 B Bonds Reserve Account (if fully funded) shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2004 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2004 Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2004 A Bonds Reserve Account or the Series 2004 B Bonds Reserve Account which result in a reduction in the balance therein to below the respective Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2004 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the respective Sinking Fund or the Reserve Account for the Series 2004 Bonds when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2004 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2004 Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2004 A Bonds Sinking Fund, the Series 2004 A Bonds Reserve Account and the Series 2004 B Bonds Reserve Account created hereunder, and all amounts required for such accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority or the Government at any time, the Issuer shall make the necessary arrangements whereby required payments into such accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2004 A Bonds Sinking Fund, the Series 2004 A Bonds Reserve Account and the Series 2004 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The respective Sinking Fund and the Reserve Account for the Series 2004 Bonds shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2004 Bonds, respectively, under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payments and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

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

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

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

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

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2004 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2004 A Bonds, there shall first be deposited in the Series 2004 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2004 A Bonds for the period commencing on the date of issuance of the Series 2004 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. From the proceeds of the Series 2004 B Bonds, there shall first be deposited in the Series 2004 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2004 B Bonds for the period commencing on the date of issuance of the Series 2004 B Bonds and ending 6 months after the estimated date of completion of construction of the Project.

C. Next, from the proceeds of the Series 2004 A Bonds, there shall be deposited in the Series 2004 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2004 A Bonds Reserve Account.

D. Next, from the proceeds of the Series 2004 B Bonds, there shall be deposited in the Series 2004 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2004 B Bonds Reserve Account.

E. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2004 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2004 Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2004 A Bonds.

F. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2004 B Bonds, such moneys shall be deposited with the Depository Bank in the Series 2004 Bonds Construction Trust Fund and applied solely to payment of costs of

the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2004 B Bonds.

G. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2004 A Bonds shall be expended as directed by the Council and any remaining proceeds of the Series 2004 B Bonds shall be expended as directed by the Government.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

A. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of proceeds of the Series 2004 A Bonds from the Series 2004 Bonds Construction Trust Fund shall be made only after submission to and approval from the Council of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(a) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(b) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a cost of the Project;

(c) Each of such costs has been otherwise properly incurred; and

(d) Payment for each of the items proposed is then due and owing.

The Issuer shall expend all proceeds of the Series 2004 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

B. The proceeds of the Series 2004 B Bonds in the Series 2004 Bonds Construction Trust Fund shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Government.

Until completion of acquisition and construction of the Project, the Issuer will transfer sufficient proceeds of the Series 2004 B Bonds from the Series 2004 Bonds Construction Trust Fund and pay to the Government on or before the due date, such sums as

shall be required to make the monthly payments on the Series 2004 B Bonds, if there are not sufficient revenues to make such monthly payments.

Pending such application, moneys in the Series 2004 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Series 2004 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Registered Owner of the Series 2004 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as the Series 2004 Bonds or the interest, if any, thereon are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2004 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Registered Owner of the Series 2004 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2004 Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2004 A Bonds and the Series 2004 B Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2004 Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation and the Prior Resolutions are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in and approved by the PSC Order and such rates are hereby adopted.

So long as the Series 2004 Bonds are Outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2004 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the System may not be sold, transferred, mortgaged, leased or otherwise disposed of, except in accordance with the terms of the Prior Resolutions. Additionally, so long as the Series 2004 Bonds are Outstanding and except as otherwise required by law or with the written consent of the Council, the Authority and the Government, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2004 Bonds, be remitted to the respective Sinking Funds and applied to the payment of principal of and interest, if any, on the Series 2004 Bonds. Any balance remaining after the payment of the Series 2004 Bonds and interest, if any, thereon shall be remitted to the Issuer unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Depreciation Fund. The payment of such proceeds into the Depreciation Fund shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Registered Owners of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Registered Owners of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2004 Bonds. All obligations issued by the Issuer after the issuance of the Series 2004 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2004 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2004 Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2004 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2004 Bonds pursuant to this Bond Legislation, except

with the prior written consent of the Authority, the Council and the Government under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2004 Bonds.

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

So long as the Series 2004 B Bonds are Outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

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

The foregoing limitation may be waived or modified by the written consent of the Registered Owners of the Series 2004 B Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 2004 B Bonds are no longer Outstanding, the following parity requirement shall be met:

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

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the outstanding Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2004 Bonds.

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

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

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

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

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

The Issuer shall file with the Council, the Authority, the Government, or any other original purchaser of the Series 2004 Bonds, and shall mail in each year to any Registered Owner of the Series 2004 Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Registered Owner of the Series 2004 Bonds, and shall submit said report to the Council, the Authority and the Government, or any other original purchaser of the Series 2004 Bonds. Such audit report submitted to the Authority, the Council and the Government shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

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

Section 7.09. Rates. Prior to the issuance of the Series 2004 Bonds, equitable rates or charges for the use of and service rendered by the System shall 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 with the Secretary, 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 the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Reserve Accounts for the Series 2004 Bonds and the reserve accounts for obligations on a parity with the Series 2004 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority, the Council and the Government within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for

operation and maintenance to the Authority, the Council and the Government and to any Registered Owner of the Series 2004 Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the Council and the Government and to any Registered Owner of the Series 2004 Bonds, or anyone acting for and on behalf of such Registered Owner.

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

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

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

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the PSC, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

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

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds

of all such insurance policies shall be placed in the Depreciation Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with Chapter 38, Article 2, Section 39 of the Code of West Virginia, 1931, as amended.

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

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

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

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

for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the PSC, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

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

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the PSC and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2004 Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. [Reserved]

Section 7.19. Statutory Mortgage Lien. For the further protection of the Registered Owner of the Series 2004 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2004 Bonds; provided however, that the statutory mortgage lien of the Series 2004 Bonds shall be on a parity with the statutory mortgage lien of the Prior Bonds.

Section 7.20. Compliance with Letter of Conditions, Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Letter of Conditions, the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer shall provide the Council with copies of all documents submitted to the Authority.

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

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

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2004 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council and the Government for written approval. The Issuer shall obtain the written approval of the Council and the Government before expending any proceeds of the Series 2004 Bonds held in "contingency" as set forth in the schedules attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council and the Government before expending any proceeds of the Series 2004 Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2004 Bonds are Outstanding.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2004 Bonds as a condition to issuance of the Series 2004 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2004 Bonds as may be necessary in order to maintain the status of the Series 2004

Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2004 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2004 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2004 Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2004 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any series of the Series 2004 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2004 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2004 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or a Registered Owner of a Bond; or

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

(4) If default occurs under the Prior Bonds or the Prior Resolutions.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of the Series 2004 Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Registered Owners of the Series 2004 Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of the Series 2004 Bonds may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project, the making and collection of sufficient rates and charges for services rendered by the System and

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

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate and maintain, manage and control the System, 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 the System as the Issuer itself might exercise.

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2004 A Bonds. If the Issuer shall pay or there shall otherwise be paid to the Registered Owners of the Series 2004 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2004 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 10.02. Payment of Series 2004 B Bonds. If the Issuer shall pay or there shall otherwise be paid to the Registered Owners of the Series 2004 B Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2004 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2004 Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2004 Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2004 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2004 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Registered Owner as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2004 Bonds from gross income of the Registered Owners thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2004 Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2004 Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Resolutions. Except for the Prior Resolutions, all orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided that,

in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution 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 Chairperson, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the PSC for a certificate of public convenience and necessity and adoption of this Resolution, the Secretary shall have caused to be published in a newspaper of general circulation in each municipality in Huttonsville Public Service District and within the boundaries of the Issuer, a Class II legal advertisement stating:

(a) The maximum amount of the Series 2004 Bonds to be issued;

(b) The maximum interest rate and terms of the Series 2004 Bonds authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the PSC.

Section 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 23rd day of August, 2004.

Chairperson

Member

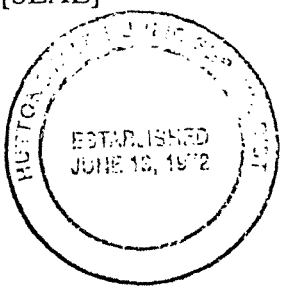
Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of HUTTONSVILLE PUBLIC SERVICE DISTRICT on the 23rd day of August, 2004.

Dated this 25th day of August, 2004.

[SEAL]



Secretary

07/08/04
000630/00306

M0387427.1

HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS,
SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND
SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE HUTTONSVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF THE SERIES 2004 A BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE SERIES 2004 B BONDS TO THE UNITED STATES DEPARTMENT OF AGRICULTURE; APPROVING AND RATIFYING THE LOAN AGREEMENT WITH RESPECT TO THE SERIES 2004 A BONDS; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Huttonsville Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on August 23, 2004 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATER FACILITIES OF HUTTONSVILLE PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $952,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), AND NOT MORE THAN $400,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE

REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance of the Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) and Series 2004 B (United States Department of Agriculture), of the Issuer, in the respective aggregate principal amounts not to exceed $952,000 and $400,000 (collectively, the "Bonds"and individually, the "Series 2004 A Bonds" and the "Series 2004 B Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Series 2004 A Bonds, including all schedules and exhibits attached thereto (collectively, the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be therein provided for;

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

WHEREAS, the Series 2004 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement and the Series 2004 B Bonds are proposed to be purchased by the United States of America, United States Department of Agriculture, Rural Utilities Service (the "Government") pursuant to the Letter of Conditions; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF HUTTONSVILLE PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer:

A. Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single bond, numbered AR-1, in the original principal amount of $952,000. The Series 2004 A Bonds shall be dated the date of delivery, shall finally mature June 1, 2044, and shall bear no interest. The principal of the Series 2004 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2006, in the amounts set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2004 A Bonds. The Series 2004 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2004 A Bonds.

B. Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), of the Issuer, originally represented by a single bond, numbered BR-1, in the original principal amount of $400,000. The Series 2004 B Bonds shall be dated the date of delivery, shall mature forty years from the date thereof, and the principal amount advanced under the Series 2004 B Bonds shall bear interest at the rate of 4.5% per annum. Monthly installments of interest only on the amounts advanced under the Series 2004 B Bonds are payable 30 days following the date of delivery of the Series 2004 B Bonds and on the corresponding day of each month thereafter for the first 24 months after the date of delivery of the Series 2004 B Bonds, and thereafter, monthly installments of principal of and interest on the Series 2004 B Bonds, in the aggregate amount of $1,836, are payable on the corresponding day of each month, except that the final installment on the Series 2004 B Bonds shall be paid at the end of 40 years from the date of the Series 2004 B Bonds in the sum of the unpaid principal and interest due on the date thereof. The Series 2004 B Bonds are subject to prepayment as set forth in the Resolution and the Series 2004 B Bonds. All principal and interest payments on the Series 2004 B Bonds will be paid by the Issuer directly to the order of the United States of America at its National Finance Office, 1520 Market Street, St. Louis, Missouri 63103.

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

Section 3. The Issuer hereby ratifies, approves and accepts the Loan Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein

by reference, and the execution and delivery of the Loan Agreement by the Chairperson and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The Issuer hereby ratifies, approves and accepts the Letter of Conditions, and all amendments thereto, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. The price of the Bonds shall be 100 % of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer hereby appoints and designates Mountain Valley Bank, National Association, Elkins, West Virginia, to serve as Registrar (the "Registrar") for the Series 2004 A Bonds under the Resolution and approves and accepts the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairperson, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved.

Section 5. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Series 2004 A Bonds under the Resolution.

Section 6. The Issuer hereby appoints and designates Mountain Valley Bank, National Association, Elkins, West Virginia, to serve as Depository Bank for the Revenue Fund, the Depreciation Fund and the Series 2004 Bonds Construction Trust Fund.

Section 7. Series 2004 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2004 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 2004 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2004 A Bonds Reserve Account.

Section 9. Series 2004 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2004 B Bonds Sinking Fund as capitalized interest.

Section 10. Series 2004 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2004 B Bonds Reserve Account.

Section 11. The remaining proceeds of the Bonds, as advanced from time to time, shall be deposited in or credited to the Series 2004 Bonds Construction Trust Fund, as received by the Issuer for payment of costs of the Project, including costs of issuance of the Bonds.

Section 12. The Chairperson and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Series 2004 A Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about August 25, 2004, and the Series 2004 B Bonds may be delivered to the Government pursuant to the Letter of Conditions on or about August 25, 2004.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Sinking Funds and the Reserve Accounts for the Series 2004 Bonds shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Chairperson is hereby authorized and directed to execute and deliver all such contracts.

Section 16. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 23rd day of August, 2004.

Chairperson

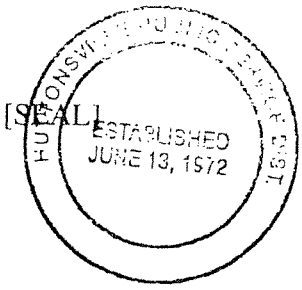
Member

Member

CERTIFICATION

Certified as a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Huttonsville Public Service District on the 23rd day of August, 2004.

Dated this 25th day of August, 2004.



[SEAL]

Secretary

08/05/04
000630/00306

NUMBER

AR-1



SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2004 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $952,000

KNOW ALL MEN BY THESE PRESENTS: That HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of NINE HUNDRED FIFTY TWO THOUSAND DOLLARS ($952,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2006, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated August 25, 2004.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public water facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of

West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on August 23, 2004, and a Supplemental Resolution duly adopted by the Issuer on August 23, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 1996, DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (2) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); AND (3) WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 25, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 2004 B BONDS"). THE SERIES 1996 BONDS AND THE SERIES 2000 A BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds and the Series 2004 B Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2004 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2004 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount of principal of and interest, if any, on this Bond payable in any year and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds and the Series 2004 B Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a

parity with this Bond, including the Prior Bonds and the Series 2004 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Bond Legislation) of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Bond will be in default should any proceeds of this Bond be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

NUMBER

AR-1

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairperson and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated August 25, 2004.

[SEAL]

HUTTONSVILLE PUBLIC SERVICE DIST
ESTABLISHED
JUNE 13, 1972

SPECIMEN

Chairperson

ATTEST:

SPECIMEN

Secretary

NUMBER

AR-1

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: August 25, 2004.

MOUNTAIN VALLEY BANK,
NATIONAL ASSOCIATION, as Registrar

SPECIMEN

Authorized Officer

AR-1

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$140,754	8/25/04	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

EXHIBIT B
DEBT SERVICE SCHEDULE

$952,000

Huttonsville Public Service District (West Virginia)
0% Interest Rate, 40 Years from Closing Date
Closing Date: August 25, 2004

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2004	-	-	-
12/01/2004	-	-	-
03/01/2005	-	-	-
06/01/2005	-	-	-
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	6,222.23	-	6,222.23
09/01/2006	6,222.23	-	6,222.23
12/01/2006	6,222.23	-	6,222.23
03/01/2007	6,222.23	-	6,222.23
06/01/2007	6,222.23	-	6,222.23
09/01/2007	6,222.23	-	6,222.23
12/01/2007	6,222.23	-	6,222.23
03/01/2008	6,222.23	-	6,222.23
06/01/2008	6,222.23	-	6,222.23
09/01/2008	6,222.23	-	6,222.23
12/01/2008	6,222.23	-	6,222.23
03/01/2009	6,222.23	-	6,222.23
06/01/2009	6,222.23	-	6,222.23
09/01/2009	6,222.23	-	6,222.23
12/01/2009	6,222.23	-	6,222.23
03/01/2010	6,222.23	-	6,222.23
06/01/2010	6,222.23	-	6,222.23
09/01/2010	6,222.23	-	6,222.23
12/01/2010	6,222.23	-	6,222.23
03/01/2011	6,222.23	-	6,222.23
06/01/2011	6,222.23	-	6,222.23
09/01/2011	6,222.23	-	6,222.23
12/01/2011	6,222.23	-	6,222.23
03/01/2012	6,222.23	-	6,222.23
06/01/2012	6,222.23	-	6,222.23
09/01/2012	6,222.23	-	6,222.23
12/01/2012	6,222.23	-	6,222.23
03/01/2013	6,222.23	-	6,222.23
06/01/2013	6,222.23	-	6,222.23
09/01/2013	6,222.23	-	6,222.23
12/01/2013	6,222.23	-	6,222.23
03/01/2014	6,222.23	-	6,222.23
06/01/2014	6,222.23	-	6,222.23
09/01/2014	6,222.23	-	6,222.23
12/01/2014	6,222.22	-	6,222.22
03/01/2015	6,222.22	-	6,222.22
06/01/2015	6,222.22	-	6,222.22

AR-1

$952,000

Huttonsville Public Service District (West Virginia)
0% Interest Rate, 40 Years from Closing Date
Closing Date: August 25, 2004

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
09/01/2015	6,222.22	-	6,222.22
12/01/2015	6,222.22	-	6,222.22
03/01/2016	6,222.22	-	6,222.22
06/01/2016	6,222.22	-	6,222.22
09/01/2016	6,222.22	-	6,222.22
12/01/2016	6,222.22	-	6,222.22
03/01/2017	6,222.22	-	6,222.22
06/01/2017	6,222.22	-	6,222.22
09/01/2017	6,222.22	-	6,222.22
12/01/2017	6,222.22	-	6,222.22
03/01/2018	6,222.22	-	6,222.22
06/01/2018	6,222.22	-	6,222.22
09/01/2018	6,222.22	-	6,222.22
12/01/2018	6,222.22	-	6,222.22
03/01/2019	6,222.22	-	6,222.22
06/01/2019	6,222.22	-	6,222.22
09/01/2019	6,222.22	-	6,222.22
12/01/2019	6,222.22	-	6,222.22
03/01/2020	6,222.22	-	6,222.22
06/01/2020	6,222.22	-	6,222.22
09/01/2020	6,222.22	-	6,222.22
12/01/2020	6,222.22	-	6,222.22
03/01/2021	6,222.22	-	6,222.22
06/01/2021	6,222.22	-	6,222.22
09/01/2021	6,222.22	-	6,222.22
12/01/2021	6,222.22	-	6,222.22
03/01/2022	6,222.22	-	6,222.22
06/01/2022	6,222.22	-	6,222.22
09/01/2022	6,222.22	-	6,222.22
12/01/2022	6,222.22	-	6,222.22
03/01/2023	6,222.22	-	6,222.22
06/01/2023	6,222.22	-	6,222.22
09/01/2023	6,222.22	-	6,222.22
12/01/2023	6,222.22	-	6,222.22
03/01/2024	6,222.22	-	6,222.22
06/01/2024	6,222.22	-	6,222.22
09/01/2024	6,222.22	-	6,222.22
12/01/2024	6,222.22	-	6,222.22
03/01/2025	6,222.22	-	6,222.22
06/01/2025	6,222.22	-	6,222.22
09/01/2025	6,222.22	-	6,222.22
12/01/2025	6,222.22	-	6,222.22
03/01/2026	6,222.22	-	6,222.22
06/01/2026	6,222.22	-	6,222.22

NUMBER

AR-1

$952,000

Huttonsville Public Service District (West Virginia)
0% Interest Rate, 40 Years from Closing Date
Closing Date: August 25, 2004

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
09/01/2026	6,222.22	-	6,222.22
12/01/2026	6,222.22	-	6,222.22
03/01/2027	6,222.22	-	6,222.22
06/01/2027	6,222.22	-	6,222.22
09/01/2027	6,222.22	-	6,222.22
12/01/2027	6,222.22	-	6,222.22
03/01/2028	6,222.22	-	6,222.22
06/01/2028	6,222.22	-	6,222.22
09/01/2028	6,222.22	-	6,222.22
12/01/2028	6,222.22	-	6,222.22
03/01/2029	6,222.22	-	6,222.22
06/01/2029	6,222.22	-	6,222.22
09/01/2029	6,222.22	-	6,222.22
12/01/2029	6,222.22	-	6,222.22
03/01/2030	6,222.22	-	6,222.22
06/01/2030	6,222.22	-	6,222.22
09/01/2030	6,222.22	-	6,222.22
12/01/2030	6,222.22	-	6,222.22
03/01/2031	6,222.22	-	6,222.22
06/01/2031	6,222.22	-	6,222.22
09/01/2031	6,222.22	-	6,222.22
12/01/2031	6,222.22	-	6,222.22
03/01/2032	6,222.22	-	6,222.22
06/01/2032	6,222.22	-	6,222.22
09/01/2032	6,222.22	-	6,222.22
12/01/2032	6,222.22	-	6,222.22
03/01/2033	6,222.22	-	6,222.22
06/01/2033	6,222.22	-	6,222.22
09/01/2033	6,222.22	-	6,222.22
12/01/2033	6,222.22	-	6,222.22
03/01/2034	6,222.22	-	6,222.22
06/01/2034	6,222.22	-	6,222.22
09/01/2034	6,222.22	-	6,222.22
12/01/2034	6,222.22	-	6,222.22
03/01/2035	6,222.22	-	6,222.22
06/01/2035	6,222.22	-	6,222.22
09/01/2035	6,222.22	-	6,222.22
12/01/2035	6,222.22	-	6,222.22
03/01/2036	6,222.22	-	6,222.22
06/01/2036	6,222.22	-	6,222.22
09/01/2036	6,222.22	-	6,222.22
12/01/2036	6,222.22	-	6,222.22
03/01/2037	6,222.22	-	6,222.22
06/01/2037	6,222.22	-	6,222.22

$952,000

Huttonsville Public Service District (West Virginia)
0% Interest Rate, 40 Years from Closing Date
Closing Date: August 25, 2004

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
09/01/2037	6,222.22	-	6,222.22
12/01/2037	6,222.22	-	6,222.22
03/01/2038	6,222.22	-	6,222.22
06/01/2038	6,222.22	-	6,222.22
09/01/2038	6,222.22	-	6,222.22
12/01/2038	6,222.22	-	6,222.22
03/01/2039	6,222.22	-	6,222.22
06/01/2039	6,222.22	-	6,222.22
09/01/2039	6,222.22	-	6,222.22
12/01/2039	6,222.22	-	6,222.22
03/01/2040	6,222.22	-	6,222.22
06/01/2040	6,222.22	-	6,222.22
09/01/2040	6,222.22	-	6,222.22
12/01/2040	6,222.22	-	6,222.22
03/01/2041	6,222.22	-	6,222.22
06/01/2041	6,222.22	-	6,222.22
09/01/2041	6,222.22	-	6,222.22
12/01/2041	6,222.22	-	6,222.22
03/01/2042	6,222.22	-	6,222.22
06/01/2042	6,222.22	-	6,222.22
09/01/2042	6,222.22	-	6,222.22
12/01/2042	6,222.22	-	6,222.22
03/01/2043	6,222.22	-	6,222.22
06/01/2043	6,222.22	-	6,222.22
09/01/2043	6,222.22	-	6,222.22
12/01/2043	6,222.22	-	6,222.22
03/01/2044	6,222.22	-	6,222.22
06/01/2044	6,222.22	-	6,222.22
Total	**$952,000.00**	-	**$952,000.00**

Yield Statistics

Bond Year Dollars	$19,769.86
Average Life	20.767 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	7.69E-11
Bond Yield for Arbitrage Purposes	7.69E-11
All Inclusive Cost (AIC)	7.70E-11

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.767 Years

IF 8-02-04 | SINGLE PURPOSE | 8/ 2/2004 | 5:18 PM

Ferris, Baker Watts, Inc.
West Virginia Public Finance Office

AR-1

ASSIGNMENT

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

Dated: _____, ____.

_____

In the presence of:

_____

NUMBER

BR-1



SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2004 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. BR-1 $400,000

FOR VALUE RECEIVED, HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), promises to pay to the order of the UNITED STATES OF AMERICA (the "Government"), at its National Finance Office, 1520 Market Street, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, and in the manner provided below, the principal sum of FOUR HUNDRED THOUSAND DOLLARS ($400,000), or such lesser amount as is set forth on the Record of Advances attached hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of 4.5% per annum.

The principal of and interest on this Bond shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing 30 days following the date of delivery of this Bond and continuing on the corresponding day of each month thereafter for the first 24 months after the date hereof, and thereafter, on the corresponding day of each month in installments of principal and interest in the aggregate amount of $1,836, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof and except that prepayments may be made as provided below. This consideration shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to the Issuer as requested by the Issuer and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

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

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer. Extra payments, as defined in the regulations of the Government, shall, after payment of interest, be applied to the installment last to come due under this Bond and shall not affect the obligation of the Issuer to pay the remaining installments as scheduled herein.

Any amount advanced or expended by the Government for the collection hereof, or to preserve or to protect any security therefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government, shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by the Issuer to the Government without demand. The Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Government. The Issuer has granted to the Government a lien on the proceeds of this Bond until such proceeds are expended for authorized purposes.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public water facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public water facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"), a Bond Resolution duly adopted by the Issuer on August 23, 2004, and a Supplemental Resolution duly adopted by the Issuer on August 23, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1)WATER REVENUE BONDS, SERIES 1996, DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (2)WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); AND (3) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 25, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $952,000 (THE "SERIES 2004 A BONDS"). THE SERIES 1996 BONDS AND THE SERIES 2000 A BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds and the Series 2004 A

Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2004 B Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2004 B Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount of principal of and interest on this Bond payable in any year and all other obligations secured by a lien or payable from such revenues on a parity with this Bond, including the Prior Bonds and the Series 2004 A Bonds; provided however, that so long as there exists in the Series 2004 B Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds and the Series 2004 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Bond Legislation) of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth in the Bond Legislation, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Secretary of the Issuer, as registrar (the "Registrar"), which shall be kept for that purpose at the office of the Registrar, by the Registered Owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney or legal representative duly authorized in writing.

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

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

The Issuer hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for such purposes and periods of time.

If at any time it so appears to the Government that the Issuer may be able to obtain a loan from a responsible cooperative or private creditor at reasonable rates and terms for loans for such purposes and period of time, the Issuer will at the Government's request apply for and accept such loan in sufficient amount to repay the Government.

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Bond will be in default should any proceeds of this Bond be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

This Bond is given as evidence of a loan to the Issuer made or insured by the Government pursuant to the Rural Development Act of 1972. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

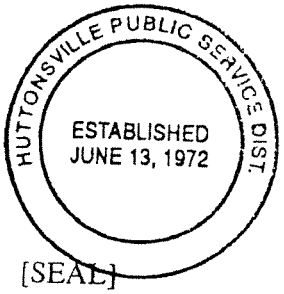
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond,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

NUMBER

BR-1

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairperson and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated August 25, 2004.



[SEAL]

Chairperson

SPECIMEN

ATTEST:

Secretary

SPECIMEN

NUMBER

BR-1

RECORD OF ADVANCES

SPECIMEN

	AMOUNT	DATE		AMOUNT	DATE
(1)	$82,200	8/25/04	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

BR-1

ASSIGNMENT

SPECIMEN

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

_____

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

Dated: _____, ___.

_____

In the presence of:

_____

HUTTONSVILLE PUBLIC SERVICE DISTRICT

WATERWORKS DESIGN REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM)

BOND RESOLUTION

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HUTTONSVILLE PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE DESIGN AND OTHER PRE-CONSTRUCTION ACTIVITIES RELATING TO THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF HUTTONSVILLE PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $244,500 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS DESIGN REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING THE LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF HUTTONSVILLE PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. Huttonsville Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Randolph County of said State.

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health and welfare of the

inhabitants of the Issuer that there be designed certain extensions, additions, betterments and improvements to the existing public waterworks system of the Issuer (the design and other preconstruction activities referred to herein as the "Project") (the existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System").

C. In order to complete the Project, the Issuer has entered into a contract with the Consulting Engineer for preconstruction engineering services. The Issuer intends to permanently finance a portion of the Costs of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Waterworks Design Revenue Bonds in the total aggregate principal amount of not more than $244,500 in one or more series (the "Series 2012 A Bonds"), being the Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), to permanently finance a portion of the Costs of the Project and to pay costs of issuance of the Series 2012 A Bonds. The remaining Costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said Costs shall be deemed to include the cost of interest, if any, upon the Series 2012 A Bonds prior to and during the Project and for a period not exceeding 6 months after completion of the Project; amounts which may be deposited in the Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the Administrative Fee, if any, (as hereafter defined); discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2012 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the undertaking of the Project and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2012 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of certain extensions, additions, betterments and improvements to the existing public waterworks system of the Issuer as defined in Section 1.02 B is not less than 32 years.

F. It is in the best interests of the Issuer that its Series 2012 A Bonds be sold to the Authority pursuant to the terms and provisions of a Loan Agreement by and between the Issuer and the Authority, on behalf of the West Virginia Bureau for Public Health (the "BPH"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding bonds or obligations of the Issuer which will rank on a parity with the Series 2012 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's: (i) Water Revenue Bonds, Series 1996 (United States

Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000 (the "Series 1996 Bonds"); (ii) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000 (the "Series 2000 A Bonds"); (iii) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000 (the "Series 2004 A Bonds"); and (iv) Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25, 2004, issued in the original aggregate principal amount of $400,000 (the "Series 2004 B Bonds"), (collectively, the "Prior Bonds").

The Series 2012 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2012 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consents of the Holders of the Prior Bonds to the issuance of the Series 2012 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolutions.

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

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the Project, the contract and the System and issuance of the Series 2012 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of approval of public convenience and necessity of the financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2012 A Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2012 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2012 A Bonds, all which shall be of equal rank and without preference, priority or distinction

between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Administrative Fee" means the Administrative Fee required, if any, to be paid pursuant to the Loan Agreement for the Series 2012 A Bonds.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2012 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the BPH under the Act.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer, or any temporary Chairman duly selected by the Governing Body.

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

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

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

"Bonds" means, collectively, the Series 2012 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

"Chairman" means the Chairman of the Governing Body of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2012 A Bonds for all or a portion of the proceeds of the Series 2012 A Bonds, from the Authority.

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

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

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

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the cost of design and other preconstruction activities of the Project.

"Cross Cutter Authorities" means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

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

"DWTRF Regulations" means the DWTRF regulations set forth in the West Virginia Code of State Regulations, as amended from time to time.

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

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

"Governing Body" or "Board" means the public service board of the Issuer, as it may now or hereafter be constituted.

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

"Grant" means all moneys received by the Issuer of any grant for the Project.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

"Issuer" means Huttonsville Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia, in Randolph County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the BPH, providing for the purchase of the Series 2012 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2012 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2012 A Bonds Reserve Account.

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

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

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

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

"Paying Agent" means the Commission or other entity designated as such for the Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 1996 Bonds, Series 2000 A Bonds, Series 2004 A Bonds, and Series 2004 B Bonds.

"Prior Resolutions" means the resolutions and supplemental resolutions of the Issuer authorizing the issuance of the Prior Bonds.

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

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

(a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2012 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2012 A Bonds.

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

"RUS Bonds" means, collectively, the Series 1996 Bonds, the Series 2000 A Bonds and the Series 2004 B Bonds.

"Secretary" means the Secretary of the Governing Body of the Issuer.

"Series 1996 Bonds" means the Issuer's Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 7, 1996, issued in the original aggregate principal amount of $1,000,000.

"Series 2000 A Bonds" means the Issuer's Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated July 27, 2000, issued in the original aggregate principal amount of $731,000.

"Series 2004 A Bonds" means the Issuer's Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated August 25, 2004, issued in the original aggregate principal amount of $952,000.

"Series 2004 B Bonds" means the Issuer's Water Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated August 25, 2004, issued in the original aggregate principal amount of $400,000.

"Series 2012 A Bonds" means the Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program) of the Issuer, authorized by this Resolution.

"Series 2012 A Bonds Reserve Account" means the Series 2012 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2012 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2012 A Bonds in the then current or any succeeding year.

"Series 2012 A Bonds Sinking Fund" means the Series 2012 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2012 A Bonds Project Trust Fund" means the Series 2012 A Bonds Project Trust Fund established by Section 5.01 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2012 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2012 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2012 A Bonds, and not so included, may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2012 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Sinking Funds, Reserve Accounts and the Renewal and Replacement Fund.

"System" means the complete public waterworks system of the Issuer, as presently existing in its entirety or any integral part there of, and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the System; and shall also include any and all extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the waterworks system from any sources whatsoever.

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

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF THE PROJECT

Section 2.01. Authorization of the Project. There is hereby authorized and ordered the undertaking of the Project, at an estimated cost of $323,900. The proceeds of the Series 2012 A Bonds shall be applied as provided in Article VI hereof. The Issuer has entered into or will enter into contracts for the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the BPH.

The cost of the Project is estimated not to exceed $323,900, of which approximately $244,500 will be obtained from proceeds of the Series 2012 A Bonds; and $79,400 will be deferred.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2012 A Bonds, if any, funding reserve account for the Series 2012 A Bonds, paying a portion of the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2012 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the Series 2012 A Bonds of the Issuer. The Series 2012 A Bonds shall be issued in one or more series, initially as a single bond, designated as "Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program)," in the principal amount of not more than $244,500, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2012 A Bonds remaining after capitalizing interest, if any, on the Series 2012 A Bonds, and funding the Series 2012 A Bonds Reserve Account shall be deposited in or credited to the Series 2012 A Bonds Project Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2012 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2012 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2012 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2012 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2012 A Bonds, all as provided in the Supplemental Resolution. The Series 2012 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2012 A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2012 A Bonds shall cease to be such officer of the Issuer before the Series 2012 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any such Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2012 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bonds have been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2012 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2012 A Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2012 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2012 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide Holder for value.

So long as the Series 2012 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 2012 A Bonds.

The registered Series 2012 A Bonds shall be transferable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the Series 2012 A Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2012 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate, register and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2012 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2012 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2012 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2012 A Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Prior Bonds, the Series 2012 A Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2012 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2012 A Bonds to the original purchasers upon receipt of the documents set forth below:

(i) If other than the Authority, a list of the names in which the Series 2012 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

(ii) A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2012 A Bonds to the original purchasers;

(iii) An executed and certified copy of the Bond Legislation;

(iv) An executed copy of the Loan Agreement; and

(v) The unqualified approving opinion of bond counsel on the Series 2012 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2012 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2012 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATERWORKS DESIGN REVENUE BOND, SERIES 2012 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $244,500

KNOW ALL MEN BY THESE PRESENTS: That on this ____ day of _____, 2012, HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district, a public corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO HUNDRED FORTY-FOUR THOUSAND FIVE HUNDRED DOLLARS ($244,500), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year commencing _____ 1, 20___, to and including _____ 1, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. The Administrative Fee of 1.0% (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated _____, 2012.

This Bond is issued (i) to pay a portion of the costs of design and other preconstruction activities of certain extensions, additions, betterments and improvements to the existing waterworks system of the Issuer (the design and preconstruction activities

defined as the "Project"); and (ii) to pay costs of issuance for the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S: (I) WATER REVENUE BONDS, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (II) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); (III) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $952,000 (THE "SERIES 2004 A BONDS"); AND (IV) WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 2004 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2012 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2012 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the

Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2012 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

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IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated as of the date first written above.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2012.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2012 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the Project, the Issuer will file with the Authority a schedule setting forth the actual costs of the Project.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Resolutions);

(2) Renewal and Replacement Fund (established as the Depreciation Fund by the Prior Resolutions and hereby renamed and continued);

(3) Reserve Fund (established by Prior Resolutions for the Series 1996 Bonds and Series 2000 A Bonds);

(4) 2000 A Bonds Reserve Account (established by Prior Resolutions); and

(5) Series 2012 A Bonds Project Trust Fund.

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

(1) Series 2004 A Bonds Sinking Fund (established by Prior Resolutions):

(2) Series 2004 A Bonds Reserve Account (established by Prior Resolutions);

(3) Series 2004 B Bonds Reserve Account (established by Prior Resolutions);

(4) Series 2012 A Bonds Sinking Fund; and

(5) Series 2012 A Bonds Reserve Account;

Section 5.03. System Revenues; Flow of Funds.

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

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

(2) The Issuer shall next, each month, on or before the due date thereof, simultaneously transfer from the Revenue Fund and remit to the National Finance Office the amount required by the Prior Resolutions to pay the interest on the Series 1996 Bonds, Series 2000 A Bonds, and Series 2004 B Bonds.

(3) The Issuer shall next, each month, simultaneously transfer from the Revenue Fund and (i) on or before the due date thereof, remit to the National Finance Office the amount required by the Prior Resolutions to pay the principal of the Series 1996 Bonds, Series 2000 A Bonds, and Series 2004 B Bonds; (ii) on or before the due date thereof, remit to the Commission the amount required by the Prior Resolutions to pay the principal of the Series 2004 A Bonds; and (iii) on the first day of each month, remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2012 A Bonds, for deposit in the Series 2012 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2012 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2012 A Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, simultaneously transfer from the Revenue Fund and (i) remit to the Depository Bank the amounts required by the Prior Resolutions to be deposited in the Reserve Accounts for the Series 1996 Bonds and Series 2000 A Bonds; (ii) remit to the Commission the amounts to be deposited in the respective reserve accounts for the Series 2004 A Bonds and Series 2004 B Bonds; and (iii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2012 A Bonds, if not fully funded upon issuance of the Series 2012 A Bonds, for deposit in the Series 2012 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2012 A Bonds Reserve Requirement, until the amount in the Series 2012 A Bonds Reserve Account equals the Series 2012 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2012 A Bonds Reserve Requirement.

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

(6) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose of the System.

Monies in the Series 2012 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2012 A Bonds. Monies in the Series 2012 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2012 A Bonds when other monies in the Series 2012 A Bonds Sinking Fund are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2011 A Bonds Reserve Account shall be sufficient to prepay the Series 2011 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Series 2011 A Bonds, together with accrued interest thereon to such prepayment date.

All investment earnings on monies in the Series 2012 A Bonds Sinking Fund, and the Series 2012 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during the Project, be deposited in the Series 2012 A Bonds Project Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2012 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2012 A Bonds Reserve Account which result in a reduction in the balance of the Series 2012 A Bonds Reserve Account to below the Series 2012 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Prior Bonds and the Series 2012 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2012 A Bonds Sinking Fund or the Series 2012 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2012 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2012 A Bonds, in accordance with the respective principal amounts then Outstanding.

The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the BPH and the Authority.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2012 A Bonds Sinking Fund and the Series 2012 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2012 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2012 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the Administrative Fee, if any, as set forth in the Schedule Y attached to the Loan Agreement for the Series 2012 A Bonds.

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

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

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

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

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

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

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

ARTICLE VI

BOND PROCEEDS; DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2012 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2012 A Bonds, there shall next be deposited with the Commission in the Series 2012 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2012 A Bonds Reserve Account.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 A Bonds Project Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2012 A Bonds.

C. After completion of the Project, and all costs have been paid, any remaining proceeds of the Series 2012 A Bonds shall be applied as directed by the BPH.

Section 6.02. Disbursements From the Bond Project Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2012 A Bonds will be expended and the disbursement procedures for such proceeds. Payments for the costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2012 A Bonds Project Trust Fund shall be made only after submission to the BPH of a certificate, signed by an Authorized Officer stating that:

(1) a completed and signed "Payment Requisition Form", a form of which is attached to the Loan Agreement for the Series 2012 A Bonds, and

(2) a certificate, signed by an Authorized Officer, as appropriate, stating that:

(A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) Each of such costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2012 A Bonds Project Trust Funds shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2012 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2012 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2012 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2012 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2012 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2012 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2012 A Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2012 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision dated April 11, 2012, and Commission Order dated ____, 2012, in Case No. 11-1804-PWD-42T of the Public Service Commission of West Virginia and such rates are hereby adopted, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2012 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2012 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Resolution. Additionally, so long as the Series 2012 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2012 A Bonds, immediately be remitted to the Commission for deposit in the Series 2012 A Bonds Sinking Fund, and, with the written permission of the Authority and the BPH, or, in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2012 A Bonds. Any balance remaining after the payment of the Series 2012 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution duly adopted,

determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000, but not in excess of $50,000, the Issuer shall first, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property shall be deposited in the Renewal and Replacement Fund. Payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into such fund by other provisions of this Bond Legislation.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2012 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2012 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2012 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2012 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2012 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2012 A Bonds pursuant to this Bond Legislation, except with the prior written consent of the Authority and the BPH under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Resolution).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2012 A Bonds.

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

So long as the RUS Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the RUS Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the RUS Bonds are no longer outstanding, the following parity requirement shall be met:

So long as the Series 2004 A Bonds or Series 2012 A Bonds are Outstanding no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

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

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2012 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2012A Bonds.

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

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

The Issuer shall permit the Authority and the BPH, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of the Project.

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

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

The Issuer shall file with the BPH, the Authority, or any other original purchaser of the Series 2012 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2012 A Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto), and shall mail upon request, and make available generally, the report of the Independent Certified Public

Accountants, or a summary thereof, to any Holder or Holders of the Series 2012 A Bonds, and shall submit said report to the Authority, or any other original purchaser of the Series 2012 A Bonds. Such audit report submitted to the Authority shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Section 7.09. Rates. Prior to the issuance of the Series 2012 A Bonds, equitable rates or charges for the use of and service rendered by the System shall 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 with the Secretary, 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 the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2012 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2012 A Bonds, including the Prior Bonds; provided that, in the event amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2012 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2012 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2012 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2012 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the BPH within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding, which finding shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the BPH and to any Holder of any Bonds, who shall file his or her

address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the BPH and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, the funding plan as submitted to the Authority and the BPH is sufficient to pay the Costs of the Project.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.15. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that so long as the Series 2012 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

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

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

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

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.17. Completion of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards. The Issuer shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2012 A Bonds are outstanding.

The Issuer has obtained all permits required by State and federal laws for the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the financing, the Project and the operation of the System and all approvals for issuance of the Series 2012 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

Section 7.18. Reserved.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2012 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2012 A Bonds, which statutory mortgage lien shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Loan Agreement attached hereto as Exhibit A is incorporated herein in its entirety. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the BPH with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules, regulations, the applicable Cross Cutter Authorities and all applicable local ordinances issued by the Authority, the BPH or other state, federal or local bodies in regard to the Project and the operation, maintenance and use of the System.

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

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

Section 7.22. Contracts; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2012 A Bonds or immediately thereafter, enter into written contracts for the Project.

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

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2012 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2012 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2012 A Bonds as a condition to issuance of the Series 2012 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2012 A Bonds as may be necessary in order to maintain the status of the Series 2012 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2012 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the BPH, as the case may be, from which the proceeds of the Series 2012 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2012 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2012 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2012 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2012 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2012 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2012 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2012 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2012 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2012 A Bonds shall be on a parity with each other and with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of the Series 2012 A Bonds may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of the Series 2012 A Bonds shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Series 2012 A Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Series 2012 A Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court.

Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Series 2012 A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2012 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2012 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2012 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2012 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2012 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2012 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2012 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of

Series 2012 A Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2012 A Bonds from gross income of the Holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2012 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2012 A Bonds.

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

Section 11.05. Notices. All notices to be sent to the Issuer, the Authority or the BPH shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

Huttonsville Public Service District
P.O. Box 277
Mill Creek, West Virginia 26280
Attention: Chairman

AUTHORITY:

Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1571
Attention: Director

BPH:

West Virginia Bureau for Public Health
350 Capitol Street, Room 313
Charleston, West Virginia 25301
Attention: Environmental Engineering

All notices to be sent to the BPH hereunder, shall also be sent to the Authority.

Section 11.06. Conflicting Provisions Repealed; Prior Resolution. Except for the Prior Resolution, all orders, ordinances or resolutions, or parts thereof, in conflict with the provisions of this Resolution are to the extent of such conflict, hereby repealed; provided that, this Section shall not be applicable to the Prior Resolution. In the event of any conflict between this Resolution and the Prior Resolution, the Prior Resolution shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution 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, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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Section 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 16th day of July, 2012.

Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of HUTTONSVILLE PUBLIC SERVICE DISTRICT on the 16th day of July, 2012.

Dated: August 7, 2012.

[SEAL]

Secretary

HUTTONSVILLE PUBLIC SERVICE DISTRICT

Waterworks Design Revenue Bonds, Series 2012 A
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE WATERWORKS DESIGN REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM), OF HUTTONSVILLE PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE SERIES 2012 A BONDS; AUTHORIZING AND APPROVING THE SALE OF THE SERIES 2012 A BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Huttonsville Public Service District (the "Issuer") has duly and officially adopted a bond resolution on July 16, 2012 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE DESIGN AND OTHER PRE-CONSTRUCTION ACTIVITIES RELATING TO THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF HUTTONSVILLE PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $244,500 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS DESIGN REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING THE LOAN

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

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

WHEREAS, the Bond Resolution provides for the issuance of Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer (the "Bonds" or the "Series 2012 A Bonds"), in the aggregate principal amount not to exceed $244,500, and has authorized the execution and delivery of the loan agreement relating to the Series 2012 A Bonds, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), (the "Loan Agreement"), all in accordance with Chapter 16, Article 13A, and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Series 2012 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF HUTTONSVILLE PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Waterworks Design Revenue Bonds, Series 2012 A (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $244,500. The Series 2012 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2043, and shall bear no interest. The principal of the Series 2012 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2013, and to and including March 1, 2043, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and

incorporated in and made a part of the Series 2012 A Bonds. The Series 2012 A Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2012 A Bonds. The Administrative Fee of 1.0% (as defined in the Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2013.

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

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the BPH and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2012 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2012 A Bonds under the Bond Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2012 A Bonds under the Bond Resolution.

Section 6. The Issuer does hereby appoint and designate Mountain Valley Bank, Elkins,, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 2012 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2012 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2012 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2012 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2012 A Bonds shall be deposited in or credited to the Series 2012 A Bonds Project Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Series 2012 A Bonds may be delivered on or about August 7, 2012 to the Authority pursuant to the Loan Agreement.

Section 11. The Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer hereby approves and accepts all contracts relating to the financing and the Project.

Section 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

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Adopted this 16th day of July, 2012.

HUTTONSVILLE PUBLIC SERVICE DISTRICT

By: Steve Wamsley
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by HUTTONSVILLE PUBLIC SERVICE DISTRICT on this 16th day of July, 2012.

Dated: August 7, 2012.

[SEAL]

Secretary

437410.00010

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SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
HUTTONSVILLE PUBLIC SERVICE DISTRICT
WATERWORKS DESIGN REVENUE BOND, SERIES 2012 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $244,500

KNOW ALL MEN BY THESE PRESENTS: That on this 7th day of August, 2012, HUTTONSVILLE PUBLIC SERVICE DISTRICT, a public service district, a public corporation and political subdivision of the State of West Virginia in Randolph County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO HUNDRED FORTY-FOUR THOUSAND FIVE HUNDRED DOLLARS ($244,500), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year commencing June 1, 2013, to and including March 1, 2043 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. The Administrative Fee of 1.0% (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2013, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated August 7, 2012.

This Bond is issued (i) to pay a portion of the costs of design and other preconstruction activities of certain extensions, additions, betterments and improvements to the existing waterworks system of the Issuer (the design and preconstruction activities defined as the "Project"); and (ii) to pay costs of issuance for the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on July 16, 2012, and a

Supplemental Resolution duly adopted by the Issuer on July 16, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE ISSUER'S: (I) WATER REVENUE BONDS, SERIES 1996 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 7, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 1996 BONDS"); (II) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 27, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $731,000 (THE "SERIES 2000 A BONDS"); (III) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $952,000 (THE "SERIES 2004 A BONDS"); AND (IV) WATER REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 2004 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2012 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2012 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2012 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, HUTTONSVILLE PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated as of the date first written above.

[SEAL]

Chairman

ATTEST:

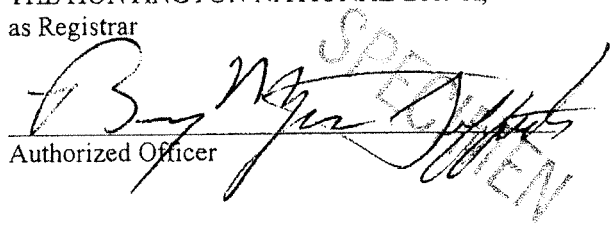
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: August 7, 2012.

THE HUNTINGTON NATIONAL BANK,
as Registrar



Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $99,000	August 7, 2012	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Net Debt Service

Huttonsville Public Service District

DWTRF

$244,500

0% Interest Rate

1% Administrative Fee

30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
6/1/2013	2,038		2,038	308.14	203.80	2,549.94
9/1/2013	2,038		2,038	308.14	203.80	2,549.94
12/1/2013	2,038		2,038	308.14	203.80	2,549.94
3/1/2014	2,038		2,038	308.14	203.80	2,549.94
6/1/2014	2,038		2,038	308.14	203.80	2,549.94
9/1/2014	2,038		2,038	308.14	203.80	2,549.94
12/1/2014	2,038		2,038	308.14	203.80	2,549.94
3/1/2015	2,038		2,038	308.14	203.80	2,549.94
6/1/2015	2,038		2,038	308.14	203.80	2,549.94
9/1/2015	2,038		2,038	308.14	203.80	2,549.94
12/1/2015	2,038		2,038	308.14	203.80	2,549.94
3/1/2016	2,038		2,038	308.14	203.80	2,549.94
6/1/2016	2,038		2,038	308.14	203.80	2,549.94
9/1/2016	2,038		2,038	308.14	203.80	2,549.94
12/1/2016	2,038		2,038	308.14	203.80	2,549.94
3/1/2017	2,038		2,038	308.14	203.80	2,549.94
6/1/2017	2,038		2,038	308.14	203.80	2,549.94
9/1/2017	2,038		2,038	308.14	203.80	2,549.94
12/1/2017	2,038		2,038	308.14	203.80	2,549.94
3/1/2018	2,038		2,038	308.14	203.80	2,549.94
6/1/2018	2,038		2,038	308.14	203.80	2,549.94
9/1/2018	2,038		2,038	308.14	203.80	2,549.94
12/1/2018	2,038		2,038	308.14	203.80	2,549.94
3/1/2019	2,038		2,038	308.14	203.80	2,549.94
6/1/2019	2,038		2,038	308.14	203.80	2,549.94
9/1/2019	2,038		2,038	308.14	203.80	2,549.94
12/1/2019	2,038		2,038	308.14	203.80	2,549.94
3/1/2020	2,038		2,038	308.14	203.80	2,549.94
6/1/2020	2,038		2,038	308.14	203.80	2,549.94
9/1/2020	2,038		2,038	308.14	203.80	2,549.94
12/1/2020	2,038		2,038	308.14	203.80	2,549.94
3/1/2021	2,038		2,038	308.14	203.80	2,549.94
6/1/2021	2,038		2,038	308.14	203.80	2,549.94
9/1/2021	2,038		2,038	308.14	203.80	2,549.94
12/1/2021	2,038		2,038	308.14	203.80	2,549.94
3/1/2022	2,038		2,038	308.14	203.80	2,549.94
6/1/2022	2,038		2,038	308.14	203.80	2,549.94
9/1/2022	2,038		2,038	308.14	203.80	2,549.94
12/1/2022	2,038		2,038	308.14	203.80	2,549.94
3/1/2023	2,038		2,038	308.14	203.80	2,549.94
6/1/2023	2,038		2,038	308.14		2,346.14
9/1/2023	2,038		2,038	308.14		2,346.14
12/1/2023	2,038		2,038	308.14		2,346.14
3/1/2024	2,038		2,038	308.14		2,346.14
6/1/2024	2,038		2,038	308.14		2,346.14
9/1/2024	2,038		2,038	308.14		2,346.14

Net Debt Service

Huttonsville Public Service District

DWTRF

$244,500

0% Interest Rate

1% Administrative Fee

30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
12/1/2024	2,038		2,038	308.14		2,346.14
3/1/2025	2,038		2,038	308.14		2,346.14
6/1/2025	2,038		2,038	308.14		2,346.14
9/1/2025	2,038		2,038	308.14		2,346.14
12/1/2025	2,038		2,038	308.14		2,346.14
3/1/2026	2,038		2,038	308.14		2,346.14
6/1/2026	2,038		2,038	308.14		2,346.14
9/1/2026	2,038		2,038	308.14		2,346.14
12/1/2026	2,038		2,038	308.14		2,346.14
3/1/2027	2,038		2,038	308.14		2,346.14
6/1/2027	2,038		2,038	308.14		2,346.14
9/1/2027	2,038		2,038	308.14		2,346.14
12/1/2027	2,038		2,038	308.14		2,346.14
3/1/2028	2,038		2,038	308.14		2,346.14
6/1/2028	2,037		2,037	308.14		2,345.14
9/1/2028	2,037		2,037	308.14		2,345.14
12/1/2028	2,037		2,037	308.14		2,345.14
3/1/2029	2,037		2,037	308.14		2,345.14
6/1/2029	2,037		2,037	308.14		2,345.14
9/1/2029	2,037		2,037	308.14		2,345.14
12/1/2029	2,037		2,037	308.14		2,345.14
3/1/2030	2,037		2,037	308.14		2,345.14
6/1/2030	2,037		2,037	308.14		2,345.14
9/1/2030	2,037		2,037	308.14		2,345.14
12/1/2030	2,037		2,037	308.14		2,345.14
3/1/2031	2,037		2,037	308.14		2,345.14
6/1/2031	2,037		2,037	308.14		2,345.14
9/1/2031	2,037		2,037	308.14		2,345.14
12/1/2031	2,037		2,037	308.14		2,345.14
3/1/2032	2,037		2,037	308.14		2,345.14
6/1/2032	2,037		2,037	308.14		2,345.14
9/1/2032	2,037		2,037	308.14		2,345.14
12/1/2032	2,037		2,037	308.14		2,345.14
3/1/2033	2,037		2,037	308.14		2,345.14
6/1/2033	2,037		2,037	308.14		2,345.14
9/1/2033	2,037		2,037	308.14		2,345.14
12/1/2033	2,037		2,037	308.14		2,345.14
3/1/2034	2,037		2,037	308.14		2,345.14
6/1/2034	2,037		2,037	308.14		2,345.14
9/1/2034	2,037		2,037	308.14		2,345.14
12/1/2034	2,037		2,037	308.14		2,345.14
3/1/2035	2,037		2,037	308.14		2,345.14
6/1/2035	2,037		2,037	308.14		2,345.14
9/1/2035	2,037		2,037	308.14		2,345.14
12/1/2035	2,037		2,037	308.14		2,345.14
3/1/2036	2,037		2,037	308.14		2,345.14

Net Debt Service

Huttonsville Public Service District

DWTRF

$244,500

0% Interest Rate

1% Administrative Fee

30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
6/1/2036	2,037		2,037	308.14		2,345.14
9/1/2036	2,037		2,037	308.14		2,345.14
12/1/2036	2,037		2,037	308.14		2,345.14
3/1/2037	2,037		2,037	308.14		2,345.14
6/1/2037	2,037		2,037	308.14		2,345.14
9/1/2037	2,037		2,037	308.14		2,345.14
12/1/2037	2,037		2,037	308.14		2,345.14
3/1/2038	2,037		2,037	308.14		2,345.14
6/1/2038	2,037		2,037	308.14		2,345.14
9/1/2038	2,037		2,037	308.14		2,345.14
12/1/2038	2,037		2,037	308.14		2,345.14
3/1/2039	2,037		2,037	308.14		2,345.14
6/1/2039	2,037		2,037	308.14		2,345.14
9/1/2039	2,037		2,037	308.14		2,345.14
12/1/2039	2,037		2,037	308.14		2,345.14
3/1/2040	2,037		2,037	308.14		2,345.14
6/1/2040	2,037		2,037	308.14		2,345.14
9/1/2040	2,037		2,037	308.14		2,345.14
12/1/2040	2,037		2,037	308.14		2,345.14
3/1/2041	2,037		2,037	308.14		2,345.14
6/1/2041	2,037		2,037	308.14		2,345.14
9/1/2041	2,037		2,037	308.14		2,345.14
12/1/2041	2,037		2,037	308.14		2,345.14
3/1/2042	2,037		2,037	308.14		2,345.14
6/1/2042	2,037		2,037	308.14		2,345.14
9/1/2042	2,037		2,037	308.14		2,345.14
12/1/2042	2,037		2,037	308.14		2,345.14
3/1/2043	2,037		2,037	308.14		2,345.14
	244,500		244,500	36,976.80	8,152.00	289,628.80

Notes:

Estimated Monthly Net Debt Service Payments:

$849.98 March 1, 2013 through February 1, 2023

$782.05 March 1, 2023 through February 1, 2028

$781.72 March 1, 2028 through February 1, 2043

Admin Fee calculated based on 1% of bond value computed quarterly paid in equal quarterly payments rounded up to the nearest cent.

(Form of)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____