

TOWN OF CAMDEN-ON-GAULEY

**Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B
(West Virginia DWTRF Program)**

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

1. Conformed Bond Ordinance
2. Supplemental Resolution
3. Bond Ordinance
4. Loan Agreement
5. Public Service Commission Order
6. Infrastructure and Jobs Development Council Approval
7. Cross-Receipt for Bonds and Bond Proceeds
8. Direction to Authenticate and Deliver Bonds
9.
 - A. Specimen Bond, Series 2013 A
 - B. Specimen Bond, Series 2013 B

OPINIONS OF COUNSEL

10. Approving Opinion on Series 2013 A Bonds of Steptoe & Johnson PLLC, Bond Counsel
11. Opinion of Counsel to Issuer
12. Title Opinion

CERTIFICATES

13. General Certificate of Issuer and Attorney
14. Certificate of Engineer, with Schedule B Attached
15. Certificate of Certified Public Accountant
16. Certificate as to Use of Proceeds

DOCUMENTS OF THE ISSUER

17. Charter
18. Rules of Procedure
19. Oaths of Office of Officers and Councilmembers
20.
 - A. Water Rate Ordinance
 - B. Affidavit of Publication of Water Rate Ordinance and Notice of Public Hearing
 - C. Minutes on Adoption and Enactment of Water Rate Ordinance
21. Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing
22. Minutes on Adoption and Enactment of Bond Ordinance, Adoption of Supplemental Resolution, First Draw Resolution and Sweep Resolution
23. Municipal Bond Commission New Issue Reports
 - A. Series 2013 A Bonds
 - B. Series 2013 B Bonds

MISCELLANEOUS DOCUMENTS

24. Acceptance of Appointment as Depository Bank
25. Acceptance of Duties as Registrar
26. Certificate of Registration of Bonds
27. Registrar's Agreement
28. Bureau of Public Health Permit

29. Evidence of Insurance
30. Infrastructure Fund Grant Agreement
31. Evidence of Small Cities Block Grant
32. Closing Memorandum
33. Sweep Resolution

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TOWN OF CAMDEN-ON-GAULEY
WATER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA DWTRF PROGRAM); AND
WATER REVENUE BONDS, SERIES 2013 B
(WEST VIRGINIA DWTRF PROGRAM)

CONFORMED BOND ORDINANCE

Table of Contents

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01	Authority for this Ordinance
Section 1.02	Findings
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION
OF THE PROJECT

Section 2.01	Authorization of Acquisition and Construction of the Project
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ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND
SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN
AGREEMENT

Section 3.01	Authorization of Bonds
Section 3.02	Terms of Bonds
Section 3.03	Execution of Bonds
Section 3.04	Authentication and Registration
Section 3.05	Negotiability, Transfer and Registration
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds not to be Indebtedness of the Issuer
Section 3.08	Bonds Secured by Pledge of Gross Revenues
Section 3.09	Delivery of Bonds

Ordinance conformed by Supplemental Resolution adopted May 9, 2013 mainly to clarify that the 2013 B Bonds are forgivable and have no lien on gross or net revenues of the system

Section 3.10	Form of Bond FORM OF SERIES 2013 A BOND FORM OF SERIES 2013 B BOND
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreement
Section 3.12	“Amended Schedule A” Filing

**ARTICLE IV
[RESERVED]**

**ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF**

Section 5.01	Establishment of Funds and Accounts with Depository Bank
Section 5.02	Establishment of Funds and Accounts with Commission
Section 5.03	System Revenues; Flow of Funds

**ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS**

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds
Section 6.02	Disbursement From the Bond Construction Fund

**ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER**

Section 7.01	General Covenants of the Issuer
Section 7.02	Bonds not to be Indebtedness of the Issuer
Section 7.03	Bonds Secured by Pledge of Gross Revenues
Section 7.04	Initial Schedule of Rates and Charges
Section 7.05	Sale of the System
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 7.07	Parity Bonds
Section 7.08	Books; Records and Audit
Section 7.09	Rates
Section 7.10	Operating Budget and Monthly Financial Report
Section 7.11	Engineering Services and Operating Personnel
Section 7.12	No Competing Franchise
Section 7.13	Enforcement of Collections
Section 7.14	No Free Services
Section 7.15	Insurance and Construction Bonds
Section 7.16	Connections
Section 7.17	Completion of Project; Permits and Orders
Section 7.18	Compliance with Loan Agreement and Law

Section 7.19	RESERVED
Section 7.20	Securities Law Compliance
Section 7.21	Contracts; Change Orders; Public Releases
Section 7.22.	Statutory Mortgage Lien

**ARTICLE VIII
INVESTMENT OF FUNDS**

Section 8.01	Investments
Section 8.02	Certificate as to Use of Proceeds; Covenants as to Use of Proceeds

**ARTICLE IX
DEFAULT AND REMEDIES**

Section 9.01	Events of Default
Section 9.02	Remedies
Section 9.03	Appointment of Receiver

**ARTICLE X
PAYMENT OF BONDS**

Section 10.01	Payment of Bonds
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**ARTICLE XI
MISCELLANEOUS**

Section 11.01	Amendment or Modification of Bond Legislation
Section 11.02	Bond Legislation Constitutes Contract
Section 11.03	Severability of Invalid Provisions
Section 11.04	Headings, Etc.
Section 11.05	Notices
Section 11.06	Conflicting Provisions Repealed
Section 11.07	Covenant of Due Procedure, Etc.
Section 11.08	Statutory Notice and Public Hearing
Section 11.09	Effective Date
	SIGNATURES
	CERTIFICATION

TOWN OF CAMDEN-ON-GAULEY

ORDINANCE AUTHORIZING ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOWN OF CAMDEN-ON-GAULEY AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF CAMDEN-ON-GAULEY OF NOT MORE THAN \$880,500 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA DWTRF PROGRAM); AND NOT MORE THAN \$1,300,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2013 B (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 LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF CAMDEN-ON-GAULEY:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the “Bond Legislation”) is enacted pursuant to the provisions of Chapter 8, Article 19 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. The Town of Camden-on-Gauley (the “Issuer”) is a municipal corporation and political subdivision of the State of West Virginia in Webster 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 acquired and constructed certain additions, betterments and improvements for the existing public waterworks system of the Issuer, consisting of replacement of old and undersized water distribution lines and rehabilitation of a water storage tank, together with all necessary appurtenances (collectively, the “Project”) (the existing public waterworks system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the “System”), in accordance with the plans and

specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the 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 West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, in the total aggregate principal amount of not more than \$2,180,500 in two or more series (collectively, the "Series 2013 Bonds") initially planned to be the (i) Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program) in the aggregate principal amount of not more than \$880,500 (the "Series 2013 A Bonds") and (ii) Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program) in the aggregate principal amount of not more than \$1,300,000, (the "Series 2013 B Bonds") to permanently finance a portion of the costs of acquisition and construction of the Project, and pay the costs of issuance thereof. 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 2013 A Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (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 (as hereinafter defined) for the Series 2013 A Bonds; discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2013 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 2013 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 32 years.

F. It is in the best interests of the Issuer that its Series 2013 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 the form satisfactory to the respective parties (the "Loan Agreement") approved hereby if not previously approved by resolution of the Issuer.

G. There are no 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 after completion of the Project 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 Series 2013 A Bonds and to make payments into 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 issuance of the Series 2013 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council 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 will either have expired prior to the issuance of the Series 2013 Bonds or such Final Order will not be subject to appeal.

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 2013 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2013 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

“Administrative Fee” means the Administrative Fee required to be paid pursuant to the Loan Agreement.

“Authority” means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2013 Bonds, or any other agency, board or department of the State 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 Mayor of the Issuer, or any other officer of the Issuer specifically designated by resolution of 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,” “Ordinance,” “Bond Ordinance” or “Local Act” means this Bond Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

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

“Bonds” means, collectively, the Series 2013 Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

“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.

“Closing Date” means the date upon which there is an exchange of the Series 2013 Bonds for all or a portion of the proceeds of the Series 2013 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 Triad Engineering, Inc., Scott Depot, 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.

“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” means the Town Council of the Issuer, as it may now or hereafter be constituted.

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

“Gross Revenues” means the aggregate gross operating and non-operating revenues of the System, 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 the Town of Camden-on-Gauley, a municipal corporation and political subdivision of the State of West Virginia, in Webster 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 2013 Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

“Mayor” means the Mayor of the Issuer.

“Net Proceeds” means the face amount of the Series 2013 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2013 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, operation and maintenance 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 Paying Agent (all as herein defined), 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 cancelled 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 Parity 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 by the Issuer in the Supplemental Resolution with the written consent of the Authority and the BPH.

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

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

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;
- (f) Money market funds or similar funds whose only assets are investments of the

type described in paragraphs (a) through (e) above;

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

(h) The West Virginia “consolidated fund” managed by the West Virginia 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.

“Recorder” means the Recorder of the Issuer.

“Registrar” means the Bond Registrar.

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

“Renewal and Replacement Fund” means the Renewal and Replacement Fund created by Section 5.01 hereof.

“Reserve Accounts” means the reserve account established for the Series 2013 A Bonds.

“Reserve Requirement” means the amount required to be on deposit in the Series 2013 A Bonds Reserve Account.

“Revenue Fund” means the Revenue Fund established by Section 5.01 hereof.

“Series 2013 Bonds” means collectively the Series 2013 A Bonds and Series 2013 B Bonds.

“Series 2013 A Bonds” means the Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program), of the Issuer, authorized by this Bond Legislation.

“Series 2013 A Bonds Reserve Account” means the Series 2013 A Bonds Reserve Account established in Section 5.02 hereof.

“Series 2013 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 2013 A Bonds in the then current or any succeeding year.

“Series 2013 A Bonds Sinking Fund” means the Series 2013 A Bonds Sinking Fund established by Section 5.02 hereof.

“Series 2013 Bonds Construction Fund” means the Series 2013 Bonds Construction Fund established by Section 5.01 hereof.

“Series 2013 B Bonds” means the Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program), of the Issuer, authorized by this Bond Legislation.

“Sinking Funds” means the sinking fund account established for the Series 2013 A Bonds.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the sale of the Series 2013 A Bonds and the Series 2013 B Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2013 A Bonds and Series 2013 B 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 Renewal and Replacement Fund.

“System” means the existing waterworks system of the Issuer, as expanded and improved 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 after the completion of the Project.

“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 BPH and funded by capitalized 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.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed \$3,680,500, and ordered 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 2013 A Bonds and the Series 2013 B Bonds, hereby authorized, shall be applied as provided in Article VI hereof.

The Cost of the Project is estimated not to exceed \$3,680,500 of which not more than \$2,180,500 will be obtained from proceeds of the Series 2013 Bonds; \$1,300,000 will be obtained from an Infrastructure Council grant; and \$200,000 will be obtained from a Small Cities Block 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 paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2013 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2013 Bonds of the Issuer. The Series 2013 Bonds shall be issued in two series, each as a single bond, designated respectively as “Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program)”, in the principal amount of not more than \$880,500, and “Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program)”, in the principal amount of not more than \$1,300,000 and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2013 Bonds remaining after funding of the Series 2013 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2013 Bonds Construction Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. A. The Series 2013 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 2013 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 2013 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 2013 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, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2013 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 as specified in a Supplemental Resolution.

B. Unless otherwise provided by the Supplemental Resolution, the Series 2013 B Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances, representing the aggregate principal amount and shall not bear interest. The principal amounts advanced under the Series 2013 B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2013 B Bonds shall be deemed no longer Outstanding after the last advance is forgiven. The Series 2013 B Bonds are not subject to an Administrative Fee.

The Series 2013 B 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 as specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2013 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2013 Bonds shall cease to be such officer of the Issuer before the Series 2013 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 2013 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 Series 2013 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 2013 Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2013 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 2013 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 2013 Bonds remain Outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2013 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 2013 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 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 2013 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2013 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues

derived from the operation of the System as herein provided. No Holder or Holders of the Series 2013 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2013 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service on the Series 2013 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System. The Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, 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 2013 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2013 Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2013 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2013 Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. Executed copies of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2013 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2013 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 2013 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF CAMDEN-ON-GAULEY
WATER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1

\$880,500

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of May, 2013, the TOWN OF CAMDEN-ON-GAULEY, a municipal corporation and political subdivision of the State of West Virginia in Webster 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, the principal of, 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. The Administrative Fee of 1.0% (as defined in the hereinafter described Bond Legislation) shall 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.

This Bond shall not bear 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 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 May 24, 2013.

This Bond is issued to (i) pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); (ii) fully fund the Series 2013 A Bonds Reserve Account; and (iii) pay certain costs of issuance of 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on April 11, 2013, and a Supplemental Resolution and Conformed Bond Ordinance duly adopted by the Issuer on May 9, 2013 (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.

THERE ARE NO OUTSTANDING BONDS OR OBLIGATIONS OF THE ISSUER WHICH ARE SECURED BY REVENUES OR ASSETS OF THE SYSTEM.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System and from monies in the reserve account created under the Bond Legislation for the Series 2013 A Bonds (the "Series 2013 A Bonds Reserve Account"), and unexpended proceeds of the Series 2013 A Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2013 A Bonds Reserve Account and unexpended proceeds of the Series 2013 A 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 on the Series 2013 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2013 A Bonds; provided however, that, so long as there exists in the Series 2013 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2013 A 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 or junior and subordinate to the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (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 costs of issuance 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 in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of 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.

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IN WITNESS WHEREOF, the TOWN OF CAMDEN-ON-GAULEY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 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: _____, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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 2013 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF CAMDEN-ON-GAULEY
WATER REVENUE BONDS, SERIES 2013 B
(WEST VIRGINIA DWTRF PROGRAM)

No. BR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on the ____ day of _____, 2013, the TOWN OF CAMDEN-ON-GAULEY, a municipal corporation and political subdivision of the State of West Virginia in Webster 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 forgiven, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference. The Series 2013 B Bonds are not subject to an Administrative Fee (as defined in the hereinafter described Bond Legislation).

This Bond shall bear no interest. The principal amounts advanced under the Series 2013 B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2013 B Bonds shall be deemed no longer Outstanding after the last advance is forgiven.

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 May 24, 2013.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on April 11, 2013, and a Supplemental Resolution and Conformed Bond Ordinance duly adopted by the Issuer on May 9, 2013 (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 FORGIVABLE AND HAS NO LIEN ON THE NET REVENUES OR GROSS REVENUES OF THE SYSTEM.

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 costs of issuance 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 in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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, the TOWN OF CAMDEN-ON-GAULEY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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 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 2013 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. The Mayor is specifically authorized and directed to approve and execute the Loan Agreement and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. “Amended Schedule A” Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority a schedule 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 a prior ordinance) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer and from each other:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) Series 2013 Bonds Construction 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 a prior ordinance) with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other:

- (1) Series 2013 A Bonds Sinking Fund; and
- (2) Series 2013 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer 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 monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) The Issuer shall next, on the first of each month, transfer from the Revenue Account and remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2013 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 2013 A Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first of each month, transfer from the Revenue Account and remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2013 A Bonds, if not fully funded upon issuance of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2013 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2013 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 2013 A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 ½% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, 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 monies from the Renewal and Replacement Fund.

(5) 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 Series 2013 A Bonds, or for any lawful purpose.

Monies in the Series 2013 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2013 A Bonds, as the same shall become due. Monies in the Series 2013 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2013 A Bonds, as the same shall come due, when other monies in the Series 2013 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2013 A Bonds Construction Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2013 A Bonds, if any, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2013 A Bonds Reserve Account which result in a reduction in the balance of such accounts to below the Series 2013 A Bonds Reserve Requirement, thereof, shall be restored from the first Gross 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 2013 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2013 A Bonds Sinking Fund or the Series 2013 A Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2013 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2013 A Bonds Sinking Fund and the Series 2013 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. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. 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 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2013 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, if any, and reserve payments with respect to the Series 2013 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 as set forth in the Schedule Y attached to the Loan Agreement for the Series 2013 A Bonds.

C. 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.

D. 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 along with a copy of its payment check to the Authority by the 5th day of such calendar month.

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 Section, 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 sum insured by 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 herein above 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 Gross 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 and 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 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 2013 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2013 A Bonds, there shall first be deposited with the Commission in the Series 2013 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2013 A Bonds, there shall be deposited with the Commission in the Series 2013 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2013 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2013 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2013 Bonds Construction Fund and applied solely to payment of the 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 2013 A Bonds.

D. As the Issuer receives advances of the monies derived from the sale of the Series 2013 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2013 Bonds Construction Fund and applied solely to payment of the Costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as security for the Series 2013 B Bonds.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2013 Bonds shall be expended as approved by the BPH.

Section 6.02. Disbursement from the Bond Construction 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 net proceeds of the Series 2013 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 2013 Bonds Construction Fund shall be made only after submission to, and approval from the BPH, of the following:

- (1) A completed and signed "Payment Requisition Form" of which is attached to the Loan Agreement as Exhibit B, in compliance with the Issuer's construction schedule; and
- (2) A Certificate signed by an Authorized Officer 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 2013 Bonds Construction 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 2013 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 2013 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 2013 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2013 Bonds shall not be nor constitute a corporate 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 the Series 2013 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2013 Bonds, or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service on the Series 2013 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System. The Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2013 A 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 provide 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 provide a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted May 24, 2012, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2013 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 2013 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 Series 2013 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 2013 A Bonds, immediately be remitted to the Commission for deposit in the Series 2013 A Bonds Sinking Fund with respect to the principal amount then Outstanding and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2013 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the 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 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 shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then, 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 derived from any such sale, lease or other disposition of such property, in excess of \$10,000 and not in excess of \$50,000, shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders 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 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2013 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2013 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2013 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 2013 A Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2013 A Bonds and the interest, if any, thereon 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 for the Project, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. No additional Parity Bonds payable out of the revenues of the System, shall be issued after the issuance of the Series 2013 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the BPH and without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereafter shall be on a parity in all respects with the Series 2013 A Bonds.

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

So long as the Series 2013 A Bonds are outstanding no such Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by 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 additional 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 be not less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

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

The “estimated average increased annual Net Revenues to be received in each of the 3 succeeding years,” as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of 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 Recorder of the Issuer 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, as stated in a certificate filed with the Recorder, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All the 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 Series 2013 A Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the 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. 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 on the revenues of the System of which is subject to the prior and superior lien of the Series 2013 A Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the revenues remaining after all payments required to be made in accordance with this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Series 2013 A Bonds except in the manner and under the conditions provided in this section.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation on account of 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 issuance of the Parity Bonds and the Issuer is then in full compliance with all the covenants, agreements and terms of this Bond Legislation and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments.

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 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 acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the 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 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 Issuer. The Issuer 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 Issuer shall be reported to such agent of the Issuer as the Issuer shall direct.

The Issuer shall file with the Authority and the BPH, or any other original purchaser of the Series 2013 Bonds, and shall mail in each year to any Holder or Holders of the Series 2013 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 (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), 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 2013 Bonds and shall submit the report to the Authority, or any other original purchaser of the Series 2013 Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service 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 and the BPH, 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 and the BPH, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the BPH with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2013 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules 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 and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure 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 or schedules 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 2013 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2013 A Bonds; provided that, in the event that, an amount equal to or in excess of the reserve requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2013 A Bonds, are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2013 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2013 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance currently in effect.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

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 and recommendation, 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. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the

Authority, 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 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 BPH and any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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 by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the BPH 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 and the BPH 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 BPH and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit As-Built Plans, as defined in the DWTRF Regulations, to the Issuer within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to the Issuer when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all State and Federal standards. The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the BPH in writing of the certified operator employed at the 50% completion stage.

The Issuer will serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer will 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 will 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 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either 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 Series 2013 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 greater of the fair appraised value or 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. In the event of any damage to or destruction of any portion of the System, the proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repair or reconstruction of such damages or destroyed portion 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 Authority, the Issuer, the prime contractor 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) 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 not less than 100% of the amount of any construction contract and to 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 the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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 Authority and the BPH, 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 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 will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia, the West Virginia Infrastructure and Jobs Development Council and the BPH necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2013 Bonds required by State law, with all appeal periods having expired without successful appeal and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18. Compliance with Loan Agreement and Law. 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 federal and state statutes, rules and 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 acquisition and construction of 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 7.19. [RESERVED]

Section 7.20. Securities Law 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. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2013 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 BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2013 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 BPH before expending any proceeds of the Series 2013 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding as being provided by the BPH and the Authority 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.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2013 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 2013 A Bonds.

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 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 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 2013 Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2013 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 2013 Bonds as a condition to issuance of the Series 2013 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 2013 Bonds as may be necessary in order to maintain the status of the Series 2013 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 2013 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 2013 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 BPH, 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 Ordinance.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2013 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 2013 Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any Series 2013 A Bonds;
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2013 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2013 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.

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.

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

ARTICLE X

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 2013 A Bonds, the principal of and interest, if any, due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other 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 2013 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 2013 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 2013 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2013 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2013 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2013 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2013 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2013 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 on the Series 2013 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 Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2013 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:

Town of Camden-on-Gauley
Post Office Box 300
Camden-on-Gauley, West Virginia 26208
Attention: Mayor

AUTHORITY:

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, West Virginia 25301
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. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

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 Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Webster Echo*, a newspaper of general circulation in the Town of Camden-on-Gauley, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by

interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

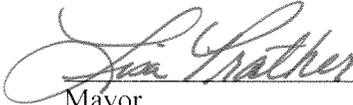
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Section 11.09 Effective Date. This Ordinance shall take effect immediately following the public hearing hereon.

Passed on First Reading: February 14, 2013

Passed on Second Reading: March 14, 2013

Passed on Final Reading
Following Public
Hearing: April 11, 2013



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF CAMDEN-ON-GAULEY on the 11th day of April, 2013 as supplemented by Supplemental Resolution duly adopted on May 9, 2013.

Dated: May 24, 2013.

[SEAL]

Edna Martin

Recorder

123550.00001

TOWN OF CAMDEN-ON-GAULEY

Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA DWTRF PROGRAM), AND WATER REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA DWTRF PROGRAM) OF THE TOWN OF CAMDEN-ON-GAULEY; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; APPROVING A CONFORMED ORDINANCE; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the “Governing Body”) of the Town of Camden-on-Gauley (the “Issuer”) has duly and officially adopted and enacted a bond ordinance, effective April 11, 2013 (the “Bond Ordinance”), entitled:

ORDINANCE AUTHORIZING ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOWN OF CAMDEN-ON-GAULEY AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF CAMDEN-ON-GAULEY OF NOT MORE THAN \$880,500 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA DWTRF PROGRAM); AND NOT MORE THAN \$1,300,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2013 B (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 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, the Issuer desires to amend the Bond Ordinance through this Supplemental Resolution and Conformed Bond Ordinance (collectively, the "Bond Legislation") in order to further clarify that the Series 2013 B Bonds are forgivable and do not have a lien on any revenues of the System;

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

WHEREAS, the Bond Ordinance provides for the issuance of Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program) in an aggregate principal amount not to exceed \$880,500 (the "Series 2013 A Bonds") and Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program) in an aggregate principal amount not to exceed \$1,300,000 (the "Series 2013 B Bonds" and together with the Series 2013 A Bonds, the "Series 2013 Bonds"), and has authorized the execution and delivery of the Loan Agreement relating to the Series 2013 A Bonds and Series 2013 B 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 for the Series 2013 A Bonds and Series 2013 B Bonds (the "Loan Agreement"), all in accordance with Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Series 2013 Bonds should be established by a supplemental resolution pertaining to the Series 2013 Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer;

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and 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 and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF TOWN OF CAMDEN-ON-GAULEY:

Section 1. The Issuer hereby approves the Conformed Bond Ordinance attached hereto as Exhibit A.

Section 2. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$880,500. The Series 2013 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2044, and shall bear no interest. The principal of the Series 2013 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2014 to and including June 1, 2044 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 2013 A Bonds. The Series 2013 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 2013 A Bonds. The Issuer does hereby approve and shall pay the Administrative Fee equal to 1.0% of the principal amount of the Series 2013 A Bonds set forth in "Schedule Y" attached to the Loan Agreement.

Section 3. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of \$1,080,500. The Series 2013 B Bonds shall bear no interest. The principal of the Series 2013 B Bonds shall be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2013 B Bonds shall be deemed no longer Outstanding after the last advance is forgiven. The Series 2013 B Bonds 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 BPH, and otherwise in compliance with, the Loan Agreement. The Series 2013 B Bonds are not subject to an Administrative Fee.

Section 4. All other provisions relating to the Series 2013 Bonds and the text of each series of the Series 2013 Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 5. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby accepts and agrees to all covenants and representations made in the Loan Agreement and in the applications to the Authority and the BPH. The price of the Series 2013 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2013 Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 6. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's

Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 7. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 8. The Issuer does hereby appoint and designate First Community Bank, Summersville, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 9. Series 2013 A Bonds proceeds in the amount of \$0- shall be deposited in the Series 2013 A Bonds Sinking Fund, as capitalized interest.

Section 10. Series 2013 A Bonds proceeds in the amount of \$29,352 shall be deposited in the Series 2013 A Bonds Reserve Account.

Section 11. The balance of the proceeds of the Series 2013 A Bonds and the Series 2013 B Bonds shall be deposited in or credited to the Series 2013 Bonds Construction Trust Fund as received from the BPH from time to time for payment of the Costs of the Project, including, without limitation, costs of issuance of the Series 2013 Bonds and related costs.

Section 12. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about, May 24, 2013, to the Authority pursuant to the Loan Agreement.

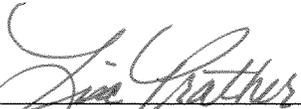
Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2013 Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 15. This Supplemental Resolution and Conformed Bond Ordinance shall be effective immediately following adoption hereof.

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Adopted this 9th day of May, 2013.

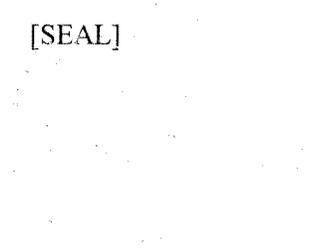
By:  _____
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution and Conformed Bond Ordinance duly adopted by the Council of the Town of Camden-on-Gauley on the 9th day of May, 2013.

Dated: May 24, 2013.

[SEAL]


Edna Martin
Recorder

123550.00001

Exhibit A
Conformed Bond Ordinance
(See Tab 1 of Bond Transcript)

TOWN OF CAMDEN-ON-GAULEY

**WATER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA DWTRF PROGRAM); AND
WATER REVENUE BONDS, SERIES 2013 B
(WEST VIRGINIA DWTRF PROGRAM)**

BOND ORDINANCE

Table of Contents

**ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS**

- Section 1.01 Authority for this Ordinance
- Section 1.02 Findings
- Section 1.03 Bond Legislation Constitutes Contract
- Section 1.04 Definitions

**ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION
OF THE PROJECT**

- Section 2.01 Authorization of Acquisition and Construction of the Project

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

- Section 3.01 Authorization of Bonds
- Section 3.02 Terms of Bonds
- Section 3.03 Execution of Bonds
- Section 3.04 Authentication and Registration
- Section 3.05 Negotiability, Transfer and Registration
- Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost
- Section 3.07 Bonds not to be Indebtedness of the Issuer
- Section 3.08 Bonds Secured by Pledge of Gross Revenues
- Section 3.09 Delivery of Bonds
- Section 3.10 Form of Bond
- FORM OF SERIES 2013 A BOND
- FORM OF SERIES 2013 B BOND
- Section 3.11 Sale of Bonds; Approval and Ratification of Execution of Loan Agreement
- Section 3.12 “Amended Schedule A” Filing

**ARTICLE IV
[RESERVED]**

**ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF**

- Section 5.01 Establishment of Funds and Accounts with Depository Bank
- Section 5.02 Establishment of Funds and Accounts with Commission
- Section 5.03 System Revenues; Flow of Funds

**ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS**

- Section 6.01 Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds
- Section 6.02 Disbursement From the Bond Construction Trust Fund

**ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER**

- Section 7.01 General Covenants of the Issuer
- Section 7.02 Bonds not to be Indebtedness of the Issuer
- Section 7.03 Bonds Secured by Pledge of Gross Revenues
- Section 7.04 Initial Schedule of Rates and Charges
- Section 7.05 Sale of the System
- Section 7.06 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
- Section 7.07 Parity Bonds
- Section 7.08 Books; Records and Audit
- Section 7.09 Rates
- Section 7.10 Operating Budget and Monthly Financial Report
- Section 7.11 Engineering Services and Operating Personnel
- Section 7.12 No Competing Franchise
- Section 7.13 Enforcement of Collections
- Section 7.14 No Free Services
- Section 7.15 Insurance and Construction Bonds
- Section 7.16 Connections
- Section 7.17 Completion of Project; Permits and Orders
- Section 7.18 Compliance with Loan Agreement and Law
- Section 7.19 RESERVED
- Section 7.20 Securities Law Compliance
- Section 7.21 Contracts; Change Orders; Public Releases
- Section 7.22. Statutory Mortgage Lien

**ARTICLE VIII
INVESTMENT OF FUNDS**

- Section 8.01 Investments
- Section 8.02 Certificate as to Use of Proceeds; Covenants as to Use of Proceeds

**ARTICLE IX
DEFAULT AND REMEDIES**

- Section 9.01 Events of Default
- Section 9.02 Remedies
- Section 9.03 Appointment of Receiver

**ARTICLE X
PAYMENT OF BONDS**

- Section 10.01 Payment of Bonds

**ARTICLE XI
MISCELLANEOUS**

- Section 11.01 Amendment or Modification of Bond Legislation
- Section 11.02 Bond Legislation Constitutes Contract
- Section 11.03 Severability of Invalid Provisions
- Section 11.04 Headings, Etc.
- Section 11.05 Notices
- Section 11.06 Conflicting Provisions Repealed
- Section 11.07 Covenant of Due Procedure, Etc.
- Section 11.08 Statutory Notice and Public Hearing
- Section 11.09 Effective Date

SIGNATURES
CERTIFICATION

TOWN OF CAMDEN-ON-GAULEY

ORDINANCE AUTHORIZING ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOWN OF CAMDEN-ON-GAULEY AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF CAMDEN-ON-GAULEY OF NOT MORE THAN \$880,500 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA DWTRF PROGRAM); AND NOT MORE THAN \$1,300,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2013 B (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 LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF CAMDEN-ON-GAULEY:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the “Bond Legislation”) is enacted pursuant to the provisions of Chapter 8, Article 19 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. The Town of Camden-on-Gauley (the “Issuer”) is a municipal corporation and political subdivision of the State of West Virginia in Webster 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 acquired and constructed certain additions, betterments and improvements for the existing public waterworks system of the Issuer, consisting of replacement of old and undersized water distribution lines and rehabilitation of a water storage tank, together with all necessary appurtenances (collectively, the “Project”) (the existing public waterworks system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the “System”), in accordance with the plans and

specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the 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 West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, in the total aggregate principal amount of not more than \$2,180,500 in two or more series (collectively, the "Series 2013 Bonds") initially planned to be the (i) Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program) in the aggregate principal amount of not more than \$ 880,500 (the "Series 2013 A Bonds") and (ii) Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program) in the aggregate principal amount of not more than \$1,300,000, (the "Series 2013 B Bonds") to permanently finance a portion of the costs of acquisition and construction of the Project, and pay the costs of issuance thereof. 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 2013 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (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 (as hereinafter defined) for the Series 2013 Bonds; discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2013 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 2013 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 32 years.

F. It is in the best interests of the Issuer that its Series 2013 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 the form satisfactory to the respective parties (the "Loan Agreement") approved hereby if not previously approved by resolution of the Issuer.

G. There are no 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 after completion of the Project 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 Series 2013 Bonds and to make payments into 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 issuance of the Series 2013 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council 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 will either have expired prior to the issuance of the Series 2013 Bonds or such Final Order will not be subject to appeal.

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 2013 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2013 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

“Administrative Fee” means the Administrative Fee required to be paid pursuant to the Loan Agreement.

“Authority” means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2013 Bonds, or any other agency, board or department of the State 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 Mayor of the Issuer, or any other officer of the Issuer specifically designated by resolution of 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,” “Ordinance,” “Bond Ordinance” or “Local Act” means this Bond Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

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

“Bonds” means, collectively, the Series 2013 Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

“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.

“Closing Date” means the date upon which there is an exchange of the Series 2013 Bonds for all or a portion of the proceeds of the Series 2013 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 Triad Engineering, Inc., Scott Depot, 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.

“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” means the Town Council of the Issuer, as it may now or hereafter be constituted.

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

“Gross Revenues” means the aggregate gross operating and non-operating revenues of the System, 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 the Town of Camden-on-Gauley, a municipal corporation and political subdivision of the State of West Virginia, in Webster 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 2013 Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

“Mayor” means the Mayor of the Issuer.

“Net Proceeds” means the face amount of the Series 2013 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2013 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, operation and maintenance 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 Paying Agent (all as herein defined), 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 cancelled 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 Parity 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 by the Issuer in the Supplemental Resolution with the written consent of the Authority and the BPH.

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

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

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;
- (f) Money market funds or similar funds whose only assets are investments of the

type described in paragraphs (a) through (e) above;

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

(h) The West Virginia “consolidated fund” managed by the West Virginia 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.

“Recorder” means the Recorder of the Issuer.

“Registrar” means the Bond Registrar.

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

“Renewal and Replacement Fund” means the Renewal and Replacement Fund created by Section 5.01 hereof.

“Reserve Accounts” means the reserve account established for the Series 2013 A Bonds.

“Reserve Requirement” means the amount required to be on deposit in the Series 2013 A Bonds Reserve Account.

“Revenue Fund” means the Revenue Fund established by Section 5.01 hereof.

“Series 2013 Bonds” means collectively the Series 2013 A Bonds and Series 2013 B Bonds.

“Series 2013 A Bonds” means the Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program), of the Issuer, authorized by this Bond Legislation.

“Series 2013 A Bonds Reserve Account” means the Series 2013 A Bonds Reserve Account established in Section 5.02 hereof.

“Series 2013 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 2013 A Bonds in the then current or any succeeding year.

“Series 2013 A Bonds Sinking Fund” means the Series 2013 A Bonds Sinking Fund established by Section 5.02 hereof.

“Series 2013 Bonds Construction Trust Fund” means the Series 2013 Bonds Construction Trust Fund established by Section 5.01 hereof.

“Series 2013 B Bonds” means the Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program), of the Issuer, authorized by this Bond Legislation.

“Sinking Funds” means the sinking fund account established for the Series 2013 A Bonds.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the sale of the Series 2013 A Bonds and the Series 2013 B Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2013 A Bonds and Series 2013 B 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 Renewal and Replacement Fund.

“System” means the existing waterworks system of the Issuer, as expanded and improved 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 after the completion of the Project.

“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 BPH and funded by capitalized 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.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed \$3,680,500, and ordered 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 2013 A Bonds and the Series 2013 B Bonds, hereby authorized, shall be applied as provided in Article VI hereof.

The Cost of the Project is estimated not to exceed \$3,680,500 of which not more than \$2,180,500 will be obtained from proceeds of the Series 2013 Bonds; \$1,300,000 will be obtained from an Infrastructure Council grant; and \$200,000 will be obtained from a Small Cities Block 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 paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2013 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2013 Bonds of the Issuer. The Series 2013 Bonds shall be issued in two series, each as a single bond, designated respectively as “Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program)”, in the principal amount of not more than \$880,500, and “Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program)”, in the principal amount of not more than \$1,300,000 and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2013 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2013 Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. A. The Series 2013 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 2013 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 2013 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 2013 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, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2013 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 as specified in a Supplemental Resolution.

B. Unless otherwise provided by the Supplemental Resolution, the Series 2013 B Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances, representing the aggregate principal amount and shall not bear interest. The principal amounts advanced under the Series 2013 B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2013 B Bonds shall be deemed no longer Outstanding after the last advance is forgiven. The Series 2013 B Bonds are not subject to an Administrative Fee.

The Series 2013 B 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 as specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2013 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2013 Bonds shall cease to be such officer of the Issuer before the Series 2013 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 2013 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 Series 2013 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be

necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2013 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 2013 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 2013 Bonds remain Outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2013 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 2013 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 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 2013 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2013 Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues

derived from the operation of the System as herein provided. No Holder or Holders of the Series 2013 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2013 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service on the Series 2013 Bonds shall be secured by a first lien on the Gross Revenues derived from the System. The Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, 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 2013 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2013 Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2013 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2013 Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. Executed copies of the Loan Agreement; and
- E. The unqualified approving opinions of bond counsel on the Series 2013 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2013 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 2013 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF CAMDEN-ON-GAULEY
WATER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2013, the TOWN OF CAMDEN-ON-GAULEY, a municipal corporation and political subdivision of the State of West Virginia in Webster 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, the principal of, 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. The Administrative Fee of 1.0% (as defined in the hereinafter described Bond Legislation) shall 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.

This Bond shall not bear 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 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 _____, 2013.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2013 (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, AND IN ALL RESPECTS, TO THE ISSUER'S WATER REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA DWTRF PROGRAM), DATED _____, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____, (THE "SERIES 2013 B BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenue in favor of the Series 2013 B Bonds, and from monies in the reserve account created under the Bond Legislation for the Series 2013 A Bonds (the "Series 2013 A Bonds Reserve Account"), and unexpended proceeds of the Series 2013 A Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2013 A Bonds Reserve Account and unexpended proceeds of the Series 2013 A 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 on the Series 2013 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2013 A Bonds including the Series 2013 B Bonds; provided however, that, so long as there exists in the Series 2013 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2013 A 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 or junior and subordinate to the Bonds, including the Series 2013 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 Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (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 costs of issuance 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 in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of 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.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF CAMDEN-ON-GAULEY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 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: _____, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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 2013 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF CAMDEN-ON-GAULEY
WATER REVENUE BONDS, SERIES 2013 B
(WEST VIRGINIA DWTRF PROGRAM)

No. BR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on the ____ day of _____, 2013, the TOWN OF CAMDEN-ON-GAULEY, a municipal corporation and political subdivision of the State of West Virginia in Webster 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 forgiven, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference. The Series 2013 B Bonds are not subject to an Administrative Fee (as defined in the hereinafter described Bond Legislation).

This Bond shall bear no interest. The principal amounts advanced under the Series 2013 B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2013 B Bonds shall be deemed no longer Outstanding after the last advance is forgiven.

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 _____, 2013.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2013 (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, AND IN ALL RESPECTS, TO THE ISSUER'S WATER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA DWTRF PROGRAM), DATED _____, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____, (THE "SERIES 2013 A BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenue in favor of the Series 2013 A Bonds, and unexpended proceeds of the Series 2013 B Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Gross Revenues, and unexpended proceeds of the Series 2013 B 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 2013 A Bonds; provided however, that, so long as the respective reserve accounts established for any other obligations Outstanding on a parity with or junior and subordinate to the Bonds, including the Series 2013 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 Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (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 costs of issuance 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 in the issuance of this Bond do exist,

have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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, the TOWN OF CAMDEN-ON-GAULEY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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 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 2013 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. The Mayor is specifically authorized and directed to approve and execute the Loan Agreement and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. “Amended Schedule A” Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority a schedule 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 Prior Ordinance) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer and from each other:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) Series 2013 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 previously established by Prior Ordinance) with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other:

- (1) Series 2013 A Bonds Sinking Fund; and
- (2) Series 2013 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer 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 monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) The Issuer shall next, on the first of each month, transfer from the Revenue Account and remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2013 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 2013 A Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first of each month, transfer from the Revenue Account and remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2013 A Bonds, if not fully funded upon issuance of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2013 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2013 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 2013 A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 ½% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, 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 monies from the Renewal and Replacement Fund.

(5) 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 Series 2013 Bonds, pro rata, or for any lawful purpose.

Monies in the Series 2013 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2013 A Bonds, as the same shall become due. Monies in the Series 2013 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2013 A Bonds, as the same shall come due, when other monies in the Series 2013 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2013 Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2013 A Bonds, if any, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2013 A Bonds Reserve Account which result in a reduction in the balance of such accounts to below the Series 2013 A Bonds Reserve Requirement, thereof, shall be restored from the first Gross 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 2013 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2013 A Bonds Sinking Fund or the Series 2013 A Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2013 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 Series 2013 A 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 2013 A Bonds Sinking Fund and the Series 2013 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. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. 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 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2013 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, if any, and reserve payments with respect to the Series 2013 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 as set forth in the Schedule Y attached to the Loan Agreement for the Series 2013 A Bonds.

C. 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.

D. 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 along with a copy of its payment check to the Authority by the 5th day of such calendar month.

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 Section, 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 sum insured by 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 herein above 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 Gross 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 and 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 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 2013 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2013 A Bonds, there shall first be deposited with the Commission in the Series 2013 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2013 A Bonds, there shall be deposited with the Commission in the Series 2013 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2013 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2013 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2013 Bonds Construction Trust Fund and applied solely to payment of the 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 2013 A Bonds.

D. As the Issuer receives advances of the monies derived from the sale of the Series 2013 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2013 Bonds Construction Trust Fund and applied solely to payment of the 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 2013 B Bonds.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2013 Bonds shall be expended as approved by the BPH.

Section 6.02. Disbursement from the Bond Construction 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 net proceeds of the Series 2013 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 2013 Bonds Construction Trust Fund shall be made only after submission to, and approval from the BPH, of the following:

- (1) A completed and signed "Payment Requisition Form" of which is attached to the Loan Agreement as Exhibit B, in compliance with the Issuer's construction schedule; and
- (2) A Certificate signed by an Authorized Officer 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 2013 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 2013 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 2013 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 2013 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2013 Bonds shall not be nor constitute a corporate 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 the Series 2013 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2013 Bonds, or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service on the Series 2013 Bonds shall be secured by a first lien on the Gross Revenues derived from the System. The Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2013 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 provide 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 provide a certificate of certified public accountant to such effect. The initial schedule of rates and charges

for the services of the facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted May 24, 2012, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2013 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 2013 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 Series 2013 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 2013 Bonds, immediately be remitted to the Commission for deposit in the Series 2013 A Bonds Sinking Fund and pro rata with respect to the principal amount of each of the Bonds then Outstanding and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2013 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the 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 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 shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then, 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 derived from any such sale, lease or other disposition of such property, in excess of \$10,000 and not in excess of \$50,000, shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders 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 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2013 Bonds. All obligations issued by the Issuer after the issuance of the Series 2013 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2013 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 2013 Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2013 Bonds and the interest, if any, thereon 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 for the Project, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. No additional Parity Bonds payable out of the revenues of the System, shall be issued after the issuance of the Series 2013 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the BPH and without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereafter shall be on a parity in all respects with the Series 2013 Bonds.

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

So long as the Series 2013 A Bonds or Series 2013 B Bonds are Outstanding no such Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by 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 additional 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 be not less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

- (1) The Bonds then Outstanding;

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

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

The “estimated average increased annual Net Revenues to be received in each of the 3 succeeding years,” as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of 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 Recorder of the Issuer 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, as stated in a certificate filed with the Recorder, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All the 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 Series 2013 Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the 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. 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 on the revenues of the System of which is subject to the prior and superior lien of the Series 2013 Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the revenues remaining after all payments required to be made in accordance with this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Series 2013 Bonds except in the manner and under the conditions provided in this section.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation on account of 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 issuance of the Parity Bonds and the Issuer is then in full compliance with all the covenants, agreements and terms of this Bond Legislation and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments.

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 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 acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the 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 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 Issuer. The Issuer 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 Issuer shall be reported to such agent of the Issuer as the Issuer shall direct.

The Issuer shall file with the Authority and the BPH, or any other original purchaser of the Series 2013 Bonds, and shall mail in each year to any Holder or Holders of the Series 2013 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 (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), 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 2013 Bonds and shall submit the report to the Authority, or any other original purchaser of the Series 2013 Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer

is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service 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 and the BPH, 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 and the BPH, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the BPH with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2013 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules 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 and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure 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 or schedules 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 2013 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2013 Bonds; provided that, in the event that, an amount equal to or in excess of the reserve requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2013 Bonds, are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2013 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2013 Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance currently in effect.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

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 and recommendation, 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. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, 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 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 BPH and any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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 by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the BPH 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 and the BPH 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 BPH and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit As-Built Plans, as defined in the DWTRF Regulations, to the Issuer within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to the Issuer when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all State and Federal standards. The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to

operate the System during the entire term of the Loan Agreement. The Issuer shall notify the BPH in writing of the certified operator employed at the 50% completion stage.

The Issuer will serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer will 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 will 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 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either 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 Series 2013 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 greater of the fair appraised value or 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. In the event of any damage to or destruction of any portion of the System, the proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repair or reconstruction of such damages or destroyed portion 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 Authority, the Issuer, the prime contractor 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) 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 not less than 100% of the amount of any construction contract and to 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 the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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 Authority and the BPH, 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 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 will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia, the West Virginia Infrastructure and Jobs Development Council and the BPH necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2013 Bonds required by State law, with all appeal periods having expired without successful appeal and the Issuer shall provide an opinion of counsel to such effect..

Section 7.18. Compliance with Loan Agreement and Law. 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 federal and state statutes, rules and 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 acquisition and construction of 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 7.19. [RESERVED]

Section 7.20. Securities Law 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. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2013 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 BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2013 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 BPH before expending any proceeds of the Series 2013 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding as being provided by the BPH and the Authority 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.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2013 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 2013 Bonds.

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 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 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 2013 Bonds are Outstanding and as long thereafter as necessary to

assure the exclusion of interest, if any, on the Series 2013 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 2013 Bonds as a condition to issuance of the Series 2013 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 2013 Bonds as may be necessary in order to maintain the status of the Series 2013 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 2013 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 2013 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 BPH, 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 Ordinance.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2013 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 2013 Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any Series 2013 Bonds;
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2013 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2013 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.

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.

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

ARTICLE X

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 2013 Bonds, the principal of and interest, if any, due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other 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 2013 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 2013 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 2013 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2013 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2013 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2013 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2013 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2013 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 on the Series 2013 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 Bonds, and no

change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2013 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:

Town of Camden-on-Gauley
Post Office Box 300
Camden-on-Gauley, West Virginia 26208
Attention: Mayor

AUTHORITY:

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, West Virginia 25301
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. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

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 Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder and

members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Webster Echo*, a newspaper of general circulation in the Town of Camden-on-Gauley, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

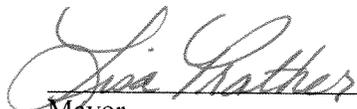
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Section 11.09 Effective Date. This Ordinance shall take effect immediately following the public hearing hereon.

Passed on First Reading: February 14, 2013

Passed on Second Reading: March 14, 2013

Passed on Final Reading
Following Public
Hearing: April 11, 2013



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF CAMDEN-ON-GAULEY on the 11th day of April, 2013.

Dated: May 24, 2013.

[SEAL]

Edna Martin

Recorder

123550.00001

DWTRF
(02/13)

LOAN AGREEMENT

THIS DRINKING WATER TREATMENT REVOLVING FUND LOAN AGREEMENT (the "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 under the direction of the WEST VIRGINIA BUREAU FOR PUBLIC HEALTH, a division of the West Virginia Department of Health and Human Resources (the "BPH"), and the local entity designated below (the "Local Entity").

TOWN OF CAMDEN-ON-GAULEY (2012W-1335/11DWTRFB012)
(Local Entity)

WITNESSETH:

WHEREAS, the United States Congress under Section 1452 of the Safe Drinking Water Act, as amended (the "Safe Drinking Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining drinking water treatment revolving funds for the construction, acquisition and improvement of drinking water systems;

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a drinking water treatment revolving fund program (the "Program") to direct the distribution of loans to eligible Local Entities pursuant to the Safe Drinking Water Act;

WHEREAS, under the Act the BPH is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition §66.468 (1998)) and BPH has been awarded capitalization grants to partially fund the Program;

WHEREAS, the Act establishes a permanent perpetual fund known as the “West Virginia Drinking Water Treatment Revolving Fund” (hereinafter the “Fund”), which fund is to be administered and managed by the Authority under the direction of the BPH;

WHEREAS, pursuant to the Act, the Authority and BPH are empowered to make loans from the Fund to Local Entities for the design, acquisition or construction of drinking water projects by such Local Entities, all subject to such provisions and limitations as are contained in the Safe Drinking Water Act and the Act;

WHEREAS, the Local Entity constitutes a local entity as defined by the Act;

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

WHEREAS, the Local Entity is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a drinking water project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Entity;

WHEREAS, the Local Entity intends to construct, is constructing or has constructed such a drinking water project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the “Project”);

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

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

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

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms “Authority,” “cost,” “fund,” “local entity,” and “project” have the definitions and meanings ascribed to them in the Act or in the DWTRF Regulations.

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

1.3 “Cross Cutter Authorities” means federal laws and authorities that apply by their terms to projects or activities receiving federal assistance.

1.4 “Loan” means the loan to be made by the Authority and BPH to the Local Entity through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.5 “Local Act” means the official action of the Local Entity required by Section 4.1 hereof, authorizing the Local Bonds.

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

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

1.8 “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.

1.9 “Program” means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Safe Drinking Water Act and administered by BPH.

1.10 “Project” means the drinking water project hereinabove referred to, to be constructed or being constructed by the Local Entity in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Entity in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.11 “DWTRF Regulations” means the regulations set forth in the West Virginia Code of State Regulations.

1.12 “System” means the drinking water system owned by the Local Entity, 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.

1.13 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 design, construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Local Entity by the Consulting Engineers, the BPH and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Local Entity, subject to any mortgage lien or

other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property is approved by BPH and the Authority.

2.4 The Local Entity agrees that the Authority and BPH and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Entity further agrees that the Authority and BPH and their respective duly authorized agents 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 BPH with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Entity shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Local Entity shall permit the Authority and BPH, acting by and through their directors or duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Local Entity shall submit to the Authority and BPH such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

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

2.7 The Local Entity 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 Local Entity shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and BPH

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

2.9 The Local Entity shall provide and maintain competent and adequate engineering services satisfactory to the Authority and BPH 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, BPH and the Local Entity at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Entity shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Local Entity shall notify BPH in writing of such receipt.

2.10 The Local Entity shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Entity shall employ qualified operating personnel properly certified by the State. If the Local Entity is a newly established water system, the Local Entity must employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The newly established Local Entity shall notify BPH in writing of the certified operator employed at the 50% completion stage.

2.11 The Local Entity hereby covenants and agrees to comply with all applicable federal and state statutes, rules and regulations, the applicable requirements of all Cross Cutter Authorities and all applicable local ordinances issued by the Authority,

BPH or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

[2.12 The Local Entity, 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 A and incorporated herein by reference, and forward a copy by the 10th of each month the Authority.]

2.13 The Local Entity, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward such forms to BPH in compliance with the Local Entity's construction schedule.

2.14 The Local Entity shall serve the additional customers at the location(s) as set forth in Schedule X. The Local Entity 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 Local Entity shall certify to the Authority the number of customers added to the System.

2.15 The Local Entity 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 PSC.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

(a) The Local Entity shall have delivered to BPH and the Authority a report listing the specific purposes for which the proceeds of the Loan will be expended;

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

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

(d) The Local Entity 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 Local Entity 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 BPH shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit C;

(e) The Local Entity 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 BPH shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Entity shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development 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 BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

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

(h) The Local Entity 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

BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

(i) 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 BPH shall have received a certificate of the accountant for the Local Entity, or such other person or firm experienced in the finances of local entities and satisfactory to the Authority and BPH, to such effect;

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

(k) The Local Entity shall have obtained 100% of the titles, easements and rights-of-way, or shall have received rights-of-entry for the same and the Authority and BPH shall receive an opinion of counsel to the Local Entity, satisfactory to the Authority and BPH, to such effect.

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

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Entity 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, BPH and the Local Entity. 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.

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

3.6 The Local Entity shall provide BPH with the appropriate documentation to comply with the special conditions regarding the special requirements established by federal and State regulations as set forth in Exhibit D attached hereto at such times as are set forth therein.

3.7 The Local Entity shall comply with the following conditions:

(a) The Local Entity shall develop and implement an asset management plan in accordance with BPH guidelines and approved by BPH.

(b) The Local Entity shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying.

(c) The Local Entity shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price

{C2568203.1}

exceeds \$10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was \$10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

(d) The Local Entity shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by BPH, the Local Entity shall provide certifications as to compliance.

(e) The Local Entity shall comply with all requests for data related to the use of the funds provided under this agreement.

(f) The Local Entity shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this Agreement and (2) interview any officer or employee of the Local Entity.

(g) The Local Entity must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this Agreement.

(h) The Local Entity shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

(i) The Local Entity shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 31 of title 40, United States Code. The Local Entity must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

(j) Pursuant to 40 CFR, Section 33.301, the Local Entity agrees to make Disadvantage Business Enterprise (DBE) good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Entity shall provide BPH with DBE participation reports semi-

{C2568203.1}

annually.

(k) The Local Entity shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Entity shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and Local Entities, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to 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"),

{C2568203.1}

by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

Provided that if the Local Entity 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, as applicable, of the System as provided 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 Local Entity will complete the Project and operate and maintain the System in good condition;

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

(v) That the Local Entity 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;

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

(vii) That the Local Entity 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 Local Entity under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

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

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

(xi) That the Local Entity shall annually, within six months of the end of the fiscal year, 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. If the Local Entity receives \$500,000 or more (in any combination of federal funds) in a fiscal year, the audit shall be obtained in accordance with the Single Audit Act (as amended from time to time) and the applicable OMB Circular (or any successor thereto). Financial statement audits are required once all funds have been received by the Local Entity. The audit 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 Local Entity's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Entity 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 within 30 days of adoption thereof;

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

(xiv) That the proceeds of the Local Bonds, advanced from time to time, except for accrued interest and capitalized interest, if any, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Local Entity 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 funding of such Local Entity, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the BPH, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

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

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

(xvii) That the Local Entity 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 Local Entity shall complete the Monthly Payment Form, attached hereto as Exhibit E 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. The Local Entity shall make monthly payments to the Commission by electronic transfer;

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

(xx) That the Local Entity shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate its services to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore such services until all delinquent charges for the services of the System have been fully paid; and

(xxi) That the Local Entity shall submit all proposed change orders to the BPH for written approval. The Local Entity shall obtain the written approval of the BPH before expending any proceeds of the Local Bonds held in

“contingency” as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Entity shall obtain the written approval of the BPH before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Entity hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted 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 nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit F.

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

4.3 At least two and one-half percent (2½%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Entity to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Entity, the BPH and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the DWTRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

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

4.5 As provided by the DWTRF Regulations, the Local Entity agrees to pay from time to time, if required by the Authority and BPH, the Local Entity’s allocable share of the reasonable administrative expenses of the BPH and the Authority relating to the Program. Such administrative expenses shall be determined by the BPH and the Authority and shall include, without limitation, Program expenses, legal fees paid by the

BPH and the Authority and fees paid for any bonds or notes to be issued by the Authority for contribution to the Fund.

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

ARTICLE V

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

5.1 The Local Entity hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Entity 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 Local Entity 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 Local Entity defaults in any 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 Local Entity hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Entity, the Authority

may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Entity

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

6.2 The Local Entity hereby warrants and represents that all information provided to the Authority and BPH 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 BPH 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 BPH by the Local Entity in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Entity 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, the DWTRF Regulations or this Loan Agreement.

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

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

any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

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

6.6 The Local Entity hereby agrees to give the Authority 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.

6.7 The Local Entity hereby agrees to file with the Authority upon completion of acquisition and construction of the Project a schedule setting forth the actual costs of the Project and sources of funds.

ARTICLE VII

Miscellaneous

7.1 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 Local Entity supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

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

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

7.5 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.

7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Entity 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.

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Entity from either the Authority or BPH;

(ii) 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 BPH if the Local Entity has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and BPH pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Entity to the Authority or BPH.

In the event funds are not available to make all of the Loan, the responsibility of the Authority and BPH to make all the Loan is terminated; provided further that the obligation of the Local Entity to repay the outstanding amount of the Loan made by the Authority and BPH is not terminated due to such non-funding on any balance of the Loan. The BPH agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

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.

TOWN OF CAMDEN-ON-GAULEY

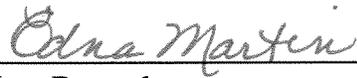
(SEAL)

By: 

Its: Mayor

Date: May 24, 2013

Attest:



Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: 

Its: Executive Director

Date: May 24, 2013

Attest:



Its: Authorized Officer

EXHIBIT A

MONTHLY FINANCIAL REPORT

Name of Local Entity _____
 Name of Bond Issue(s) _____
 Type of Project _____ Water _____ Wastewater _____
 Fiscal Year _____ Report Month _____

<u>Item</u>	<u>Current Month</u>	<u>Total Year To Date</u>	<u>Budget Year To Date</u>	<u>Budget Year To Date Minus Total Year To Date</u>
1. Gross Revenues	_____	_____	_____	_____
2. Operating Expenses	_____	_____	_____	_____
3. Bond Payments:				
<u>Type of Issue</u>	_____	_____	_____	_____
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 Local Entity 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 Local Entity 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 Local Entity.

The Local Entity 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 B

PAYMENT REQUISITION FORM

EXHIBIT C

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 used herein and not defined herein shall have the same meaning 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 Bureau for Public Health (the "BPH"), 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 BPH and any change orders approved by the Issuer, BPH 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 schematic design for the Project began [before July 1, 2012] ; (iv) 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 Schedule B attached hereto as Exhibit A, and my firm¹ has

¹If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then

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; (v) the successful bidders received any and all addenda to the original bid documents; (vi) the bid documents relating to the Project reflect the Project as approved by the BPH 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 thereof², 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 approved by BPH; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

[SEAL]

By: _____

West Virginia License No. _____

insert the following: [and in reliance upon the opinion of _____, Esq.] and delete Amy firm has ascertained that@.

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

EXHIBIT D

SPECIAL CONDITIONS

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

B. EXHIBIT D-1 – The Local Entity shall complete the form attached as Exhibit D-1 and submit to the BPH prior to the Closing.

EXHIBIT D-1

For DHEM Use Only
Grant Number _____

West Virginia Department of Health and Human Resources
Subrecipient (Grantee) Information Form
Please see the instructions for Completion of the Subrecipient (Grantee) Information Form

1. Subrecipient (Grantee) Name

2. Subrecipient (Grantee) Location (Street Address, City State and Zip Code)

3. Subrecipient (Grantee) 9-Digit DUNS Number

4. Subrecipient (Grantee) Type (Please check one box only)

<input type="checkbox"/> State Government <input type="checkbox"/> County Government <input type="checkbox"/> City or Township Government <input type="checkbox"/> Special District Government <input type="checkbox"/> Regional Organization <input type="checkbox"/> U.S. Territory or Possession <input type="checkbox"/> Independent School District <input type="checkbox"/> Public/State Controlled Institution of Higher Learning <input type="checkbox"/> Indian/Native American Tribal Government (Federally Recognized) <input type="checkbox"/> Indian/Native American Tribal Government (Other than Federally Recognized) <input type="checkbox"/> Indian/Native American Tribally Designated Organization <input type="checkbox"/> Public/Indian Housing Authority	<input type="checkbox"/> Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education) <input type="checkbox"/> Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education) <input type="checkbox"/> Private Institution of Higher Education <input type="checkbox"/> Individual <input type="checkbox"/> For-Profit Business (Other than Small Business) <input type="checkbox"/> Small Business <input type="checkbox"/> Hispanic-serving Institution <input type="checkbox"/> Historically Black Colleges and Universities (HBCUs) <input type="checkbox"/> Tribally Controlled Colleges and Universities (TCCUs) <input type="checkbox"/> Alaska Native and Native Hawaiian Serving Institutions <input type="checkbox"/> Non-domestic (non-US) entity <input type="checkbox"/> Other (Please explain) _____
--	--

5. Primary Performance Location (Street Address, City State and Zip Code)

6. Names, Titles and Total Compensation for the 5 Most Highly Compensated Officers

Officer Name	Title	Total Compensation

NOTE: This form must be signed by an individual no lower than the Executive Director or Chief Financial Officer.

Printed Name _____ Title _____
 Signature _____ Date _____ Phone # _____

DHEM Finance A-1000

EXHIBIT E

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 _____ on _____.
[Local Entity] [Date]

Sinking Fund:

Interest \$ _____

Principal \$ _____

Total: \$ _____

Reserve Account: \$ _____

Witness my signature this ____ day of _____.

[Name of Local Entity]

By: _____
Authorized Officer

Enclosure: wire transfer form

EXHIBIT F

OPINION OF BOND COUNSEL FOR LOCAL ENTITY

[To Be Dated as of Date of Loan Closing]

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

West Virginia Bureau for Public Health
350 Capitol Street, Room 313
Charleston, WV 25301-3713

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of a (i) loan agreement dated _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Entity and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and (ii) the issue of a series of revenue bonds of the Local Entity, 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 principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning _____1, ____, and ending _____1, ____, all 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 Local Entity on _____, as supplemented by the supplemental resolution duly adopted by the Local Entity 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 Local Entity and is a valid and binding special obligation of the Local Entity, enforceable in accordance with the terms thereof.

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

3. The Local Entity 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 Local Entity and constitute valid and binding obligations of the Local Entity, enforceable against the Local Entity 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 Local Entity to the Authority and are valid, legally enforceable and binding special obligations of the Local Entity, payable from the gross or net revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the gross or net 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 executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS; SERIES A BONDS AND SERIES B BONDS

Principal Amount of Series A Bonds	\$880,500
Purchase Price of Series A Bonds	\$880,500

The Series A Bonds shall bear no interest. Commencing September 1, 2014, principal of the Series A Bonds is payable quarterly, with an administrative fee of 1%. 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 Local Entity shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Entity shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Entity shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

The Series A Bonds are fully registered in the name of the Authority as to principal and interest, if any, and the Series A Bonds shall grant the Authority a first lien on the gross or net revenues of the Local Entity's system as provided in the Local Act.

The Local Entity may prepay the Series A Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and BPH. The Local Entity shall request approval from the Authority and BPH in writing of any proposed debt which will be issued by the Local Entity on a parity with the Series A 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 Series A Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Entity: none.

Number of New Customers To Be Served: 0
Location: N/A.

B. Series B Bonds (DWTRF Forgiveness)

Principal Amount of Series B Bonds	\$1,080,500
Purchase Price of Series B Bonds	\$1,080,500

The Series B Bonds shall bear no interest. The Authority at the direction of the BPH shall forgive the principal amount of the Series B Bonds. The principal amounts advanced under the Series B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series B Bonds shall be deemed no longer outstanding after the last advance is forgiven.

The Local Government shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

SCHEDULE Y
DEBT SERVICE SCHEDULE

Net Debt Service
Town of Camden-on-Gauley
DWTRF
\$880,500
0% Interest Rate
1% Administrative Fee
30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
9/1/2014	7,338		7,338	1,109.77	FFAC*	8,447.77
12/1/2014	7,338		7,338	1,109.77		8,447.77
3/1/2015	7,338		7,338	1,109.77		8,447.77
6/1/2015	7,338		7,338	1,109.77		8,447.77
9/1/2015	7,338		7,338	1,109.77		8,447.77
12/1/2015	7,338		7,338	1,109.77		8,447.77
3/1/2016	7,338		7,338	1,109.77		8,447.77
6/1/2016	7,338		7,338	1,109.77		8,447.77
9/1/2016	7,338		7,338	1,109.77		8,447.77
12/1/2016	7,338		7,338	1,109.77		8,447.77
3/1/2017	7,338		7,338	1,109.77		8,447.77
6/1/2017	7,338		7,338	1,109.77		8,447.77
9/1/2017	7,338		7,338	1,109.77		8,447.77
12/1/2017	7,338		7,338	1,109.77		8,447.77
3/1/2018	7,338		7,338	1,109.77		8,447.77
6/1/2018	7,338		7,338	1,109.77		8,447.77
9/1/2018	7,338		7,338	1,109.77		8,447.77
12/1/2018	7,338		7,338	1,109.77		8,447.77
3/1/2019	7,338		7,338	1,109.77		8,447.77
6/1/2019	7,338		7,338	1,109.77		8,447.77
9/1/2019	7,338		7,338	1,109.77		8,447.77
12/1/2019	7,338		7,338	1,109.77		8,447.77
3/1/2020	7,338		7,338	1,109.77		8,447.77
6/1/2020	7,338		7,338	1,109.77		8,447.77
9/1/2020	7,338		7,338	1,109.77		8,447.77
12/1/2020	7,338		7,338	1,109.77		8,447.77
3/1/2021	7,338		7,338	1,109.77		8,447.77
6/1/2021	7,338		7,338	1,109.77		8,447.77
9/1/2021	7,338		7,338	1,109.77		8,447.77
12/1/2021	7,338		7,338	1,109.77		8,447.77
3/1/2022	7,338		7,338	1,109.77		8,447.77
6/1/2022	7,338		7,338	1,109.77		8,447.77
9/1/2022	7,338		7,338	1,109.77		8,447.77
12/1/2022	7,338		7,338	1,109.77		8,447.77
3/1/2023	7,338		7,338	1,109.77		8,447.77
6/1/2023	7,338		7,338	1,109.77		8,447.77
9/1/2023	7,338		7,338	1,109.77		8,447.77
12/1/2023	7,338		7,338	1,109.77		8,447.77
3/1/2024	7,338		7,338	1,109.77		8,447.77
6/1/2024	7,338		7,338	1,109.77		8,447.77
9/1/2024	7,338		7,338	1,109.77		8,447.77
12/1/2024	7,338		7,338	1,109.77		8,447.77
3/1/2025	7,338		7,338	1,109.77		8,447.77
6/1/2025	7,338		7,338	1,109.77		8,447.77
9/1/2025	7,338		7,338	1,109.77		8,447.77
12/1/2025	7,338		7,338	1,109.77		8,447.77

Apr 8, 2013 4:36 pm

*FFAC - Fully Funded at Closing

Net Debt Service
 Town of Camden-on-Gauley
 DWTRF
 \$880,500
 0% Interest Rate
 1% Administrative Fee
 30 Years

Date	Principal	Total Debt			Reserve Fund	Net Debt Service
		Interest	Service	Admin Fee		
3/1/2026	7,338		7,338	1,109.77		8,447.77
6/1/2026	7,338		7,338	1,109.77		8,447.77
9/1/2026	7,338		7,338	1,109.77		8,447.77
12/1/2026	7,338		7,338	1,109.77		8,447.77
3/1/2027	7,338		7,338	1,109.77		8,447.77
6/1/2027	7,338		7,338	1,109.77		8,447.77
9/1/2027	7,338		7,338	1,109.77		8,447.77
12/1/2027	7,338		7,338	1,109.77		8,447.77
3/1/2028	7,338		7,338	1,109.77		8,447.77
6/1/2028	7,338		7,338	1,109.77		8,447.77
9/1/2028	7,338		7,338	1,109.77		8,447.77
12/1/2028	7,338		7,338	1,109.77		8,447.77
3/1/2029	7,338		7,338	1,109.77		8,447.77
6/1/2029	7,337		7,337	1,109.77		8,446.77
9/1/2029	7,337		7,337	1,109.77		8,446.77
12/1/2029	7,337		7,337	1,109.77		8,446.77
3/1/2030	7,337		7,337	1,109.77		8,446.77
6/1/2030	7,337		7,337	1,109.77		8,446.77
9/1/2030	7,337		7,337	1,109.77		8,446.77
12/1/2030	7,337		7,337	1,109.77		8,446.77
3/1/2031	7,337		7,337	1,109.77		8,446.77
6/1/2031	7,337		7,337	1,109.77		8,446.77
9/1/2031	7,337		7,337	1,109.77		8,446.77
12/1/2031	7,337		7,337	1,109.77		8,446.77
3/1/2032	7,337		7,337	1,109.77		8,446.77
6/1/2032	7,337		7,337	1,109.77		8,446.77
9/1/2032	7,337		7,337	1,109.77		8,446.77
12/1/2032	7,337		7,337	1,109.77		8,446.77
3/1/2033	7,337		7,337	1,109.77		8,446.77
6/1/2033	7,337		7,337	1,109.77		8,446.77
9/1/2033	7,337		7,337	1,109.77		8,446.77
12/1/2033	7,337		7,337	1,109.77		8,446.77
3/1/2034	7,337		7,337	1,109.77		8,446.77
6/1/2034	7,337		7,337	1,109.77		8,446.77
9/1/2034	7,337		7,337	1,109.77		8,446.77
12/1/2034	7,337		7,337	1,109.77		8,446.77
3/1/2035	7,337		7,337	1,109.77		8,446.77
6/1/2035	7,337		7,337	1,109.77		8,446.77
9/1/2035	7,337		7,337	1,109.77		8,446.77
12/1/2035	7,337		7,337	1,109.77		8,446.77
3/1/2036	7,337		7,337	1,109.77		8,446.77
6/1/2036	7,337		7,337	1,109.77		8,446.77
9/1/2036	7,337		7,337	1,109.77		8,446.77
12/1/2036	7,337		7,337	1,109.77		8,446.77
3/1/2037	7,337		7,337	1,109.77		8,446.77
6/1/2037	7,337		7,337	1,109.77		8,446.77

Apr 8, 2013 4:36 pm

Net Debt Service
 Town of Camden-on-Gauley
 DWTRF
 \$880,500
 0% Interest Rate
 1% Administrative Fee
 30 Years

Date	Principal	Total Debt			Reserve Fund	Net Debt Service
		Interest	Service	Admin Fee		
9/1/2037	7,337		7,337	1,109.77		8,446.77
12/1/2037	7,337		7,337	1,109.77		8,446.77
3/1/2038	7,337		7,337	1,109.77		8,446.77
6/1/2038	7,337		7,337	1,109.77		8,446.77
9/1/2038	7,337		7,337	1,109.77		8,446.77
12/1/2038	7,337		7,337	1,109.77		8,446.77
3/1/2039	7,337		7,337	1,109.77		8,446.77
6/1/2039	7,337		7,337	1,109.77		8,446.77
9/1/2039	7,337		7,337	1,109.77		8,446.77
12/1/2039	7,337		7,337	1,109.77		8,446.77
3/1/2040	7,337		7,337	1,109.77		8,446.77
6/1/2040	7,337		7,337	1,109.77		8,446.77
9/1/2040	7,337		7,337	1,109.77		8,446.77
12/1/2040	7,337		7,337	1,109.77		8,446.77
3/1/2041	7,337		7,337	1,109.77		8,446.77
6/1/2041	7,337		7,337	1,109.77		8,446.77
9/1/2041	7,337		7,337	1,109.77		8,446.77
12/1/2041	7,337		7,337	1,109.77		8,446.77
3/1/2042	7,337		7,337	1,109.77		8,446.77
6/1/2042	7,337		7,337	1,109.77		8,446.77
9/1/2042	7,337		7,337	1,109.77		8,446.77
12/1/2042	7,337		7,337	1,109.77		8,446.77
3/1/2043	7,337		7,337	1,109.77		8,446.77
6/1/2043	7,337		7,337	1,109.77		8,446.77
9/1/2043	7,337		7,337	1,109.77		8,446.77
12/1/2043	7,337		7,337	1,109.77		8,446.77
3/1/2044	7,337		7,337	1,109.77		8,446.77
6/1/2044	7,338		7,338	1,109.77		8,447.77
	880,500		880,500	133,172.40		1,013,672.40

Notes:

Estimated Monthly Net Debt Service Payments rounded up to the nearest cent:
 \$2,815.93 June 1, 2014 through May 1, 2044 (based on maximum quarterly payment of \$8,447.77
 payments rounded up to the nearest cent.



**STEP TOE &
JOHNSON**
P L L C
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
(304) 353-8196 – Telephone
(304) 353-8180 – Facsimile
John.stump@stepToe-johnson.com

April 15, 2013

Via Hand Delivery

Sandra Squire, *Executive Secretary*
Public Service Commission of West Virginia
201 Brooks Street
Charleston, West Virginia 25323

04:36 PM APR 15 2013 PSC EXEC SEC DIV

Case No.: 12-0745-W-CN

TOWN OF CAMDEN-ON-GAULEY

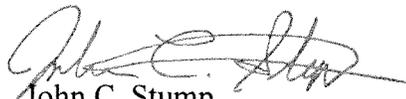
Application for a certificate of convenience and necessity to replace the old, undersized water distribution system and rehabilitate the water storage tank situated near the Town of Camden-on-Gauley, Webster County

Dear Ms. Squire:

Enclosed herein for filing on behalf of the Town of Camden-on-Gauley, please find an affidavit by the Town's certified public accountant.

Please file the enclosed affidavit and distribute the additional copies to the appropriate parties at the Commission. Additionally, I ask that you date stamp the file copy provided and return it with our messenger. Thank you in advance for your attention to this matter, and should you have any questions please contact me at (304) 353-8196.

Best Regards,


John C. Stump
(W. V. State Bar No. 6385)

Enclosures



PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

CASE NO.: 12-0745-W-CN

TOWN OF CAMDEN-ON-GAULEY

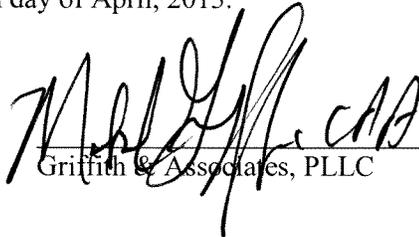
STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, TO-WIT:

AFFIDAVIT

We have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 12-0745-W-CN entered November 1, 2012 which became a Final Order on November 21, 2012 approving the financing consisting of (a) \$1,300,000 grant from the West Virginia Infrastructure and Jobs Development Council; (b) a \$200,000 grant from the Small Cities Block Grant; (c) a \$1,080,500 principal forgiveness loan from the Drinking Water Treatment Revolving Fund (DWTRF); and (d) an \$880,500 repayment loan 0% interest for 30 years with a 1% administrative fee to be paid over the same period, also from the DWTRF.

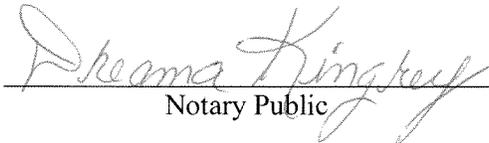
Based upon all the information that has been provided, to date, we are of the opinion that the rates and charges are not affected by the revised funding consisting of (a) \$1,188,326 grant from the West Virginia Infrastructure and Jobs Development Council; (b) a \$200,000 grant from the Small Cities Block Grant; (c) a \$1,080,500 principal forgiveness loan from the Drinking Water Treatment Revolving Fund (DWTRF) and (d) an \$880,500 repayment loan 0% interest for 30 years with a 1% administrative fee to be paid over the same period, also from the DWTRF.

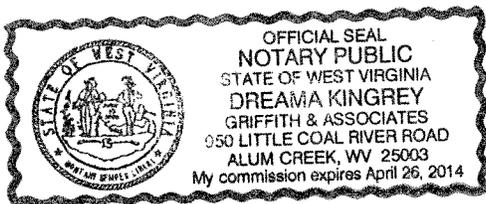
This Affidavit is executed on the 15th day of April, 2013.


Griffith & Associates, PLLC

Taken, subscribed and sworn to before me this 15th day of April, 2013.

My commission expires April 26, 2014.


Notary Public



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: November 1, 2012

FINAL

11/21/2012

CASE NO. 12-0745-W-CN

TOWN OF CAMDEN-ON-GAULEY

Camden on Gauley, Webster County,

Application for a certificate of convenience and necessity to replace the old, undersized water distribution system and rehabilitate the water storage tank situated near the Town of Camden-on-Gauley, Webster County

RECOMMENDED DECISION

This Order grants the certificate of convenience and necessity.

DISCUSSION

On June 5, 2012, The Town of Camden-on-Gauley (Town) filed an application for a certificate of convenience and necessity to replace the old, undersized water distribution system and rehabilitate the water storage tank at Camden-on-Gauley. Specifically the proposed project will replace the existing system with new 6-inch PVC C900 water mains. New fire hydrants, isolation valves, touch read meters, and all necessary appurtenances will be installed to complete the project. The application asserts that the current system was installed in 1964 and uses 3, 4 and 6-inch asbestos-cement pipes.

On June 6, 2012, the Public Service Commission (PSC) issued an Order directing the Town to give notice of its filing by publishing a copy of the Notice of Filing once in a qualified newspaper, published and of general circulation in counties where service is provided, and to certify this publication to the PSC within thirty (30) days of its occurrence. The Order also directed that the Town complete the mailing of separate notices to each of its customers. Finally the Order noted that, if substantial protest to the application was not received within thirty (30) days of publication, the PSC may waive a formal hearing and grant the application based upon the evidence of record.

By Order dated June 19, 2012, this matter was referred to the Division of Administrative Law Judges of the PSC, for a decision to be rendered on or before December 12, 2012, if there is no substantial protest, and on or before January 16, 2013, if there is. The abbreviated deadlines are due to the Town's project having been approved by the West Virginia Infrastructure and Jobs Development Council.

On August 3, 2012 the undersigned issued a procedural order directing the Town to comply with the June 6, 2012 order referenced above, as the PSC had not received any proofs of notice of publication. On August 6, 2012 the Town submitted affidavits asserting that the Town had mailed out a completed Form No. 14, "Notice to Customers" on August 3, 2012, and had published the required "Notice of Filing" in the *Webster Echo* on June 20, 2012.

On August 28, 2012, PSC Staff Attorney L.R. Sammons III submitted the Staff's Final Joint Staff Memorandum (FJSM) in this matter. Accompanying the FJSM is the Final Recommendation of the PSC Utilities and Engineering Divisions. According to Commission Staff:

- a. The proposed project will not provide water service to any new customers.
- b. The estimated project cost is \$3,461,000, to be funded by a \$1,300,000 grant from the WV Infrastructure and Job Development Council, a \$200,000 grant from the West Virginia Small Cities Block Grant, a \$1,080,500 principal forgiveness loan from the Drinking Water Treatment Revolving Fund (DWTRF) and an \$880,500 repayment loan at 0% interest for 30 years with a 1% administrative fee to be paid over the same period, also from the DWTRF.
- c. The Town adopted an Ordinance on May 24, 2012, for a two-stage increase in rates. The first increase, which is non-project-related, was slated to become effective 45 days after enactment and prior to substantial completion of the project. This increase would be 69.1-70.1% over current rates. The second increase, to become effective after substantial completion of the project, would be for another 60%.
- d. Staff performed a cash flow analysis which found that the first round of rate increases would increase sales revenues by \$29,018 or 64.48%, with the second round raising an additional \$44,418 or 60%. The project loan would add additional debt service requirements of \$29,350 and additional reserve requirements of \$2,935. After the project the City will have a surplus of \$18,537 and 173.16% debt service coverage.
- e. The Engineering Review notes that the City's water production and distribution system serves approximately 193 residential and commercial customers. The existing system, which was installed in 1964, is in poor condition with inadequately sized water lines and non-functioning valves and hydrants. Annual unaccounted-for water loss is 32%. The total estimated project cost of \$3,461,000 is reasonable for its scope. The State Office of Environmental Health Services has issued a permit for the project, and Staff has found no conflict with PSC Rules and Regulations.
- f. Staff recommends approval of the project.

As of the date of this Order, the PSC has received no protests regarding the project, nor has the Town objected to any part of the FJSM.

FINDINGS OF FACT

1. On June 5, 2012, the Town of Camden-on-Gauley Town filed an application for a certificate of public convenience and necessity for a project to upgrade its water distribution system. (Application filed June 5, 2012, Final Joint Staff Memorandum filed August 28, 2012).

2. The Town's original system was installed in 1964 and is in poor condition. The system contains inadequately-sized water lines and non-functioning valves and five hydrants. The Town spends considerable time and expense locating and repairing leaks. Currently, the Town's annual unaccounted-for water loss is 32%. The water storage tank is past due for cleaning and painting. (Application filed June 5, 2012, Exhibit A; Final Joint Staff Memorandum filed August 28, 2012).

3. The proposed project will replace the old undersized distribution system and rehabilitate the water tank. The new mains should supply a reliable source of potable water and fire protection by increasing capacity and pressure, while reducing costs. (Application filed June 5, 2012, Exhibit A; Final Joint Staff Memorandum and attachment filed August 28, 2012).

4. The estimated project cost is \$3,461,000, to be funded by a \$1,300,000 grant from the WV Infrastructure and Job Development Council, a \$200,000 grant from the West Virginia Small Cities Block Grant, a \$1,080,500 principal forgiveness loan from the Drinking Water Treatment Revolving Fund (DWTRF) and an \$880,500 repayment loan at 0% interest for 30 years with a 1% administrative fee to be paid over the same period, also from the DWTRF. (Application filed June 5, 2012, Exhibit F; Final Joint Staff Memorandum filed August 28, 2012).

5. The Town enacted a two-phase rate increase by ordinance adopted on May 24, 2012. The phase one rates became effective on July 8, 2012, while the phase two rates will become effective upon substantial completion of the project. (See, Staff letter dated July 3, 2012, RFA 12-048W; Town tariff filed August 1, 2012).

6. Based upon the phase two rates, upon completion of the project, the Town's rates should generate an annual surplus of \$18,537 and debt service coverage of 173.10%. The District's bonds require debt service coverage of 115%. (Application filed June 5, 2012, Exhibit D; Final Joint Staff Memorandum and attachment filed August 28, 2012).

7. The Town has complied with the PSC order regarding public notification of the project application, with the Notice of Filing being published in the *Webster Echo* on June 20, 2012, with mailings to customers occurring on July 5, 2012, and August 3, 2012. (Affidavits of mailing and publication filed August 7, 2012)

8. No protests have been made to the proposed project, either within the 30-day protest period or as of the date of this Order. (Final Joint Staff Memorandum filed August 28, 2012; case file generally)

9. Commission Staff has reviewed the design and found no obvious violations of the Commission's *Water Rules*. (Final Joint Staff Memorandum filed August 28, 2012)

10. Commission Staff recommended that the application be granted and the project be certificated. (Final Joint Staff Memorandum filed August 28, 2012)

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.

2. The proposed project is financially feasible and economically viable.

3. A certificate of public convenience and necessity should be granted to the Town of Camden-on-Gauley for the construction.

4. The certificate can be granted without hearing since the project was properly published, with no protests having been filed in response thereto, and since Commission Staff has recommended approval of the project.

ORDER

IT IS, THEREFORE, ORDERED that a certificate of convenience and necessity be, and hereby is, granted to the Town of Camden-on-Gauley to make improvements to its water distribution system, by rehabilitating its water storage tank, replacing its existing water mains and installing new fire hydrants, isolation valves, touch read meters, and all necessary appurtenances. However, construction may not commence until all necessary approvals, permits, etc. have been received from the various reviewing authorities.

IT IS FURTHER ORDERED that the proposed financing for the project, consisting of a \$1,300,000 grant from the WV Infrastructure and Job Development Council, a \$200,000 grant from the West Virginia Small Cities Block Grant, a \$1,080,500 principal forgiveness loan from the Drinking Water Treatment Revolving Fund (DWTRF) and an \$880,500 repayment loan at 0% interest for 30 years with a 1% administrative fee to be paid over the same period, also from the DWTRF, be, and hereby is, approved.

IT IS FURTHER ORDERED that, if the scope, design, financing or cost of the proposed project changes, the Town of Camden-on-Gauley petition the Public Service Commission for approval of such changes prior to commencing construction. However, if the cost of the project changes and such change will not result in a rate change, the Town may file an affidavit to that effect from its certified public accountant, in lieu of filing said petition.

IT IS FURTHER ORDERED that the Town of Camden-on-Gauley file with the Commission the certified bid tabulations for each contract awarded, as soon as they become available.

IT IS FURTHER ORDERED that the Town of Camden-on-Gauley file with the Commission a certificate of substantial completion for each contract awarded for the project certificated herein, as soon as each becomes available.

IT IS FURTHER ORDERED that, if the project certificated in this order requires the use of the Division of Highways' rights-of-way, the Town of Camden-on-Gauley fully comply with all relevant rules and regulations of the Division of Highways.

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

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

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

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

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission.


Darren Olofson
Administrative Law Judge

DO:s:ksf
120745aa.doc

12-0745-WEN

RECEIVED
12 AUG - 7 AM 8:19
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

AFFIDAVIT

STATE OF WEST VIRGINIA
COUNTY OF WEBSTER, to witt

I, Thomas C. Clark, a publisher of the Webster Echo, a weekly newspaper published in the Town of Webster Springs, County of Webster, State of West Virginia, and the general circulation in that area, the said Webster Echo being a newspaper of opposite politics of the Webster Republican, being duly sworn, do hereby depose and say that the hereto annexed - **Notice of Filing - Town of Camden on Gauley**

was duly published in the said paper one consecutive week commencing

June 20th, 2012 and June 20th, 2012

and I do further depose and say that the said **Notice**

contains **3,591** words and that the publisher's fee was therefore **\$412.97**

Given under my hand this **20th** day of **June, 2012**

Taken, sworn to and subscribed before me in the state and county

aforesaid **20th** day of **June, 2012**

Thomas C. Clark

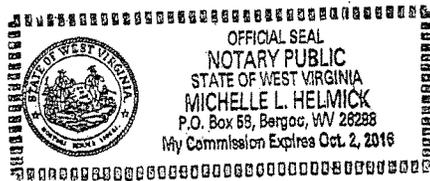
Michelle L. Helmick

Notary Public

My commission expires October 2, 2016

Attorney

Code 59-3-4



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 6th day of June 2012.

CASE NO. 12-0745-W-CN

NAME OF APPLICANT:

Town of Camden-on-Gauley

Application for a Certificate of Convenience and Necessity to replace the old, undersized water distribution system and rehabilitate the water storage tank situate near the Town of Camden-on-Gauley, Webster County.

NOTICE OF FILING

On June 5, 2012, the Town of Camden-on-Gauley (Town) filed a duly verified application for a certificate of convenience and necessity to construct certain additions and improvements to its waterworks system in Webster County, consisting of replacing the existing system with new 6-inch PVC C900 water mains, including all appurtenances relating thereto.

The cost of the Project is estimated not to exceed \$3,461,000.00 of which not more than \$880,500.00 will be obtained from a Drinking Water Treatment Revolving Fund Loan; not more than \$1,080,500.00 will be obtained from a forgivable Drinking Water Treatment Revolving Fund Loan; \$1,300,000.00 will be obtained from an Infrastructure Council grant and \$200,000.00 will be obtained from a Small Cities Block Grant.

The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

On May 24, 2012, the Town Council adopted an Ordinance increasing water rates and charges. The increased rates enacted by the pending Ordinance will go into effect forty-five (45) days from the Ordinance's adoption.

The Town anticipates charging the following increased rates, which are in the process of being enacted by the Town Council following municipal ordinance procedures:

RATES		
First	3,000 gallons used per month	\$12.77 per 1,000 gallons
Next	2,000 gallons used per month	\$15.28 per 1,000 gallons
Next	3,000 gallons used per month	\$ 8.94 per 1,000 gallons
All Over	8,000 gallons used per month	\$ 7.44 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than the following amounts, according to the size of the meter installed:

5/8	inch meter	\$ 38.31 per month
3/4	inch meter	\$ 57.47 per month
1	inch meter	\$ 95.78 per month
1- 1/4	inch meter	\$ 139.83 per month
1-1/2	inch meter	\$ 191.55 per month
2	inch meter	\$ 306.48 per month
3	inch meter	\$ 612.76 per month
4	inch meter	\$ 957.75 per month
6	inch meter	\$ 1,815.50 per month
8	inch meter	\$ 3,064.80 per month

FLAT-RATE CHARGE (Customers with non-metered water supply)
Equivalent to 4,500 gallons of water usage

\$ 61.23 per month

DELAYED PAYMENT PENALTY

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

TAP FEE

The following charges are to be made whenever the Utility installs a new tap to serve an applicant:

A tap fee of \$100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$350.00, or the actual cost of the connection (solely determined by the Utility), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

These rates represent the following non project-related increases to become effective prior to the substantial completion of the project:

GOING LEVEL RATES

RESIDENTIAL	PROPOSED RATES	PRESENT RATES	DIFFERENCE	PERCENTAGE DIFFERENCE
Min. Bill (3,000 Gallons)	\$ 23.94	\$ 14.16	\$ 9.78	69.1%
3,456 Gallons (Avg.)	\$ 28.29	\$ 16.74	\$ 11.55	69.0%
4,000 Gallons	\$ 33.49	\$ 19.81	\$ 13.65	69.0%
4,500 Gallons	\$ 38.27	\$ 22.64	\$ 15.63	69.0%
10,000 Gallons	\$ 69.11	\$ 40.49	\$ 28.62	70.1%

COMMERCIAL	PROPOSED RATES	PRESENT RATES	DIFFERENCE	PERCENTAGE DIFFERENCE
Min. Bill (3,000 Gallons)	\$ 23.94	\$ 14.16	\$ 9.78	69.1%
1,838 Gallons (Avg.)	\$ 23.94	\$ 14.16	\$ 9.78	69.1%
4,000 Gallons	\$ 33.49	\$ 19.81	\$ 13.65	69.0%
4,500 Gallons	\$ 38.27	\$ 22.64	\$ 15.63	69.0%
10,000 Gallons	\$ 69.11	\$ 40.49	\$ 28.62	70.1%

These rates represent the following non project-related increases to become effective after the substantial completion of the project:

PROJECT RATES

charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

These rates represent the following non project-related increases to become effective prior to the substantial completion of the project:

GOING LEVEL RATES

RESIDENTIAL	PROPOSED RATES	PRESENT RATES	DIFFERENCE	PERCENTAGE DIFFERENCE
Min. Bill (3,000 Gallons)	\$ 23.94	\$ 14.16	\$ 9.78	69.1%
3,456 Gallons (Avg.)	\$ 28.29	\$ 16.74	\$ 11.55	69.0%
4,000 Gallons	\$ 33.49	\$ 19.81	\$ 13.65	69.0%
4,500 Gallons	\$ 38.27	\$ 22.64	\$ 15.63	69.0%
10,000 Gallons	\$ 69.11	\$ 40.49	\$ 28.62	70.1%

COMMERCIAL	PROPOSED RATES	PRESENT RATES	DIFFERENCE	PERCENTAGE DIFFERENCE
Min. Bill (3,000 Gallons)	\$ 23.94	\$ 14.16	\$ 9.78	69.1%
1,838 Gallons (Avg.)	\$ 23.94	\$ 14.16	\$ 9.78	69.1%
4,000 Gallons	\$ 33.49	\$ 19.81	\$ 13.65	69.0%
4,500 Gallons	\$ 38.27	\$ 22.64	\$ 15.63	69.0%
10,000 Gallons	\$ 69.11	\$ 40.49	\$ 28.62	70.1%

These rates represent the following non project-related increases to become effective after the substantial completion of the project:

PROJECT RATES

PERCENTAGE RESIDENTIAL	PROJECT RATES	GOING LEVEL RATES	DIFFERENCE	DIFFERENCE
Min. Bill (3,000 Gallons)	\$ 38.31	\$ 23.94	\$ 14.37	60.0%
3,456 Gallons (Avg.)	\$ 45.28	\$ 28.29	\$ 16.99	60.0%
4,000 Gallons	\$ 53.59	\$ 33.49	\$ 20.10	60.0%
4,500 Gallons	\$ 61.23	\$ 38.27	\$ 22.96	60.0%
10,000 Gallons	\$ 110.57	\$ 69.11	\$ 41.46	60.0%

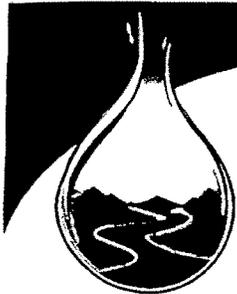
PERCENTAGE COMMERCIAL	PROJECT RATES	GOING LEVEL RATES	DIFFERENCE	DIFFERENCE
Min. Bill (3,000 Gallons)	\$ 38.31	\$ 23.94	\$ 14.37	60.0%
1,838 Gallons (Avg.)	\$ 38.31	\$ 23.94	\$ 14.37	60.0%
4,000 Gallons	\$ 53.59	\$ 33.49	\$ 20.10	60.0%
4,500 Gallons	\$ 61.23	\$ 38.27	\$ 22.96	60.0%
10,000 Gallons	\$ 110.57	\$ 69.11	\$ 41.46	60.0%

The rate increase related to the project is producing approximately \$48,006.00 annually in additional revenue, an increase of 67.3%. The foregoing rate changes are in the process of being enacted by the Town in accordance with the Public Service Commission's rules for municipal rate change and can be challenged only through a proper petition as set forth in W. Va. Code § 24-2-4b.

The Town has no resale customers.

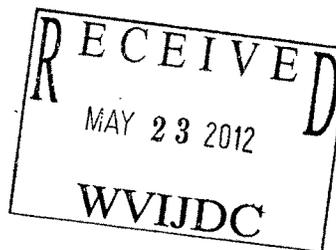
Anyone desiring to protest or intervene in this Certificate proceeding should file a written protest or request to intervene within thirty (30) days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or request to intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or request to intervene. Requests to intervene must comply with the rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and requests to intervene should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

In the absence of substantial protest received within thirty (30) days of this publication, the Commission may waive formal hearing and grant the application based on the Commission's review of the evidence submitted with the application.



WEST VIRGINIA

Infrastructure & Jobs Development Council



Gov. Earl Ray Tomblin
Chairman

Wednesday, May 09, 2012

Kenneth Lowe, Jr.
Public Member

The Honorable Lisa Prather
Mayor, Camden-on-Gauley Water Works
P.O. Box 96
Camden On Gauley, WV 26208-0096

David "Bones" McComas
Public Member

Ron Justice
Public Member

Re: Camden-on-Gauley Water Works
Water System Improvements Project 2012W-1335
Preliminary Application Approved
IJDC Binding Commitment
(Action Required by Thursday, May 31, 2012)

Louis R. Spatafore
Public Member

Joseph Freeland
Public Member

D. K. "Bud" Carr
Public Member

Dear Mayor Prather:

James W. Ellars, P.E.
Executive Director

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the preliminary application for the above-named project (Project). The Council provides this binding offer of an Infrastructure Fund grant (Grant) for the above-referenced project.

Barbara J. Pauley
Administrative Secretary

Funding Commitment:

Below is grant information for this project:

SCBG - \$200,000.00 - Committed
DWTRF Principal Forgiveness - \$1,080,500.00 - Committed
IJDC District 3 Grant - \$1,300,000.00 - Committed

Below is loan information for this project:

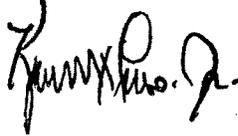
DWTRF Repayment Loan - \$880,500.00 (0% interest, 1% admin fee, 30 yrs) –
Committed

The Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The Council will authorize the West Virginia Water Development Authority (Authority) to enter into the agreement with the Sponsor following receipt of the completed Schedule B, a final, nonappealable order from the Public Service Commission authorizing construction of the Project, evidence of binding commitments for other funding; evidence of all permits; evidence of acceptable bids; and any other documents requested by the Council.

The Honorable Lisa Prather
May 9, 2012
Page 2 of 3

If the Sponsor has any questions regarding this commitment, please contact James W. Ellars, P.E. at (304) 414-6501 (X106).

Sincerely,



Kenneth Lowe, Jr.

Attachment

cc: BPH Rep Name, BPH
W.D. Smith, Region 4 - Planning & Development Council
Jack E Ramsey, Triad Engineering, Inc.
Michael D Griffith, Griffith & Associates
Samme Gee, Jackson Kelly PLLC

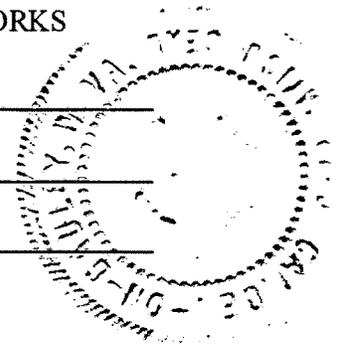
NOTE: Please acknowledge receipt below, keep one original, and immediately return one copy to the Infrastructure Council.

CAMDEN-ON-GAULEY WATER WORKS

By: Lisa Prather

Its: Mayor

Date: May 22, 2012



WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Camden-on-Gauley Water Works
Water Project No. 2012W-1335

SCHEDULE A

- A. Approximate Amount: \$1,300,000 Grant
- B. Grant: \$1,300,000
1. Grant Advancement Date(s): Monthly, upon receipt of proper requisition.
 2. Special Conditions: None

NOTICE: The terms set forth above are subject to change following the receipt of construction bids.

- C. Other Funding:
- | | |
|-----------------------------|----------------|
| SCBG | \$ 200,000 |
| DWTRF Principal Forgiveness | 1,080,500 |
| DWTRF Repayment Loan | <u>880,500</u> |
- D. Total Project Cost: \$3,461,000
- E. Proposed User Rates: Approximately \$50.24 / 4000 gallons

TOWN OF CAMDEN-ON-GAULEY

Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B
(West Virginia DWTRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 24th day of May, 2013, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the Town of Camden-on-Gauley (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program), of the Issuer, in the principal amount of \$880,500, numbered AR-1 (the "Series 2013 A Bonds") and the Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program), in the principal amount of \$1,080,500, numbered BR-1 (the "Series 2013 B Bonds"), each issued as a single, fully registered Bond, and both dated May 24, 2013.

2. At the time of such receipt, all the Series 2013 A Bonds and Series 2013 B Bonds had been executed by the Mayor and the Recorder of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Series 2013 A Bonds and Series 2013 B Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2013 A Bonds, of the sum of \$51,852, being a portion of the principal amount of the Series 2013 A Bonds. The balance of the principal amount of the Series 2013 A Bonds will be advanced by the Authority and the West Virginia Bureau for Public Health to the Issuer as acquisition and construction of the Project progresses.

4. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2013 B Bonds, of the sum of \$-0-, being a portion of the principal amount of the Series 2013 B Bonds. The balance of the principal amount of the Series 2013 B Bonds will be advanced by the Authority and the West Virginia Bureau for Public Health to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: 
Its: Authorized Representative

TOWN OF CAMDEN-ON-GAULEY

By: 
Its: Mayor

TOWN OF CAMDEN-ON-GAULEY

Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B
(West Virginia DWTRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 24th day of May, 2013:

(1) Bond No. AR-1, constituting the entire original issue of the Town of Camden-on-Gauley Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program), in the principal amount of \$880,500 (the "Series 2013 A Bonds") and Bond No. BR-1 constituting the entire Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program), in the principal amount of \$1,080,500 (the "Series 2013 B Bonds"), both dated May 24, 2013 (collectively the "Series 2013 Bonds"), executed by the Mayor and Recorder of the Town of Camden-on-Gauley (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on April 11, 2013, and a Supplemental Resolution and Conformed Bond Ordinance duly adopted by the Issuer on May 9, 2013 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-captioned Bonds, duly certified by the Recorder of the Issuer;

(3) Executed counterparts of a Loan Agreement for the Series 2013 A Bonds and the Series 2013 B Bonds, dated May 24, 2013, by and between the Issuer and the West Virginia Water Development Authority, on behalf of the West Virginia Bureau for Public Health (the "Loan Agreement"); and

(4) Executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2013 A Bonds.

You are hereby requested and authorized to deliver the Series 2013 A Bonds to the Authority upon payment to the Issuer of the sum of \$51,852, representing a portion of the principal amount of the Series 2013 A Bonds. You are further hereby requested and authorized to deliver the Series 2013 B Bonds to the Authority upon payment to the Issuer of the sum of \$-0-, representing a portion of the principal amount of the Series 2013 B Bonds. Prior to such delivery of the Series 2013 Bonds, you will please cause the Series 2013 Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

TOWN OF CAMDEN-ON-GAULEY

By: 
Its: Mayor

123550.00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF CAMDEN-ON-GAULEY
WATER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1

\$880,500

KNOW ALL MEN BY THESE PRESENTS: That on this the 24th day of May, 2013, the TOWN OF CAMDEN-ON-GAULEY, a municipal corporation and political subdivision of the State of West Virginia in Webster 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 EIGHT HUNDRED EIGHTY THOUSAND FIVE HUNDRED DOLLARS (\$880,500), 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, the principal of, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2014, to and including June 1, 2044 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee of 1.0% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing September 1, 2014, as set forth on EXHIBIT B attached hereto.

This Bond shall not bear 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 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 May 24, 2013.

This Bond is issued to (i) pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); (ii) fully fund the Series 2013 A Bonds Reserve Account; and (iii) pay certain costs of issuance of 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on April 11, 2013, and a Supplemental Resolution and Conformed Bond Ordinance duly adopted by the Issuer on May 9, 2013 (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.

THERE ARE NO OUTSTANDING BONDS OR OBLIGATIONS OF THE ISSUER WHICH ARE SECURED BY REVENUES OR ASSETS OF THE SYSTEM.

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System and from monies in the reserve account created under the Bond Legislation for the Series 2013 A Bonds (the "Series 2013 A Bonds Reserve Account"), and unexpended proceeds of the Series 2013 A Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2013 A Bonds Reserve Account and unexpended proceeds of the Series 2013 A 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 on the Series 2013 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2013 A Bonds; provided however, that, so long as there exists in the Series 2013 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2013 A 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 or junior and subordinate to the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (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 costs of issuance 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 in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of 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.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF CAMDEN-ON-GAULEY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

Jim Prather

Mayor

ATTEST:

Edna Markin

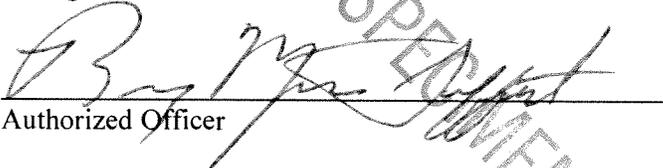
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 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: May 24, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar


Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$51,852	05/24/2013	(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
Town of Camden-on-Gauley
DWTRF
\$880,500
0% Interest Rate
1% Administrative Fee

Date	Principal	Interest	30 Years		Reserve Fund	Net Debt Service
			Total Debt	Admin Fee		
9/1/2014	7,338		7,338	1,109.77	FFAC*	8,447.77
12/1/2014	7,338		7,338	1,109.77		8,447.77
3/1/2015	7,338		7,338	1,109.77		8,447.77
6/1/2015	7,338		7,338	1,109.77		8,447.77
9/1/2015	7,338		7,338	1,109.77		8,447.77
12/1/2015	7,338		7,338	1,109.77		8,447.77
3/1/2016	7,338		7,338	1,109.77		8,447.77
6/1/2016	7,338		7,338	1,109.77		8,447.77
9/1/2016	7,338		7,338	1,109.77		8,447.77
12/1/2016	7,338		7,338	1,109.77		8,447.77
3/1/2017	7,338		7,338	1,109.77		8,447.77
6/1/2017	7,338		7,338	1,109.77		8,447.77
9/1/2017	7,338		7,338	1,109.77		8,447.77
12/1/2017	7,338		7,338	1,109.77		8,447.77
3/1/2018	7,338		7,338	1,109.77		8,447.77
6/1/2018	7,338		7,338	1,109.77		8,447.77
9/1/2018	7,338		7,338	1,109.77		8,447.77
12/1/2018	7,338		7,338	1,109.77		8,447.77
3/1/2019	7,338		7,338	1,109.77		8,447.77
6/1/2019	7,338		7,338	1,109.77		8,447.77
9/1/2019	7,338		7,338	1,109.77		8,447.77
12/1/2019	7,338		7,338	1,109.77		8,447.77
3/1/2020	7,338		7,338	1,109.77		8,447.77
6/1/2020	7,338		7,338	1,109.77		8,447.77
9/1/2020	7,338		7,338	1,109.77		8,447.77
12/1/2020	7,338		7,338	1,109.77		8,447.77
3/1/2021	7,338		7,338	1,109.77		8,447.77
6/1/2021	7,338		7,338	1,109.77		8,447.77
9/1/2021	7,338		7,338	1,109.77		8,447.77
12/1/2021	7,338		7,338	1,109.77		8,447.77
3/1/2022	7,338		7,338	1,109.77		8,447.77
6/1/2022	7,338		7,338	1,109.77		8,447.77
9/1/2022	7,338		7,338	1,109.77		8,447.77
12/1/2022	7,338		7,338	1,109.77		8,447.77
3/1/2023	7,338		7,338	1,109.77		8,447.77
6/1/2023	7,338		7,338	1,109.77		8,447.77
9/1/2023	7,338		7,338	1,109.77		8,447.77
12/1/2023	7,338		7,338	1,109.77		8,447.77
3/1/2024	7,338		7,338	1,109.77		8,447.77
6/1/2024	7,338		7,338	1,109.77		8,447.77
9/1/2024	7,338		7,338	1,109.77		8,447.77
12/1/2024	7,338		7,338	1,109.77		8,447.77
3/1/2025	7,338		7,338	1,109.77		8,447.77
6/1/2025	7,338		7,338	1,109.77		8,447.77
9/1/2025	7,338		7,338	1,109.77		8,447.77
12/1/2025	7,338		7,338	1,109.77		8,447.77

Apr 8, 2013 4:36 pm

*FFAC - Fully Funded at Closing

Net Debt Service
 Town of Camden-on-Gauley
 DWTRF
 \$880,500
 0% Interest Rate
 1% Administrative Fee
 30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
3/1/2026	7,338		7,338	1,109.77		8,447.77
6/1/2026	7,338		7,338	1,109.77		8,447.77
9/1/2026	7,338		7,338	1,109.77		8,447.77
12/1/2026	7,338		7,338	1,109.77		8,447.77
3/1/2027	7,338		7,338	1,109.77		8,447.77
6/1/2027	7,338		7,338	1,109.77		8,447.77
9/1/2027	7,338		7,338	1,109.77		8,447.77
12/1/2027	7,338		7,338	1,109.77		8,447.77
3/1/2028	7,338		7,338	1,109.77		8,447.77
6/1/2028	7,338		7,338	1,109.77		8,447.77
9/1/2028	7,338		7,338	1,109.77		8,447.77
12/1/2028	7,338		7,338	1,109.77		8,447.77
3/1/2029	7,338		7,338	1,109.77		8,447.77
6/1/2029	7,337		7,337	1,109.77		8,446.77
9/1/2029	7,337		7,337	1,109.77		8,446.77
12/1/2029	7,337		7,337	1,109.77		8,446.77
3/1/2030	7,337		7,337	1,109.77		8,446.77
6/1/2030	7,337		7,337	1,109.77		8,446.77
9/1/2030	7,337		7,337	1,109.77		8,446.77
12/1/2030	7,337		7,337	1,109.77		8,446.77
3/1/2031	7,337		7,337	1,109.77		8,446.77
6/1/2031	7,337		7,337	1,109.77		8,446.77
9/1/2031	7,337		7,337	1,109.77		8,446.77
12/1/2031	7,337		7,337	1,109.77		8,446.77
3/1/2032	7,337		7,337	1,109.77		8,446.77
6/1/2032	7,337		7,337	1,109.77		8,446.77
9/1/2032	7,337		7,337	1,109.77		8,446.77
12/1/2032	7,337		7,337	1,109.77		8,446.77
3/1/2033	7,337		7,337	1,109.77		8,446.77
6/1/2033	7,337		7,337	1,109.77		8,446.77
9/1/2033	7,337		7,337	1,109.77		8,446.77
12/1/2033	7,337		7,337	1,109.77		8,446.77
3/1/2034	7,337		7,337	1,109.77		8,446.77
6/1/2034	7,337		7,337	1,109.77		8,446.77
9/1/2034	7,337		7,337	1,109.77		8,446.77
12/1/2034	7,337		7,337	1,109.77		8,446.77
3/1/2035	7,337		7,337	1,109.77		8,446.77
6/1/2035	7,337		7,337	1,109.77		8,446.77
9/1/2035	7,337		7,337	1,109.77		8,446.77
12/1/2035	7,337		7,337	1,109.77		8,446.77
3/1/2036	7,337		7,337	1,109.77		8,446.77
6/1/2036	7,337		7,337	1,109.77		8,446.77
9/1/2036	7,337		7,337	1,109.77		8,446.77
12/1/2036	7,337		7,337	1,109.77		8,446.77
3/1/2037	7,337		7,337	1,109.77		8,446.77
6/1/2037	7,337		7,337	1,109.77		8,446.77

Net Debt Service
 Town of Camden-on-Gauley
 DWTRF
 \$880,500
 0% Interest Rate
 1% Administrative Fee
 30 Years

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Net Debt Service
9/1/2037	7,337		7,337	1,109.77		8,446.77
12/1/2037	7,337		7,337	1,109.77		8,446.77
3/1/2038	7,337		7,337	1,109.77		8,446.77
6/1/2038	7,337		7,337	1,109.77		8,446.77
9/1/2038	7,337		7,337	1,109.77		8,446.77
12/1/2038	7,337		7,337	1,109.77		8,446.77
3/1/2039	7,337		7,337	1,109.77		8,446.77
6/1/2039	7,337		7,337	1,109.77		8,446.77
9/1/2039	7,337		7,337	1,109.77		8,446.77
12/1/2039	7,337		7,337	1,109.77		8,446.77
3/1/2040	7,337		7,337	1,109.77		8,446.77
6/1/2040	7,337		7,337	1,109.77		8,446.77
9/1/2040	7,337		7,337	1,109.77		8,446.77
12/1/2040	7,337		7,337	1,109.77		8,446.77
3/1/2041	7,337		7,337	1,109.77		8,446.77
6/1/2041	7,337		7,337	1,109.77		8,446.77
9/1/2041	7,337		7,337	1,109.77		8,446.77
12/1/2041	7,337		7,337	1,109.77		8,446.77
3/1/2042	7,337		7,337	1,109.77		8,446.77
6/1/2042	7,337		7,337	1,109.77		8,446.77
9/1/2042	7,337		7,337	1,109.77		8,446.77
12/1/2042	7,337		7,337	1,109.77		8,446.77
3/1/2043	7,337		7,337	1,109.77		8,446.77
6/1/2043	7,337		7,337	1,109.77		8,446.77
9/1/2043	7,337		7,337	1,109.77		8,446.77
12/1/2043	7,337		7,337	1,109.77		8,446.77
3/1/2044	7,337		7,337	1,109.77		8,446.77
6/1/2044	7,338		7,338	1,109.77		8,447.77
	880,500		880,500	133,172.40		1,013,672.40

Notes:

Estimated Monthly Net Debt Service Payments rounded up to the nearest cent:

\$2,815.93 June 1, 2014 through May 1, 2044 (based on maximum quarterly paymen

Admin Fee calculated based on 1.0% of bond value computed quarterly paid in equal quarterly payments rounded up to the nearest cent.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF CAMDEN-ON-GAULEY
WATER REVENUE BONDS, SERIES 2013 B
(WEST VIRGINIA DWTRF PROGRAM)

No. BR-1

\$1,080,500

KNOW ALL MEN BY THESE PRESENTS: That on the 24th day of May, 2013, the TOWN OF CAMDEN-ON-GAULEY, a municipal corporation and political subdivision of the State of West Virginia in Webster 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 EIGHTY THOUSAND FIVE HUNDRED DOLLARS (\$1,080,500), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously forgiven, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference. The Series 2013 B Bonds are not subject to an Administrative Fee (as defined in the hereinafter described Bond Legislation).

This Bond shall bear no interest. The principal amounts advanced under the Series 2013 B Bonds will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Series 2013 B Bonds shall be deemed no longer Outstanding after the last advance is forgiven.

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 May 24, 2013.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of 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 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on April 11, 2013, and a Supplemental Resolution and Conformed Bond Ordinance duly adopted by the Issuer on May 9, 2013 (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 FORGIVABLE AND HAS NO LIEN ON THE NET REVENUES OR GROSS REVENUES OF THE SYSTEM.

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 costs of issuance 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 in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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, the TOWN OF CAMDEN-ON-GAULEY has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

Lisa Tratter

Mayor

ATTEST:

Edna Martin

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: May 24, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar


Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$-0-	05/24/2013	(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 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:



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

May 24, 2013

Town of Camden-on-Gauley
Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program)

Town of Camden-on-Gauley
Camden-on-Gauley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Camden-on-Gauley (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$880,500 Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a Loan Agreement dated May 24, 2013, 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 Bureau for Public Health (the "BPH"), 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 September 1, 2014, to and including June 1, 2044 all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Series 2013 A Bonds are subject to the Administrative Fee equal to 1.0% of the principal amount of the Series 2013 A Bonds as set forth in the Schedule Y attached to the Loan Agreement.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer; (ii) fully funding the Series 2013 A Bonds Reserve Account; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and the Bond Ordinance duly enacted by the Issuer on April 11, 2013, as supplemented by a Supplemental Resolution and Conformed Bond Ordinance duly adopted by the Issuer on May 9, 2013 (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 municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, 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 BPH and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the BPH or diminish the obligations of the Issuer without the written consent of the Authority and the BPH.

3. The Bond Legislation and all other necessary ordinances, orders and resolutions have been duly and effectively enacted and 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 Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System all in accordance with the terms of the Bond Legislation.

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof, and the interest, if any, on the Bonds 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 thereon, if any, 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 enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

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

Very truly yours,



STEPTOE & JOHNSON PLLC

123550.00001

Davis & Chapman, PLLC

402 Church Street
Summersville, West Virginia 26651

Cammie L. Chapman
Stephen A. Davis, Retired

Telephone (304)872-2288
Facsimile (304)872-6179
Email: clchapman@wvdsi.net

May 24, 2013

Town of Camden-on-Gauley
P.O. Box 300
Camden-on-Gauley, WV 26208

West Virginia Water Development Authority
Charleston, WV

West Virginia Bureau for Public Health
Charleston, WV

Re: Town of Camden-on-Gauley
Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue bonds, Series 2013 B
(West Virginia DWTRF Program)

Dear Ladies and Gentlemen:

We are counsel to the Town of Camden-on-Gauley, in Webster County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement dated May 24, 2013, 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 Bureau for Public Health (the "BPH"), the Bond Ordinance duly enacted by the Issuer on April 11, 2013, as supplemented by the Supplemental Resolution and Conformed Bond Ordinance duly adopted by the Issuer on May 9, 2013 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). 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.

Davis & Chapman, PLLC

Town of Camden-on-Gauley
WV Water Development Authority
WV Bureau for Public Health
May 24, 2013
Page 2 of 3

We are of the opinion that:

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

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

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

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

5. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the Bureau for Public Health 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 enactment of an ordinance prescribing such rates and charges. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal.

6. The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision entered November 1, 2012 which became Final Order on November 21, 2012 in Case No. 12-0745-W-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. An affidavit of CPA dated April 15, 2013 was filed pursuant to such Order. The time for appeal of the Order has expired prior to the date hereof. Such Order remains in full force and effect.

Davis & Chapman, PLLC

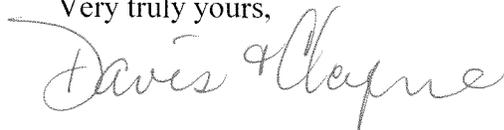
Town of Camden-on-Gauley
WV Water Development Authority
WV Bureau for Public Health
May 24, 2013
Page 3 of 3

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

8. Prior to construction, we will ascertain 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. Prior to construction, we will also ascertain that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Prior to construction we will also ascertain the surety bonds and the policies or other evidence of insurance coverage in connection with the Project (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (v) 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,

A handwritten signature in cursive script that reads "Davis & Chapman". The signature is written in dark ink and is positioned below the typed name.

DAVIS & CHAPMAN, PLLC

Davis & Chapman, PLLC

402 Church Street
Summersville, West Virginia 26651

Cammie L. Chapman
Stephen A. Davis, Retired

Telephone (304)872-2288
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Email: clchapman@wvdsi.net

FINAL TITLE OPINION

May 24, 2013

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Town of Camden on Gauley

Dear Ladies & Gentlemen:

I represent the Town of Camden on Gauley (the "Town") with regard to a proposed project to construct additions and improvements to its waster system, consisting of waterline replacement and rehabilitation of a storage tank, together with all appurtenant facilities (the "Project"), and provide this final title opinion on behalf of the Town to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") and the West Virginia Bureau for Public Health (the "BPH") with regard to the financing proposed for the Project. Please be advised of the following:

1. I am of the opinion that the Town is a duly created and existing municipality possessed with all the powers and authority granted to municipalities 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 Bureau for Public Health.

2. That the Town 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 Triad Engineering, Inc., 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 Webster County, West Virginia, the county in which the Project is to be located, and, in my opinion, the Town 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, except and subject to the following:

The following listed properties are being acquired by eminent domain and the necessary filings have been made in the Office of the Clerk of the County Commission of Webster County West Virginia to permit the Town a right-of-entry for the purpose of construction, operation and maintenance of the subject facilities on the subject properties. The Town's title thereto is defeasible in the event the Town does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and our certification is subject to the pending litigation:

Stephanie D. Propps Butcher – Tax Map 3S Parcel 61
Peggy Williams, et al. – Tax Map 3 Parcel 15

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

Sincerely,


Cammie L. Chapman

cc: Lisa Prather, Mayor

TOWN OF CAMDEN-ON-GAULEY

Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B
(West Virginia DWTRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. INSURANCE
12. VERIFICATION OF SCHEDULE
13. RATES
14. SIGNATURES AND DELIVERY
15. BOND PROCEEDS
16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
17. PUBLIC SERVICE COMMISSION ORDERS
18. SPECIMEN BONDS
19. CONFLICT OF INTEREST
20. GRANTS
21. PROCUREMENT OF ENGINEERING SERVICES
22. SAFE DRINKING WATER ACT
23. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and RECORDER of the Town of Camden-on-Gauley in Webster County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, hereby certify, on this the 24th day of May, 2013, in connection with the Issuer's Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program) (the "Series 2013 A Bonds"), and Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program) (the "Series 2013 B Bonds") dated the date hereof (collectively, the "Bonds" or the "Series 2013 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 Ordinance of the Issuer duly enacted April 11, 2013, and the Supplemental Resolution and Conformed Bond Ordinance duly adopted May 9, 2013 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds,

the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross Revenues or any other monies or security provided for the payment of the Series 2013 A 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 Gross Revenues as security for the Series 2013 A 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 no Outstanding obligations of the Issuer which will rank on a parity with the Series 2013 A Bonds as to liens, pledge and source of and security for payment.

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 Ordinance

Supplemental Resolution and Conformed Bond Ordinance

Loan Agreement for Series 2013 Bonds

Public Service Commission Order

Infrastructure and Jobs Development Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Council Members

Water Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinance

Affidavit of Publication of Rate Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Bond Ordinance

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

Infrastructure Fund Grant Agreement

Evidence of Small Cities Block Grant

Office of Environmental Health Services Permit

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Town of Camden-on-Gauley." The Issuer is a municipal corporation in Webster County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its council, consisting of a Mayor and five (5) council members, all duly elected or appointed, as applicable, qualified and acting, and 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
Lisa Prather, Mayor	July 1, 2011	June 30, 2013
Edna Martin, Recorder	July 1, 2011	June 30, 2013
Roy Garvin	July 1, 2011	June 30, 2013
Dan Seabolt	July 1, 2011	June 30, 2013
Cecil Fletcher	July 1, 2011	June 30, 2013
Mary Hopkins	September 13, 2012	June 30, 2013
Twilla Evans	March 14, 2013	June 30, 2013

The duly appointed and acting Counsel to the Issuer is Davis & Chapman, PLLC, Summersville, 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, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction 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 is true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

The Issuer will serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer will 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 will 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 Ordinance and the Loan Agreement. All insurance for the System required by the Ordinance 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 duly enacted a water rate ordinance on May 24, 2012 setting forth the respective rates and charges for the services of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal, and such rate ordinance is currently in effect.

14. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by their manual signatures, and the undersigned Recorder 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.

15. BOND PROCEEDS: On the date hereof, the Issuer received \$51,852 from the Authority and the BPH, being a portion of the principal amount of the Series 2013 A Bonds. The balance of the principal amount of the Series 2013 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

On the date hereof, the Issuer received \$-0- from the Authority and the BPH, being a portion of the principal amount of the Series 2013 B Bonds. The balance of the principal amount of the Series 2013 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the *Webster Echo*, a qualified newspaper published and of general circulation in the Town of Camden-on-Gauley, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of the Governing Body on the 11th day of April, 2013, at 7:00 p.m., at the Town Hall in Camden-on-Gauley, West Virginia, and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered November 1, 2012, which became Final Order on November 21, 2012 in Case No. 12-0745-W-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. An affidavit of CPA dated April 15, 2013 has been filed pursuant to such Order. The time for appeal of the Order has expired. Such Order is in full force and effect.

18. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2013 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: The West Virginia Infrastructure Fund grant in the amount of \$1,188,326 and the Small Cities Block Grant in the amount of \$200,000 are hereby fully committed.

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. SAFE DRINKING WATER ACT: The Project as described in the Bond Legislation complies with the Safe Drinking Water Act.

23. 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 seal of the TOWN OF CAMDEN-ON-GAULEY on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Lisa Rothes

Mayor

Edna Martin

Recorder

Counsel to the Issuer

123550.00001

6011083

WITNESS our signatures and the official seal of the TOWN OF CAMDEN-ON-GAULEY on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Mayor

Recorder

Camille L. Cheyette

Counsel to the Issuer

123550.00001

6011083

TOWN OF CAMDEN-ON-GAULEY

Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B
(West Virginia DWTRF Program)

CERTIFICATE OF ENGINEER

I, Jack Ramsey, Registered Professional Engineer, West Virginia License No. 014749, of Triad Engineering, Inc., Scott Depot, West Virginia, hereby certify this 24th day of May, 2013 as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing public waterworks facilities (the "System") of the Town of Camden-on-Gauley (the "Issuer"), to be constructed in Webster 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 Ordinance enacted by the Issuer on April 11, 2013, as supplemented by the Supplemental Resolution and Conformed Ordinance adopted by the Issuer on May 9, 2013, and the Loan Agreement 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"), dated May 24, 2013 (the "Loan Agreement").

2. The Bonds are being issued (i) to pay a portion of the costs of acquisition and construction of the Project; (ii) to fully funding the Series 2013 A Bonds Reserve Account; and (iii) to pay certain costs of issuance 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 the BPH and any change orders approved by the Issuer, the BPH and all necessary governmental bodies; (ii) the schematic design for the Project began before July 1, 2012; (iii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 32 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iv) 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 Schedule B attached hereto as Exhibit A and the Issuer's counsel 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; (v) 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; (vi) the successful bidders received any and all addenda to the original bid documents; (vii) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain the critical operational components of the Project; (viii) the successful bids include prices for every item on such bid forms; (ix) the uniform bid procedures were followed; (x) 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; (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 approved by the BPH; and (xii) 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 no new customers.

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

TRIAD ENGINEERING, INC.



Jack E. Ramsey

Jack Ramsey, P.E.
West Virginia License No.014749

123550.00001

6011072

Town of Camden-on-Gauley- Schedule B
Waterline Upgrade/Replacement Project IJDC Project No. 2012W-1335

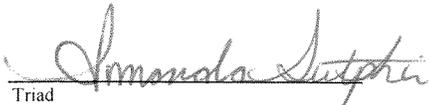
5/6/2013

A. Cost of Project	Total	DWTRF REPAYABLE LOAN	DWTRF FORGIVEABLE LOAN	IJDC GRANT	SCBG GRANT
1. Construction Costs					
Construction	2,579,605.50	828,648.00	1,080,500.00	670,457.50	0.00
Contingency 5.0%	129,998.50	0.00	0.00	129,998.50	0.00
2. Technical Services [Triad]					
a Preliminary Design	13,500.00	0.00	0.00	0.00	13,500.00
b Final Design	133,500.00	0.00	0.00	26,675.00	106,825.00
c Bidding and Negotiation	7,200.00	0.00	0.00	2,160.00	5,040.00
d Engineering During Construction	23,600.00	0.00	0.00	23,600.00	0.00
e Resident Project Inspection	168,500.00	0.00	0.00	168,500.00	0.00
f Special Services	22,100.00	0.00	0.00	7,200.00	14,900.00
g Asset Management Plan	12,500.00	0.00	0.00	12,500.00	0.00
3 Legal [Chapman]	39,500.00	0.00	0.00	16,736.34	22,763.66
4 Accounting [Griffith]	18,000.00	0.00	0.00	4,821.41	13,178.59
5 Administration [Region IV]	119,000.00	0.00	0.00	99,000.00	20,000.00
6 Permits/Legal Ads	4,970.00	0.00	0.00	2,677.25	2,292.75
7 Land Costs Acquisition	25,500.00	0.00	0.00	24,000.00	1,500.00
8 Sub Total	3,297,474.00	828,648.00	1,080,500.00	1,188,326.00	200,000.00
B. COST OF FINANCING					
9 Funded Reserve [DWTRF Repayment Funds]	29,352.00	29,352.00	0.00	0.00	0.00
10 Registrar	1,000.00	1,000.00	0.00	0.00	0.00
11 Bond Counsel [S&J]	21,500.00	21,500.00	0.00	0.00	0.00
12 Cost of Financing (lines 9 through 11)	51,852.00	51,852.00	0.00	0.00	0.00
13 TOTAL PROJECT COST line 8 plus line 12	3,349,326.00	880,500.00	1,080,500.00	1,188,326.00	200,000.00
C. SOURCES OF OTHER FUNDS					
14 Federal Grants (SCBG)	200,000.00	0.00	0.00	0.00	200,000.00
15 State Grants (IJDC)	1,188,326.00	0.00	0.00	1,188,326.00	0.00
16 Other Grants	0.00	0.00	0.00	0.00	0.00
17 TOTAL GRANTS Lines 14 through 16	1,388,326.00	0.00	0.00	1,188,326.00	200,000.00
18 Size of Bond Issue (line 13 minus Line 17)	1,961,000.00	880,500.00	1,080,500.00	0.00	0.00

Note: IJDC grant commitment \$1,300,000 and reduced after bid underrun


Town of Camden-on-Gauley

May 24, 2013
Date


Triad

May 24, 2013
Date



May 24, 2013

Preliminary CPA Certification

Town of Camden-on-Gauley
Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program)

Town of Camden-on-Gauley
Camden-on-Gauley, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the water rate ordinance of the Town of Camden-on-Gauley (the "Issuer"), enacted May 24, 2012, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Triad Engineering, Inc., the consulting engineer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will (i) pay all repair, operation and maintenance expenses of the System, and (ii) leave a balance each year equal to at least 110% of the maximum amount required in any year for debt service on the Issuer's Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program), dated May 24, 2013, issued in the original aggregate principal amount of \$880,500 and all other obligations secured by or payable from the gross revenues.

Sincerely,

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/dk

Michael D. Griffith, CPA, AFI
mgriffith@gcorpww.com

950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

TOWN OF CAMDEN-ON-GAULEY

Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B
(West Virginia DWTRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the Town of Camden-on-Gauley in Webster County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of \$880,500 Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program) and \$1,080,500 Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program), of the Issuer, both dated May 24, 2013 (collectively the "Bonds" or the "Series 2013 Bonds") on the 24th day of May, 2013, hereby certifies as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on April 11, 2013, as supplemented by Supplemental Resolution and Conformed Bond Ordinance duly adopted on May 9, 2013 (collectively, the "Bond Ordinance"), 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 May 24, 2013, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2013 Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.
4. In the Bond Ordinance 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, if any, 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 Bureau for Public Health (the "BPH"), 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. The Series 2013 A Bonds were sold on May 24, 2013, to the Authority, pursuant to a Loan Agreement dated May 24, 2013, by and between the Issuer and the Authority, on behalf of the BPH, for an aggregate purchase price of \$880,500 (100% of par), at which time, the Issuer received \$51,852 from the Authority and the BPH, being the first advance of the principal amount of the Series 2013 A Bonds. No accrued interest has been or will be paid on the Series 2013 A Bonds. The balance of the principal amount of the Series 2013 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2013 B Bonds were sold on May 24, 2013, to the Authority, pursuant to a Loan Agreement dated May 24, 2013, by and between the Issuer and the Authority, on behalf of the BPH, for an aggregate purchase price of \$1,080,500 (100% of par), at which time, the Issuer received \$-0- from the Authority and the BPH, being the first advance of the principal amount of the Series 2013 B Bonds. No accrued interest has been or will be paid on the Series 2013 B Bonds. The balance of the principal amount of the Series 2013 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

7. The Series 2013 A Bonds and Series 2013 B 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 additions, betterments and improvements to the existing public waterworks facilities of the Issuer (the "Project"); (ii) funding the Series 2013 A Bonds Reserve Account; and (iii) paying certain costs of issuance of the Bonds and related costs.

8. Within 30 days after the delivery of the Series 2013 Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the 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 Series 2013 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Series 2013 Bonds, together with any investment earnings thereon, will be expended for payment of Costs of the Project on or before June 1, 2014. The acquisition and construction of the Project is expected to be completed by December 1, 2013.

9. The total Cost of the Project, a portion of which is financed from the proceeds of the Series 2013 Bonds (including all costs of issuance of the Series 2013 Bonds), is estimated at \$3,349,326. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2013 A Bonds	\$880,500
Proceeds of the Series 2013 B Bonds	\$1,080,500
Infrastructure Council Grant	\$1,188,326
Small Cities Block Grant	<u>\$200,000</u>
Total Sources	<u>\$3,349,326</u>

USES

Costs of Acquisition and Construction of the Project	\$3,297,474
Fund Series 2013 A Bonds Reserve Account	\$29,352
Costs of Issuance	<u>\$22,500</u>
Total Uses	<u>\$3,349,326</u>

10. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2013 Bonds:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2013 Bonds Construction Fund;
- (4) Series 2013 A Bonds Sinking Fund; and
- (5) Series 2013 A Bonds Reserve Account.

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

- (1) Proceeds of the Series 2013 A Bonds in the amount of \$-0- will be deposited with the Commission on the Series 2013 A Bonds Sinking Fund as capitalized interest.
- (2) Series 2013 A Bonds proceeds in the amount of \$29,352 will be deposited in the Series 2013 A Bonds Reserve Account.
- (3) The balance of the proceeds of the Series 2013 A Bonds will be deposited in the Series 2013 Bonds Construction Fund as received from time to time and applied solely to payment of Costs of the Project, including costs of issuance of the Series 2013 A Bonds and related costs.
- (4) The balance of the proceeds of the Series 2013 B Bonds will be deposited in the Series 2013 Bonds Construction Fund as received from time to time and applied solely to payment of Costs of the Project, including costs of issuance of the Series 2013 B Bonds and related costs.

12. Monies held in the Series 2013 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2013 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2013 A Bonds Sinking Fund and Series 2013 A Bonds Reserve Account will be withdrawn therefrom and deposited into the Series 2013 Bonds Construction Fund during construction of the Project, and following completion of the

Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. 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 6 months of the date hereof.

14. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

15. With the exception of the amount deposited in the Series 2013 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 12 months from the date of issuance thereof.

16. 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.

17. 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.

18. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

19. 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.

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

21. 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.

22. The Bonds are not federally guaranteed.

23. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain governmental bonds.

24. The Issuer has either (a) funded the Series 2013 A 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 2013 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2013 A 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 2013 A Bonds Reserve Account and the Series 2013 A 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.

25. 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 Series 2013 A Bonds.

26. 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.

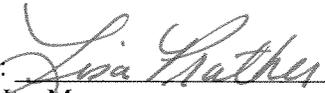
27. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

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

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WITNESS my signature on day and year first written above.

TOWN OF CAMDEN-ON-GAULEY

By: 
Its: Mayor

123550.00001

In the matter of the incorporation of the town of Camden-on-Gauley, in the district of Glade, Webster County, West Virginia ex-parte.

The applaction and petition of W. T. McWhorter and other citizens and voters residing in the town of Camden-on-Gauley, Webster County, asking for a certificate of incorporation of the said town by the name of Camden-on-Gauley, including the following territory, to-wit:

Beginning at a point on the South bank of Gauley River, where a span oak called for in the Lanes Bottom survey, corner to Samuel Collins 100 acres of land, thence N. 28 E. crossing Gauley River and R.R. and county road, and running up the hill by a blazed line 62 poles in all to 3 pin oaks on the Laurel Bottoms and piersol line corner to lots no. 2 and 3 of the piersol division and running with a line no. 2 N. 27 E. 104 poles to a stake and stone pile corner to 9 and 10 and with there division line N. 40 E. 102 poles to 4sourwoods corner to lots no 11 and 12 thence leaving with 64 1/2 W. 54 poles to a stake in Big Hotel Branch, corners to lot no. 10-also a corner to oak park, and with n. 64 1/2 W. 178 poles to a stake and pointers in the forks of oak park branch, corner to lot no 35 of the piersol division and leaving oak park with no. 35 N. 49 W. 92 poles to a stake and stone pile with white oak pointers on tram-way on Coon Creek, corners to lot no. 39 and from here to run as to include Castoes 4 acers and run to 3 scurwoods from one root, corners to 34 and 48 leaving with no. 34 S. 26 1/2 W. 80 poles to a stake and pointers, corners to no. 32 and with S. 26 1/2 W. 72 poles to a stake and pointers on the Laurel Bottoms and piersol line and running with the same 64 1/2 W. 20 poles to a stake in the Big Run, just below a spring and leaving criginal line and survey with the meanders of said Big Run S. 15 E. 26 poles to a small Sycamore on the banks of said run, thence S. 16 E. 34 poles to a stone in said Big Run below a house on the west bank, thence S. 29 W. 34 poles crossing the W.Va. P.R.R. at a stone culvert or crossing to a stake at the waters edge in low tide, thence crossing Gauley River S. 43 W. 13 1/2 poles to water branches from one road on the

South bank of said river, thence leaving S. 7 E. crossing bottoms at 20 poles in all 45 poles to a large maple on top of the ridge, being the top of the divide and running with said ridge on divide parallel with the meanderings of Gauley River on the South banks and S. 70 E. 108 poles S. 75 E. crossing Samuel Collins lower line at about 75 poles in all 120 poles S. 64 E. 64 poles to a stake on top of the ridge next to J. D. Hammons, and on the upper line of the said Samuel Collins 100 acres, and running with his line N. 18 3/4 E. 36 poles to the beginning the last four lines all made largely by pratraction, containing in the entire boundary 59 1/2 acres, be the same more or less.

And it appearing to the Court from the proof taken in open Court and by affidavits and with the said petition, that all provisions of the law as been complied with and that a majority of the qualified voters residing in said territory on the 31st day of March 1903, at an election held for the purpose casts there votes in favor of said incorporation.

It is therefore ordered that the clerk of this Court do issue a certificate of incorporation of the said town of Camden-on-Gauley, as provided by Section 9, Chapter 47, of the code of West Virginia and the Court fixes and designated May 7, 1904, as the date of holding the first election, for the election of officers of said incorporated town and hereby appoints as commissioners to hold and conduct said election, Thurmond Stump, John W. Cruikshanks, and A. A. Rader, three legal voters residing in the territory incorporated.

But before holding said election a notice thereof shall be posted for the time and in the manner prescribed by Section 11 of Chapter 45 of the code, no newspaper being published in said town.

STATE OF WEST VIRGINIA,
COUNTY OF WEBSTER, to-wit:

I, G. W. Jackson, Clerk of the Circuit Court of Webster County, West Virginia, do hereby certify that the foregoing is a true and correct copy of the order entered in the matter of the incorporation of the town of Camden-on-Gauley, in law Order Book No 7 at pages 435-436 and 437, on the 4th day of April, 1904.

Given under my hand this the 14th day of March, 1963.



G. W. Jackson
CIRCUIT CLERK

COPY

COPY

TOWN OF CAMDEN-ON-GAULEY

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

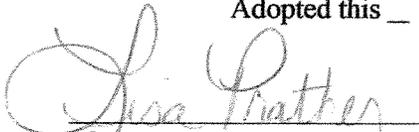
Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the Town of Camden-on-Gauley does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the Recorder at the front door or bulletin board of the Town Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Recorder not less than 3 business days before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the Recorder at the front door or bulletin board of the Town Hall not less than two business days before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted this 18th day of DECEMBER, 2012.



Mayor



Recorder

OFFICIAL OATH

STATE OF WEST VIRGINIA
COUNTY OF WEBSTER
TOWN OF CAMDEN ON GAULEY

I, **LISA PRATHER**, do solemnly swear as Mayor, that I will uphold the Constitutions, Laws, and Regulations of the United States, the State of West Virginia, and the Ordinances of the Town of Camden on Gauley, to the best of my ability. That I will faithfully discharge the duties as Mayor of the Town of Camden on Gauley in said County and State to the best of my skill and judgment. SO HELP ME GOD.

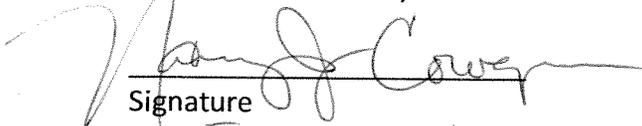
Term to expire JUNE 30, 2013


Signature

LISA PRATHER
Name Printed

Subscribed and sworn to before me this 14th day of JULY, 2011

Oath administered by:


Signature

Nancy J Couger
Name Printed

Address: 136 Maple Inn Rd., Camden on Gauley, WV 26208
Phone Number: (h) 304-226-5651 (c) 304-619-9423

OFFICIAL OATH

STATE OF WEST VIRGINIA
COUNTY OF WEBSTER
TOWN OF CAMDEN ON GAULEY

I, **EDNA K. MARTIN**, do solemnly swear as Recorder, that I will uphold the Constitutions, Laws, and Regulations of the United States, the State of West Virginia, and the Ordinances of the Town of Camden on Gauley, to the best of my ability. That I will faithfully discharge the duties as Recorder of the Town of Camden on Gauley in said County and State to the best of my skill and judgment. SO HELP ME GOD.

Term to expire JUNE 30, 2013

Edna K. Martin
Signature

EDNA K. MARTIN
Name Printed

Subscribed and sworn to before me this 14th day of JULY, 2011

Oath administered by:

Lisa Prather
Signature

Lisa Prather
Name Printed

Address: PO Box 57, Camden on Gauley, WV 26208
Phone Number: (h) 304-226-3748 (c) 304-615-3745

OFFICIAL OATH

STATE OF WEST VIRGINIA
COUNTY OF WEBSTER
TOWN OF CAMDEN ON GAULEY

I, **ROY GARVIN**, do solemnly swear as Council Member, that I will uphold the Constitutions, Laws, and Regulations of the United States, the State of West Virginia, and the Ordinances of the Town of Camden on Gauley, to the best of my ability. That I will faithfully discharge the duties as Member of Council of the Town of Camden on Gauley in said County and State to the best of my skill and judgment. SO HELP ME GOD.

Term to expire JUNE 30, 2013

Roy Garvin
Signature

ROY GARVIN
Name Printed

Subscribed and sworn to before me this 14th day of JULY, 2011

Oath administered by:

Lisa Prather
Signature

LISA Prather
Name Printed

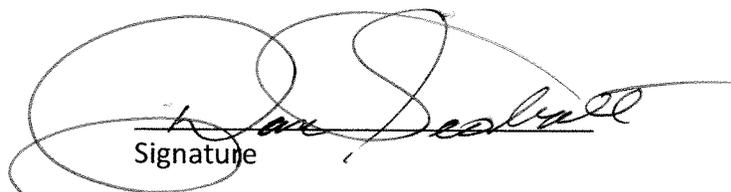
Address: 60 Lost Lane, H87 Box 136 Camden on Gauley, WV 26208
Phone Number: (h) 304-226-3679

OFFICIAL OATH

STATE OF WEST VIRGINIA
COUNTY OF WEBSTER
TOWN OF CAMDEN ON GAULEY

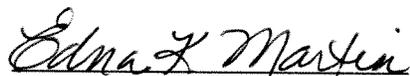
I, DAN SEABOLT, do solemnly swear as Council Member, that I will uphold the Constitutions, Laws, and Regulations of the United States, the State of West Virginia, and the Ordinances of the Town of Camden on Gauley, to the best of my ability. That I will faithfully discharge the duties as Member of Council of the Town of Camden on Gauley in said County and State to the best of my skill and judgment. SO HELP ME GOD.

Term to expire JUNE 30, 2013


Signature
DAN SEABOLT
Name Printed

Subscribed and sworn to before me this 14th day of JULY, 2011

Oath administered by:


Signature

EDNA K. MARTIN
Name Printed

Address: PO Box 99, Camden on Gauley, WV 26208
Phone Number: (h) 304-226-3570 (c) 304-651-3571 (o) 304-742-5000

OFFICIAL OATH

STATE OF WEST VIRGINIA
COUNTY OF WEBSTER
TOWN OF CAMDEN ON GAULEY

I, **CECIL FLETCHER**, do solemnly swear as Council Member, that I will uphold the Constitutions, Laws, and Regulations of the United States, the State of West Virginia, and the Ordinances of the Town of Camden on Gauley, to the best of my ability. That I will faithfully discharge the duties as Member of Council of the Town of Camden on Gauley in said County and State to the best of my skill and judgment. SO HELP ME GOD.

Term to expire JUNE 30, 2013

Cecil H Fletcher

Signature

CECIL FLETCHER

Name Printed

Subscribed and sworn to before me this 14th day of JULY, 2011

Oath administered by:

Lisa Prather

Signature

Lisa Prather

Name Printed

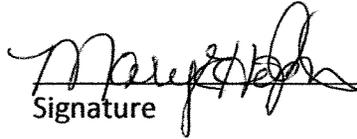
Address: 84 Lost Lane, Camden on Gauley, WV 26208
Phone Number: (h) 304-226-5080 or 304-742-3956

OFFICIAL OATH OF OFFICE
TOWN OF CAMDEN ON GAULEY

STATE OF WEST VIRGINIA
COUNTY OF WEBSTER
TOWN OF CAMDEN ON GAULEY

I, MARY HOPKINS, do solemnly swear as Town Council Member, that I will uphold the Constitutions, Laws, and Regulations of the United States, the State of West Virginia, and the Ordinances of the Town of Camden on Gauley, to the best of my ability. That I will faithfully discharge the duties of Council Member of the Town of Camden on Gauley in said County and State to the best of my skill and judgment. So Help Me God.

Term to expire JUNE 30, 2013


Signature

MARY HOPKINS
Name Printed

Subscribed and sworn to this 13th day of SEPT, 2012

Oath administered by:


Signature

LISA PRATHER
Name Printed

Address: COON CREEK RD.

Phone Number: (h)

(c) 304-619-5585

MINUTES OF THE TOWN COUNCIL OF CAMDEN ON GAULEY REGULAR MEETING OF APRIL 11, 2013

The meeting was called to order by Mayor Lisa Prather at 7:00pm. Those present were town council members; Mary Hopkins, Twilla Evans, and Cecil Fletcher. Motion was made by Councilman Cecil Fletcher to accept the minutes of the previous regular meeting accepted as received, seconded by Councilwoman Mary Hopkins. Motion carried. The financial report was presented and accepted. (See attached.) The financial reports of the water and sanitation system were reviewed by council.

Twilla Evans, who was appointed by the council to fill the seat until the next town election, which is June 11, 2013, took oath of office. She was welcomed by all.

The Mayor introduced Karen and Jesse Naylor, representatives of the Community Energy Response Team (CERT), who explained this program which is funded through FEMA and Homeland Security, and asked if the town would like to participate in the project. CERT helps during crisis and at other times when others need help. The mayor commented, and the council agreed, to table this until all council members are present at our next meeting for further discussion and questions. They left materials with information about this organization that can be reviewed before the next council meeting. The mayor informed them the date of the next council meeting, of May 9th at 7:00pm.

Kenneth Green was to be at the meeting to request a mobile home permit. The mayor advised the council that Mr. Green came in and requested a permit when he bought the mobile home, which were a few days after the last council meeting. He came in again and said he had to move it immediately from where he bought it. The mayor explained that he tried to comply with the mobile home law by getting a permit, but through no fault of his own he had to move it. He moved it in the day before this meeting. She stated there is problem created for the mobile home owners when they need to get the trailers moved, but have to wait a month to come to the council meeting to be approved. She suggested that the council amend the mobile home ordinance to read that they can apply for a temporary permit that is good for thirty days. They will have this time to set it up and bring it into compliance as stated in the ordinance. After the thirty days the Mayor or Chief of Police will inspect it. If it is approved the owner will receive an annual permit. If at that the time of inspection if it is not up to code they do not get a permit. The temporary permit will be given in writing with a copy of the mobile home ordinance. This temporary permit can be given by the mayor or recorder. The council will approve or disapprove the annual permit and instruct the mayor what is to be done. If not in compliance the council can have it moved out or give them more time at their discretion. The town council will make the final decision. Also, they will not get hook up for water or sanitation until they have an annual permit. The mobile home permit fee of \$5.00 will stand. After discussion a motion was made by Council Garvin for the recorder to prepare these amendments to the mobile home ordinance for the first reading at the next regular council meeting. Motion was seconded by Council Hopkins. Motion carried.

Mayor Prather asked the wishes of council on granting a permit to Kenneth Greene. Motion was made by Council Hopkins and seconded by Council Fletcher to grant this permit and if it is not to code as required the town will revoke it. Motion carried.

Old Business:

1. Mayor Prather introduced Todd Swanson, attorney with Steptoe and Johnson. Mr. Swanson read by title the bond ordinance for third reading. Motion was made by Council Garvin to accept the final reading and approve the enactment of the bond ordinance for the water distribution system improvement project. Motion was seconded by Council Fletcher, motion carried.
2. Resolution to Amend the Mobile Home Ordinance Concerning Wording of Amount of Land Required for a Trailer Park – Mayor Prather presented the amendment for first reading. The ordinance 13-1-1C which now reads, “An area of at least one acre” for renting of space for mobile homes, will be amended to read “An area consisting of at least one acre of usable space for renting of space for mobile homes”. The second reading will take place at the next regular council meeting in May.
3. Update on Playground Fence – The fence has been paid for and ordered and is now here. The contractor was to contact us of the date he will put it in. They have not called as of this date. The mayor will call tomorrow, April 12th, to get the date from him.
4. Update on Rail Trail Project – Mayor explained to council that we are still having trouble getting the clear title to the property. Our lawyer is still trying to get a response from the CSX Railroad to complete a clause in the deed which was not recorded when Muddlety Trading Company purchased it from the railroad. Mr. McCourt is working very hard to get this taken care of. Meanwhile the town received an email from the DOT that if we don’t get something done on this legal stage or send any invoices that we will lose the grant. The council will be kept informed of the status.

New Business:

1. Correspondence – An invitation for the mayor to attend the Region IV dinner on. If anyone from council or recorder goes the cost is \$25.00. It will be held at Smoking’s on the Gorge in Lansing. The mayor plans to attend at no cost to her. The mayor requested that the town pay for the recorder’s ticket for the dinner.

Councilman Garvin made motion for the town to pay \$25.00 for the dinner, seconded by Councilwoman Evans, motion carried. The recorder informed the council that WD Smith is going to retire in October and we will have to have new signature cards signed for the water project when they let us know the date that it will be required. The recorder announced that the 2013-14 budget/levy has been approved by the auditor's office. The council will have a meeting on April 17, 2013 at 7:30pm to lay the levy. This is the date that the state sets and we have to have a quorum. The mayor informed the council that we've received the bills from Webster Echo and Webster Republican newspapers for the levy being published in each one for the amount of \$498.70, being a total of \$997.40. It was published in both county newspapers for a two week period. Comments were made concerning the high cost for town's to do this in our county. The recorder will pay this total.

2. Resolution to Amend 2012- 2013 General Fund Budget for the Two State Grants received from WV Development Community Participation Grant Program. One is \$5,000 for the Playground Fence, and one is \$1,000 for Reclamation of the Side of the Wall of the old Callahan Building that is now owned by the Town – Mayor Prather presented the resolutions to council which will increase general fund by \$6,000. Motion was made by Councilman Garvin to approve the resolution, seconded by Councilwoman Evans. Motion carried. All present voted for the approval. (See Attachment)
3. Fair Housing Proclamation Reading/Adoption as required by the State of WV for any Municipality that has received a Small Cities Block Grant – The mayor proclaimed April 2013 as Fair Housing Month as set by the Governor. The town will comply with all the requirements. There will be a notice placed in the county newspaper. Motion was made by Councilwoman Evans to accept this proclamation. Motion was seconded by Councilman Garvin. Motion carried. (See Attachment)
4. Action for Water Tank Signs Required by Federal Government – Recorder explained that it is required by law for there to be a sign at the water tank of no trespassing, destruction, vandalizing or entering the tank area. There was a sign there, but it is now gone and it is felt the storm this winter may have caused this. Council instructed Edna to order the new sign and have it put at the tank, as required. Edna commented the town doesn't have tools to put it back, and we've been borrowing privately owned tools when needed. She asked if we can buy some. Motion was made by Councilman Garvin that tools be purchased for the town with a limit of \$200, seconded by Councilman Fletcher. Motion carried.
5. Police Report for March 2013 – Chief Acord was not present for the meeting. He had copies of his report for the council. (See Attached) He asked the mayor to announce this Saturday is "Make It Shine" day for town clean up. He will not be on duty, but our new officer, Sgt. Mike Hanks, will be here. After some discussion about the volunteers for "Make It Shine", the council instructed Edna to order pins

to give out when kids help the town. Chief Acord has requested the town order a new WV Criminal Code & Penalty book, ours is for 2010 and we need an updated one. The council instructed Edna to order it. The Chief also wanted to know what the Council thought about putting up signs at the post office to "park with the flow of traffic". After discussion council agreed with the Mayor not to do this. Councilman Garvin felt we need a cross walk at the Post Office and instructed Edna to check with the DOH to have a crosswalk painted there. She stated she will check to see if we need a resolution to that effect and if not will go ahead with it. The Mayor said the chief stated in his report that we have received many complaints about the potholes on Greenbrier Street. After discussion, it was decided that since they will be tearing up the street when putting the new water lines, in we should get gravel to fill them, then when the project is complete we can run lines to take care of the water problem in the curve and look into fixing the bad road. Councilman Garvin stated we need to purchase crusher run three quarter gravel. The recorder was instructed to get someone to bring in gravel and fill the holes. Motion was made by Councilman Garvin and seconded by Councilman Fletcher to get the least they will bring for the temporary patch of the holes on Greenbrier Street, and if any gravel is left over, have it put in holes where needed. Motion carried. Chief Acord asked the Mayor to report to the council for him that there is an interest of the residents up Gauley Mills and the area to annex. Kenny Robinson obtained approximately forty signatures by petition, which is over fifty percent. The Mayor reminded the council that we were going to work on annexation on the west side of town to the county line and maybe do the area along with the Gauley Mills area at the same time. Subject was tabled until the recorder can do some research with the state on some of the questions that arose from council and she will make report at the next council meeting. Lastly, Jack Cutlip told Chief Acord that he would like to work out a deal with the town to do line painting in the parking lot. All council members agreed that we do not need this service because we can do it ourselves.

Mayor and Council comments (no action can take place at this meeting) – Matt Morris wants to be hired to do the mowing for the town and the Mayor recommended him. She will find out how much he wants paid. The mayor reminded the council about the Spring cleanup day, and that we will provide snacks and water for the volunteers as we have done in the past. She also said that Barbie Radcliff was on the agenda to talk to council about idea for grants, but she was not able to come. The recorder stated that the council may want to go in the buildings the town now owns and look over the condition of them. She said he previous owner told her that the first thing we will need to do is put a new roof on them because of damage created in the October storm that he didn't know about. Mayor Prather said that we will have to apply as quickly as possible for grants to do this. No comments from council.

All business being conducted motion was made by Councilman Garvin, and seconded by Councilwoman Evans to adjourn the meeting. Motion carried.

Approved 5/9/13
Edna Martin
Recorder
Lain Prather
Mayor

TOWN OF CAMDEN ON GAULEY

AN ORDINANCE SETTING FORTH THE RATES, FEES AND
CHARGES FOR SERVICE TO CUSTOMERS ON THE WATER
SYSTEM OF THE TOWN OF CAMDEN ON GAULEY.

THE COUNCIL OF THE TOWN OF CAMDEN ON GAULEY HEREBY ORDAINS: The following rules, rates and charges are hereby fixed, determined and established for municipal water services provided to all general domestic, commercial, and industrial users of the Town of Camden on Gauley's Municipal Water System, commencing upon the effective date as hereinafter provided, and in accordance with the following Rates and Schedules:

SECTION 1 – PHASE ONE WATER RATES AND CHARGES

RULES AND REGULATIONS

Rules and Regulations for the Government of Water Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

APPLICABILITY

Applicable within the entire area served.

AVAILABILITY

Available for general domestic, commercial, governmental and industrial use.

RATES

First	3,000 gallons used per month	\$7.98 per 1,000 gallons
Next	2,000 gallons used per month	\$9.55 per 1,000 gallons
Next	3,000 gallons used per month	\$5.59 per 1,000 gallons
All Over	8,000 gallons used per month	\$4.65 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than the following amounts, according to the size of the meter installed:

5/8	inch meter	\$ 23.94 per month
3/4	inch meter	\$ 35.91 per month
1	inch meter	\$ 59.85 per month
1- 1/4	inch meter	\$ 87.38 per month
1- 1/2	inch meter	\$ 119.70 per month
2	inch meter	\$ 191.52 per month
3	inch meter	\$ 383.04 per month
4	inch meter	\$ 598.50 per month
6	inch meter	\$1,197.00 per month
8	inch meter	\$1,915.20 per month

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

Equivalent to 4,500 gallons of water usage \$ 38.27 per month

DELAYED PAYMENT PENALTY

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

TAP FEE

The following charges are to be made whenever the Utility installs a new tap to serve an applicant:

A tap fee of \$100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$350.00, or *the actual cost of the connection* (solely determined by the Utility), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

WATER DISCONNECT/RECONNECT FEES/ADMINISTRATIVE FEES

Water service will not be restored until all past due sewer bills have been paid in full and all accrued penalties plus a disconnection charge of \$25.00 have been paid.

There shall be a \$25.00 reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason.

In the event that Utility staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of \$25.00 shall be paid in addition to other charges to prevent disconnection.

INCREMENTAL COSTS

\$5.00 per 1,000 gallons

An amount not to exceed \$5.00 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage. The Utility shall establish a non-discriminatory policy regarding this provision for leak adjustments.

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit card or Drop Box payments. The amount shall be equal to the actual charges to the Utility from the financial institution for processing payment.

SECURITY DEPOSIT

As of the date of passage, the applicable provision of WV Code § 8-19-12a(a):

The municipality or governing body, but only one of them, may collect from all new applicants for service a deposit of \$50 or two twelfths of the average annual usage of the applicant's specific customer class, whichever is greater, to secure the payment of water service rates, fees and charges in the event they become delinquent as provided in this section. In any case where a deposit is forfeited to pay service rates, fees and charges which were delinquent and the user's service is disconnected or terminated, no reconnection or reinstatement of service may be made by the municipality or governing body until another deposit equal to \$50 or a sum equal to two twelfths of the average usage for the applicant's specific customer class, whichever is greater, is remitted to the municipality or governing body. After twelve months of prompt payment history, the municipality or governing body shall return the deposit to the customer or credit the customer's account with interest at a rate as the Public Service Commission may prescribe: *Provided*, That where the customer is a tenant, the municipality or governing body is not required to return the deposit until the time the tenant discontinues service with the municipality or governing body. Whenever any rates, fees, rentals or charges for services or facilities furnished remain unpaid for a period of twenty days after the same become due and payable, the user of the services and facilities provided is delinquent and the user is liable at law until all rates, fees and charges are fully paid. The municipality or governing body may, under reasonable rules promulgated by the Public Service Commission, shut off and discontinue water services to a delinquent user of water facilities ten days after the water services become delinquent regardless of whether the municipality or governing body utilizes the security deposit to satisfy any delinquent payments: *Provided further*, That nothing contained within the rules of the Public Service Commission shall be deemed to require any agents or employees of the municipality or governing body to accept payment at the customer's premises in lieu of discontinuing service for a delinquent bill.

As of the date of passage, the applicable provision of the PSC Water Rules, Rule 4.2.a.1.:

“... for a municipal sewer system only, the deposit shall not be more than either fifty dollars (\$50.00) or two-twelfths of the average annual usage of the applicant's specific customer class, whichever is greater . . .”

This tariff in accordance with the above cited statutory language and OSC sewer rates produces a security deposit of \$76.00 for residential customers.

SECTION 2 – PHASE ONE EFFECTIVE DATE

The rates, charges and penalties provided herein shall become effective forty-five (45) days after enactment, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 3 – PHASE TWO WATER RATES AND CHARGES

RULES AND REGULATIONS

Rules and Regulations for the Government of Water Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

APPLICABILITY

Applicable within the entire area served.

AVAILABILITY

Available for general domestic, commercial, governmental and industrial use.

RATES

First	3,000 gallons used per month	\$12.77 per 1,000 gallons
Next	2,000 gallons used per month	\$15.28 per 1,000 gallons
Next	3,000 gallons used per month	\$ 8.94 per 1,000 gallons
All Over	8,000 gallons used per month	\$ 7.44 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than the following amounts, according to the size of the meter installed:

5/8	inch meter	\$ 38.31 per month
3/4	inch meter	\$ 57.47 per month
1	inch meter	\$ 95.78 per month
1- 1/4	inch meter	\$ 139.83 per month
1- 1/2	inch meter	\$ 191.55 per month
2	inch meter	\$ 306.48 per month
3	inch meter	\$ 612.76 per month
4	inch meter	\$ 957.75 per month
6	inch meter	\$1915.50 per month
8	inch meter	\$3064.80 per month

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

Equivalent to 4,500 gallons of water usage \$ 61.23 per month

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent will be

added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charges are to be made whenever the Utility installs a new tap to serve an applicant:

A tap fee of \$100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$350.00, or *the actual cost of the connection* (solely determined by the Utility), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

WATER DISCONNECT/RECONNECT FEES/ADMINISTRATIVE FEES

Water service will not be restored until all past due sewer bills have been paid in full and all accrued penalties plus a disconnection charge of \$25.00 have been paid.

There shall be a \$25.00 reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason

In the event that Utility staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of \$25.00 shall be paid in addition to other charges to prevent disconnection.

INCREMENTAL COSTS

\$5.00 per 1,000 gallons

An amount not to exceed \$5.00 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage. The Utility shall establish a non-discriminatory policy regarding this provision for leak adjustments.

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit card or Drop Box payments. The amount shall be equal to the actual charges to the Utility from the financial institution for processing payment.

SECURITY DEPOSIT

As of the date of passage, the applicable provision of WV Code § 8-19-12a(a):

The municipality or governing body, but only one of them, may collect from all new applicants for service a deposit of \$50 or two twelfths of the average annual usage of the applicant's specific customer class, whichever is greater, to secure the payment of water service rates, fees and charges in the event they become delinquent as provided in this section. In any case where a deposit is forfeited to pay service rates, fees and charges which were delinquent and the user's service is disconnected or terminated, no reconnection or reinstatement of service may be made by the municipality or governing body until another deposit equal to \$50 or a sum equal to two twelfths of the average usage for the applicant's specific customer class, whichever is greater, is remitted to the municipality or governing body. After twelve months of prompt payment history, the municipality or governing body shall return the deposit to the customer or credit the customer's account with interest at a rate as the Public Service Commission may prescribe: *Provided*, That where the customer is a tenant, the municipality or governing body is not required to return the deposit until the time the tenant discontinues service with the municipality or governing body. Whenever any rates, fees, rentals or charges for services or facilities furnished remain unpaid for a period of twenty days after the same become due and payable, the user of the services and facilities provided is delinquent and the user is liable at law until all rates, fees and charges are fully paid. ~~The municipality or governing~~ body may, under reasonable rules promulgated by the Public Service Commission, shut off and discontinue water services to a delinquent user of water facilities ten days after the water services become delinquent regardless of whether the municipality or governing body utilizes the security deposit to satisfy any delinquent payments: *Provided further*, That nothing contained within the rules of the Public Service Commission shall be deemed to require any agents or employees of the municipality or governing body to accept payment at the customer's premises in lieu of discontinuing service for a delinquent bill.

As of the date of passage, the applicable provision of the PSC Water Rules, Rule 4.2.a.1.:

“ . . . for a municipal sewer system only, the deposit shall not be more than either fifty dollars (\$50.00) or two-twelfths of the average annual usage of the applicant's specific customer class, whichever is greater . . . ”

This tariff in accordance with the above cited statutory language and OSC sewer rates produces a security deposit of \$100.48 for residential customers.

SECTION 4 – PHASE TWO EFFECTIVE DATE

The rates, charges and penalties provided herein shall become effective upon the substantial completion of the Town of Camden on Gauley Water System Project or commencement of project debt service, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 5 – SEVERABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are severable, and if any clause, provision or section hereof shall be held void or unenforceable by the Public Service Commission of West Virginia or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 6 – STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Town Recorder shall cause to be published a copy of this Ordinance in the *Webster Echo*, a qualified newspaper of general circulation in the Town of Camden on Gauley, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before the Town Council on Thursday, May 24, 2012, at 7:00 p.m., which date is not less than five (5) days after the date of the publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the Town Recorder, Town of Camden on Gauley, Camden on Gauley, West Virginia.

First Reading: May ¹⁰~~9~~, 2012

Second Reading
And Public Hearing: May 24, 2012

Town of Camden on Gauley, a municipal
corporation

Mayor: Lisa Prather
Lisa Prather

Recorder: Edna Martin
Edna Martin

also pre

AFFIDAVIT

STATE OF WEST VIRGINIA
COUNTY OF WEBSTER, to witt

I, Thomas C. Clark, a publisher of the Webster Echo, a weekly newspaper published in the Town of Webster Springs, County of Webster, State of West Virginia, and the general circulation in that area, the said Webster Echo being a newspaper of opposite politics of the Webster Republican, being duly sworn, do hereby depose and say that the hereto annexed - **Notice of Public Hearing**

was duly published in the said paper one consecutive week commencing

May 16th, 2012 and May 16th, 2012

and I do further depose and say that the said **Notice**

contains **378** words and that the publisher's fee was therefore **\$43.47**

Given under my hand this **16th** day of **May, 2012**

Taken, sworn to and subscribed before me in the state and county

aforsaid **16th** day of **May, 2012**

Thomas C. Clark

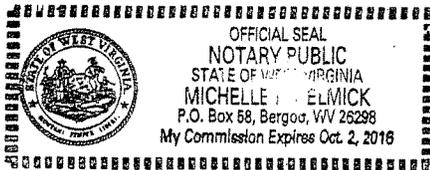
Michelle L. Helmick
Notary Public

My commission expires

October 2, 2016

Attorney

Code 59-3-4



**NOTICE OF PUBLIC HEARING ON
TOWN OF CAMDEN ON GAULEY WATER RATE ORDINANCE**

Notice is hereby given that on May 10, 2012, the Town of Camden on Gauley, a municipal corporation, cause to be read before the Town Council, an ordinance proposing increased water rates and charges in lieu of those rates, and charges contained in the Town's existing water tariff currently on file at the Public Service Commission of West Virginia for furnishing water services to customers in Webster County, West Virginia and is proposing adoption of the same. The proposed ordinance is "An Ordinance Setting Forth the Rates, Fees and Charges for Service to Customers on the Water System of the Town of Camden on Gauley."

The Town Council of the Town of Camden on Gauley will have its final reading and vote on the ordinance on Thursday, May 24, 2012 at 7:00 p.m. in the Town of Camden on Gauley Town Hall, Camden on Gauley, West Virginia. Said meeting is open to the public and all interested parties may appear at the meeting and be heard at such time with respect to the passage of the proposed ordinance. A copy of the proposed ordinance is available for inspection at the office of the Town Recorder of Town of Camden on Gauley, Town Hall, Camden on Gauley, West Virginia.

E-5-16-1tc

RECEIVED

LEGAL NOTICE LEGAL NOTICE LEGAL NOTICE

12 JUL 16 AM 8:55

TARIFF FORM NO. 12
PUBLIC NOTICE OF CHANGE IN RATES

BY MUNICIPALITIES

NOTICE is hereby given that the TOWN OF CAMDEN-ON-GAULEY has adopted by ordinance, on May 24, 2012, a tariff containing an increase in rates, tolls and charges for furnishing water service to 159 customers at Camden-On-Gauley and vicinity, in Webster County, West Virginia.

The proposed increased going level rates and charges will become effective 45 days from the effective date of the ordinance, unless otherwise ordered by the Public Service Commission, and will produce approximately \$26,285 annually in additional revenue, an increase of 58.4%. The average monthly bill for the various classes of customers will be changed as follows:

GOING LEVEL RATES

	<u>PROPOSED RATES</u>	<u>PRESENT RATES</u>	<u>DIFFERENCE</u>	<u>PERCENTAGE DIFFERENCE</u>
RESIDENTIAL				
Min. Bill (3,000 Gallons)	\$ 23.94	\$ 14.16	\$ 9.78	69.1%
3,456 Gallons (Avg.)	\$ 28.29	\$ 16.74	\$ 11.55	69.0%
4,000 Gallons	\$ 33.49	\$ 19.81	\$ 13.65	69.0%
4,500 Gallons	\$ 38.27	\$ 22.64	\$ 15.63	69.0%
10,000 Gallons	\$ 69.11	\$ 40.49	\$ 28.62	70.1%
COMMERCIAL				
Min. Bill (3,000 Gallons)	\$ 23.94	\$ 14.16	\$ 9.78	69.1%
1,838 Gallons (Avg.)	\$ 23.94	\$ 14.16	\$ 9.78	69.1%
4,000 Gallons	\$ 33.49	\$ 19.81	\$ 13.65	69.0%
4,500 Gallons	\$ 38.27	\$ 22.64	\$ 15.63	69.0%
10,000 Gallons	\$ 69.11	\$ 40.49	\$ 28.62	70.1%

The proposed increased Project rates and charges will become effective upon substantial Project completion or commencement of Project debt service, unless otherwise ordered by the Public Service Commission, and will produce approximately \$48,006 annually in additional revenue, an increase of 67.3%. The average monthly bill for the various classes of customers will be changed as follows:

PROJECT RATES

	<u>PROJECT RATES</u>	<u>GOING LEVEL RATES</u>	<u>DIFFERENCE</u>	<u>PERCENTAGE DIFFERENCE</u>
RESIDENTIAL				
Min. Bill (3,000 Gallons)	\$ 38.31	\$ 23.94	\$ 14.37	60.0%
3,456 Gallons (Avg.)	\$ 45.28	\$ 28.29	\$ 16.99	60.0%
4,000 Gallons	\$ 53.59	\$ 33.49	\$ 20.10	60.0%
4,500 Gallons	\$ 61.23	\$ 38.27	\$ 22.96	60.0%
10,000 Gallons	\$ 110.57	\$ 69.11	\$ 41.46	60.0%
COMMERCIAL				
Min. Bill (3,000 Gallons)	\$ 38.31	\$ 23.94	\$ 14.37	60.0%
1,838 Gallons (Avg.)	\$ 38.31	\$ 23.94	\$ 14.37	60.0%
4,000 Gallons	\$ 53.59	\$ 33.49	\$ 20.10	60.0%
4,500 Gallons	\$ 61.23	\$ 38.27	\$ 22.96	60.0%
10,000 Gallons	\$ 110.57	\$ 69.11	\$ 41.46	60.0%

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

- (1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or
- (2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or
- (3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to:

Public Service Commission of West Virginia
Executive Secretary
201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the offices of the Town:

Town of Camden-On-Gauley Municipal Building
P.O. Box 96
Camden-On-Gauley, West Virginia 26208

A copy of the proposed rates is available for public inspection at the office of:

Public Service Commission of West Virginia
Executive Secretary
201 Brooks Street
Charleston, West Virginia 25323

FILE COPY

TOWN OF CAMDEN ON GAULEY
COUNCIL MEETING AGENDA
MAY 10, 2012

Old Business:

- PAGE 2
2nd
- ITEM
1. Mr. Greene and Mr. Jarvis to obtain Mobile Home Permits.
 2. Discussion of Appointment of Two Council Members
 3. Region IV to Address the New Water Line Project.
 - ④ 4. First Reading of Water Rate Increase Ordinance.
 5. Reading of Resolution for the Playground Fence Grant in the amount of \$5,000.
 6. Reading of Resolution for Reclamation of Property of the Demolished Buildings on Main Street in the amount of \$1,000.
 7. Items Needed for the Police Department.
 8. Decision on Attorney for the Rail Trail Project First Stage Legal Work.
 9. Update on the Callahan Buildings.
 10. Town Mowing.

New Business:

1. Correspondence
2. Selection of Water Bond Attorney
3. Discussion Concerning a Memorial for Former Mayor, Nancy Cowger.
4. Police Chief Report for April 2012.

Comments from town officials or citizens. No action will take place. Subject of comments will be placed on next month's regular council meeting agenda, if necessary. Time limit of 10 minutes.

- Region IV to Address the New Water Line Project – W.D. Smith, Director of Region IV Development Council was present and addressed the Council concerning the new water line project. He reviewed those persons who will be administering several aspects of the entire requirements for the project. He then presented a resolution for council approval of a drawdown of \$145 to pay Davis & Chapman, attorneys for work done on project so far. These funds are from the Phase I \$200,000 from Small Cities Block Grant. Motion was made by councilman Garvin to approve resolution to pay this, seconded by Councilman Fletcher. Motion carried. Mr. Smith also announced the complete funding of \$3,461,000 has been procured. Most of these funds are in grant money with a loan in the amount of \$800,000 that would be paid back over 30 years with a 1% fee. The Mayor stated that Bob Decrease from the Public Health Department was the one who came up with most of the grants and how appreciative we are. Mr. Smith stated the town should be receiving the formal notification by letter from DWTRF and WVJDC within the next couple of weeks. Discussion was made by Council and Mr. Smith concerning the possible time table the town is looking at. Mr. Smith could not guarantee it, but possibility it could be under construction by spring 2013. The Council received two bids for bonding council, which is necessary for the project. Jackson & Kelly, PLLC and Steptoe & Johnson, PLLC. After review of each, motion was made by Councilman Garvin the town make contract with Steptoe & Johnson, PLLC for bond council for the water project, seconded by Councilman Fletcher. Motion carried. Mr. Smith informed council the responsibilities of Region IV as the project administrator, and all they do. He stated they were administrators for the design and cost assessment financing and the \$200,000 First Phase Design Grant from Small Cities Block. He stated that Region IV will stick with the Town through to the end and beyond of this project. He said that there has to be a formal agreement to do such. Motion was made by Councilman Garvin for Region IV to be our Project Administrator, seconded by Councilman Fletcher. Motion carried. The following are those who will help with the project: Project Engineering, Jack Ramsey with Triad Engineer; Bond Council, John Stump and Katie Miller with Steptoe & Johnson; Local Attorney from Summersville, Cammie Chapman with Davis & Chapman, PLLC; Certified Public Accountant, Jack Miller with Griffith & Associates.
- ★ • First Reading of Water Rate Increase Ordinance – The mayor presented the water rate ordinance to the council for first and second phases. The first phase will be before the project the second after the project is completed if we find that we will need it to pay back the loan. There will be a public meeting on May 24, 2012 @ 7:00pm to inform the citizens and get feed-back from them.
- Reading of Resolution for the Playground Fence Grant in the Amount of \$5,000 – Mayor Prather presented a resolution for the Mayor to act as the town's agent and sign the grant with the WV Development Office through the Governor's Community Participation Grant in the amount of \$5,000 for the fence at the playground. Motion was made by Councilman Garvin and seconded by Councilman Seabolt to adopt said resolution. Motion carried.
- Reading of Resolution for Reclamation of Property of the Demolished Buildings on main Street in the amount of \$1,000 – Resolution was presented by Mayor Prather stating she is to act as the town's agent and sign the grant with the WV Development Office

FILE COPY

FILE COPY

PUBLIC MEETING TOWN OF CAMDEN ON GAULEY

MAY 24, 2012

7:00 PM

AGENDA:

FINAL READING AND VOTE BY THE TOWN COUNCIL OF AN ORDINANCE SETTING FORTH THE RATES, FEES AND CHARGES FOR SERVICE TO CUSTOMERS ON THE WATER SYSTEM OF THE TOWN OF CAMDEN ON GAULEY. THIS ORDINANCE CONTAINS A PROPOSED INCREASE IN WATER RATES.

THIS MEETING IS OPEN TO THE PUBIC AND ALL INTERESTED PARTIES MAY APPEAR AT THE MEETING TO BE HEARD AT SUCH TIME WITH RESPECT TO THE PASSAGE OF THE PROPOSED WATER RATE ORDINANCE.

A COPY OF THE PROPOSED ORDINANCE IS AVAILABLE FOR INSPECTION AT THE TOWN HALL OF TOWN OF CAMDEN ON GAULEY, TOWN HALL.

Minutes of Public Meeting of May 24, 2012

The meeting was called to order by Mayor Lisa Prather. The purpose of the meeting was to have the second reading and adoption of an ordinance setting forth the rates, fees and charges for service to customers on the water system of the Town of Camden on Gauley.

Present: Councilmembers; Roy Garvin, Dan Seabolt, Cecil Fletcher, Recorder Edna Martin, Mayor Lisa Prather and Attorney for the Town, Cammie Chapman.

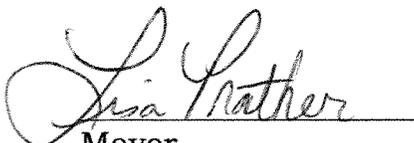
There were no public comments due to no one attending.

The Mayor then presented the second reading of the ordinance; the first reading was May 10, 2012. The increase will be in two phases; the first phase now, and a second phase when the new water line project is completed. This will be done in order to pay back the loan of \$880,000 and still have a surplus to work with.

(See attached ordinance.)

Motion was made by Councilman Roy Garvin to approve and adopt said ordinance to raise the water rates for customers of Camden on Gauley Water Works as outlined in the ordinance. Motion was seconded by Councilman Cecil Fletcher. Motion carried.

Business being completed Councilman Dan Seabolt made a motion for adjournment, seconded by Councilman Cecil Fletcher. Motion carried.



Mayor



Recorder

6-20-12
Date READ & APPROVED

AFFIDAVIT

STATE OF WEST VIRGINIA
COUNTY OF WEBSTER, to witt

I, Thomas C. Clark, a publisher of the Webster Echo, a weekly newspaper published in the Town of Webster Springs, County of Webster, State of West Virginia, and the general circulation in that area, the said Webster Echo being a newspaper of opposite politics of the Webster Republican, being duly sworn, do hereby depose and say that the hereto annexed - **Notice of Public Hearing on the Town of Camden on Gauley Bond Ordinance**

was duly published in the said paper two consecutive weeks commencing

March 27th, 2013 and April 3rd, 2013

and I do further depose and say that the said **Notice**

contains **924** words and that the publisher's fee was therefore **\$185.96**

Given under my hand this **3rd day of April, 2013**

Taken, sworn to and subscribed before me in the state and county

aforsaid **3rd day of April, 2013**

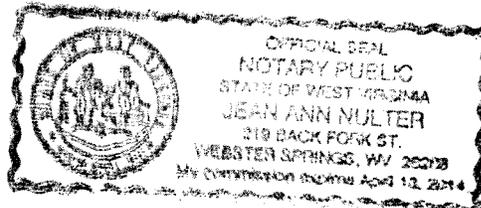
Thomas C. Clark

April 13, Jean Ann Multer
Notary Public

My commission expires *April 13, 2014*

Attorney

Code 59-3-4



**NOTICE OF PUBLIC HEARING ON THE
TOWN OF CAMDEN-ON-GAULEY BOND ORDINANCE**

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the Town of Camden-on-Gauley (the "Town") to be held on Thursday, April 11, 2013, at 7:00 pm at the Town Hall, Camden-on-Gauley, West Virginia, and at such hearing any person interested may appear before Town Council and present protests, and all protests and suggestions shall be heard by the Town and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE TOWN OF CAMDEN-ON-GAULEY AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF CAMDEN-ON-GAULEY OF NOT MORE THAN \$880,500 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA DWTRF PROGRAM); AND NOT MORE THAN \$1,300,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2013 B (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 LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The Town contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable only from and secured by a pledge of the Gross Revenues to be derived from the operation of the public waterworks system of the Town. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of the Town of Camden-on-Gauley on March 14, 2013. A certified copy of the above-entitled Ordinance is on file with the Recorder of the Town for review by interested parties during regular office hours.

Following the public hearing, the Town intends to consider the Ordinance for final enactment and placement into effect upon final reading.

Dated: March 15, 2013

/s/ Lisa Prather
Mayor

MINUTES OF THE TOWN COUNCIL OF CAMDEN ON GAULEY REGULAR MEETING OF FEBRUARY 14, 2013

The meeting was called to order by Mayor Lisa Prather. Present were: Council Members; Mary Hopkins, Dan Seabolt, Cecil Fletcher; Recorder, Edna Martin, was absent due to illness. Also present were Jack Warren, concerning neighborhood watch program, and a representative from Steptoe and Johnson who are the bond attorneys for the water project.

Minutes of the previous meeting of January 10, 2013 were read. There were no corrections or additions. Councilwoman Hopkins moved they be accepted as read, seconded by Councilwoman Councilman Seabolt, motion carried. Town's General Account and Coal Severance Financials were presented and approved. Also, presented were the financials for Camden on Gauley Water Works. (See attached.)

New Business:

- To consider first reading and act upon proposed Bond Ordinance for water line project – Attorney for Steptoe and Johnson explained that this is the first reading of ordinance required for the bond. We are approved to borrow not more than \$880,500 for the water project. We also received a forgivable loan that is approved up to 1.3 million dollars, which we do not have to pay back. This is also included in this ordinance. He explained what the steps will be to enact this ordinance. The first reading of this ordinance takes place at this meeting, the second reading will be at the regular council meeting March 14th, and the third reading and public hearing will be at the regular council meeting April 11th. He then read the first paragraph of the ordinance by the title only. (See attached) Motion was made by councilman Garvin and seconded by Councilman Seabolt to approve first reading. Motion carried. The lawyer will be back to our April 11th meeting at which time we will also have the bid process completed. He then went over the bid process that will be occurring.
- Consider resolution authorizing drawdown from Small Cities Block Grant – The Mayor presented the resolution and authorization to drawdown from the grant the following items concerning the water project: \$150 to Griffith & Associates Accounting Firm for water project conference calls, \$300 to reimburse the Town of Camden on Gauley for an annual sanitation construction permit; and \$435.50 to Charleston Newspapers advertisement for the construction bid. This is a total of \$885. Motion was made by Councilman Garvin to pay the drawdown amount. The motion was seconded by Councilwoman Hopkins. Motion carried.
- Report on the Sanitation Pump lift that was damaged during the snow storm – Mayor Prather informed the council that the lift has been repaired and the town

has applied to FEMA for reimbursements on costs incurred to fix it. Items to be reimbursed are; \$150 to the town for the electrical inspection, and \$2,445 to sanitation for generator hours used and pole repair. All papers have been signed and we are now waiting on the money.

- Consideration of enacting ordinances against permitting unauthorized person to drive with the city limits and driving while license suspended or revoked non DUI in city limits – Mayor Prather stated that Chief Acord had prepared these ordinance and she read each to the council. She explained that we have an umbrella ordinance which covers using the WV Codes instead of writing offenses under town ordinances. After some discussion the agenda item was tabled until the Chief could join the meeting.

- Correspondence –
 1. Letter from the WV Department of Environmental Protection asking if we want to apply to participate in the WV Make It Shine program as we have done in the past. The dates allowed are between April 1st and April 14th. Discussion was had concerning the picking up of debris and the different activities that we have done in the past and how successful it has been. The Mayor mentioned the award we won last year for participating and the improvements we had. Motion was made by Councilman Garvin to have our day on April 13th, seconded by Councilman Seabolt. Motion carried.
 2. Letter was read from Mountain Transit Authority asking for a donation in the amount of \$126.75 for the fiscal year 2013-14. Discussion was made about their schedule and cost. Mayor Prather and Councilman Garvin abstained from commenting on the decision to donate due to the mayor being employed by them. Motion was made by Councilman Seabolt to donate said amount, seconded by Councilwoman Hopkins. Motion carried. All agreed that this is a good service to the people and they need to do better with publicizing the advantages of using the bus and get more information out there, which the mayor said they are planning to do.
 3. The mayor said she received a phone call from the group that wanted to help the town do something positive with the town's people help at the bank square again, and if so, they wanted to resubmit for the grant funds. The funding fell through last year after everyone was ready to go to work. Mayor Prather told them it was okay, but that the town will do nothing until the money was in hand. She stated she received confirmation by email that they had applied again for the funds.

Old Business:

- Linda Johnson, Purchase Card Representative, information on the fleet program – Ms. Johnson was not in attendance due to her father's illness.

- Jack Warren to address council concerning a neighborhood watch program – The mayor introduced Mr. Warren to the council again. He was at the last meeting, but was not on the agenda so he was asked to return if he wanted to address council and get a decision on it. Mr. Warren explained that he and Chief Acord had been discussing the idea of having a neighborhood watch in Camden on Gauley. This is to keep an eye on things in the neighborhood. (After this statement the tape was inaudible and the following is what could be heard.) He explained that the people would be volunteers, but he would fill out their applications and the Chief could check them out. Councilman Garvin asked what kind of funding are they looking at and what will it be for. Mr. Warren stated that we will need brochures, and signs which could cost about \$400. When asked for what he thought, Chief Accord commented that he has talked to Mr. Warren about it, and it isn't a bad thing, but basically that funding would be an issue. When asked about liability for the town, Mr. Warren responded that the town needs to give permission to come into our town and the volunteers and town work together. Councilman Garvin suggested that he felt we should table this until there could be more research to find out more about the program. He stated his main concern is the liability issue. All agreed that if we give permission we will have liability when we give a verbal contract, and that we should check with the town's attorney to advise us on this matter. Motion was made by Councilman Garvin and seconded by Councilman Seabolt to table the community watch program request until they can do more research on it, and make a better informed decision. Motion carried. Mayor and Council thanked Mr. Warren for coming and having an interest in the town.
- Police Report for January 2013 – Before his report was given the mayor asked the Chief if we could discuss the ordinances he had prepared for the council's consideration. She asked why this was coming up now, when in the past we adopted the ordinance to follow all of West Virginia codes for traffic violations. That we would have to change them all and we cannot afford to do so. Chief Acord felt after he went for training that it was told by the instructor that it could lead to problems by using the umbrella of WV Codes. The only change made to this ordinance as it pertains to state code is the jail time penalty of one year is decreased to thirty days, but the rest is word for word. The council felt we should move forward with these ordinances, and we may have to do all of them. The mayor then read the ordinances for first reading. (See attached.) Chief Acord then introduced Mike Hanks who can fill in for him when he is not on duty. He said he had his application and certification there for their review. He stated that Mr. Hanks works full time so he will work when he can. Mr. Hanks then went over his credentials and his history in the police industry. He works now full time as a safety director in the coal industry. He stated he loves law enforcement and wants to do it, but in this area he found you cannot feed your family on the money you receive. He had a long list of years he worked in law enforcement, drug and crime task force work and crime against children task force. He also stated he is Assistant Fire Chief for the Kressler Cross Lanes Volunteer Fire Department. After going through all his other accomplishments for the public

good the mayor asked him if he realized he would get minimum hours because of town's budget restraints. He said he understood and he'd help Jamie and not ask for any compensation, if necessary. The mayor stated this would be an "as needed position" and will not cost the town any more than the twenty five hours we now pay Jamie. He will work only when Jamie cannot. When asked if he has any equipment he could use on the job he stated he has some things, and he has his weapon. He will need a badge, pants and shirt. He will need identification so people will be able to tell he is an actual policeman and not an impostor. The council agreed to get him what he needs. Motion was made by Councilman Garvin to allow Chief Acord to utilize this officer's service. Motion was seconded by Councilwoman Hopkins. Motion carried. The Mayor stated to go ahead and order what is needed. Chief Acord then gave the January 2013 police report. (See attached.) He also reported on the repair of the police car. A new fuel filter was needed and the fuel tank was rusted terribly and had to be fixed. Since this would not be under warranty, Mowery's Auto Repair fixed it. They felt the problem was condensation. The fuel filter cost was \$39 and the used fuel tank was \$225 which included labor. They also gave us \$25.00 in fuel. Councilman Garvin suggested that if we run into this problem again we will order a plastic fuel tank that will not rust.

- Mayor and Council Comments. No action to take place, if necessary the subject will be placed on the next regular month's agenda – Mayor informed Council we now own the Callahan buildings and the deed had been received today. Chief Acord reported he is getting complaints that no one is at the town hall when they want to pay tickets. He feels we need set hours to collect tickets and be here for the community. It was suggested to get a new sign for outside the building to post the hours, and phone number for people to call. This subject will be put on the agenda for the next council meeting for action. Councilman Seabolt asked what they are going to do with the water tank with this new water project. The mayor said they will paint it inside and out and clean it. That we could not get funding for a new one with this project. The funds are not there for us to pay back a bigger loan. Councilwoman Hopkins asked where we are on the Smith lien and if he has responded or been notified of the lien. The mayor said she would check to see if he received notification that we have done this. Councilwoman Hopkins also asked if there is any new information on the Faulkner property. Chief Acord stated that Mr. Faulkner has now asked for a jury trial so the judge had to set a new court date, which we do not know yet. The mayor stated there have been some improvements on the property, but still more to do. The Winter's property condition was discussed. When asked if we can bring a big dumpster in for clean up the mayor explained that the Department of Transportation comes and picks up all the bags of debris that has been picked up. There were no more comments.

With all business being conducted motion was made by Councilman Garvin for adjournment, and seconded by Councilwoman Hopkins. Motion carried.

Approved - *Edna Martin, Recorder*
3/14/13

MINUTES OF THE TOWN COUNCIL OF CAMDEN ON GAULEY REGULAR MEETING OF MARCH 14, 2013

The meeting was called to order by Mayor Lisa Prather. Present were: Council Members; Mary Hopkins, Dan Seabolt, Cecil Fletcher, Roy Garvin; Recorder, Edna Martin. Also present to address the council were; Jim Mullens, Supervisor of Mountain Transit Authority and Rex Haynes, Director of Public Relations for Mountain Transit Authority, Jack Warren, and a representative from Steptoe and Johnson who are the bond attorneys for the water project.

Minutes of the previous meeting of February 14, 2013 were received by council. There were no corrections or additions. Councilman Fletcher moved they be accepted as received, seconded by Councilman Seabolt, motion carried. Town's General Account and Coal Severance Financials were presented and approved. Recorder Martin announced that the town needed to spend some money in the Coal Severance Account, according to the auditor we have too much. There being no further comments concerning the financials, motion was made by Councilwoman Hopkins and seconded by Councilman Fletcher they be accepted as received. Motion carried. Also presented were the financials for Camden on Gauley Water Works, which council reviewed. (See attached.)

Mayor Prather introduced Jim Mullens, Supervisor of MTA and Rex Haynes, director of public relations with MTA to the council. Mr. Haynes presented the bus schedule of the runs made by the bus in Webster County. He explained the process of picking up and returning people that use this service. Plans are underway for better public awareness, which includes letting the public be informed of schedules and the cost for tickets. The mayor pointed out that most people think only Senior citizens can ride or those disabled, and the public needs to know that anyone can use it. The service is mandated to operate in communities in each county that is served and are assessed a fee of \$.75 per population. According to the 2010 census our town has 169 citizens which would require the fee of \$126.75, which the council approved at the February 14, 2013 council meeting. It was suggested by the mayor to advertise more. The MTA is now working on a bus stop for Camden on Gauley with the schedule posted. They are also working on getting a sign to put up in Camden, and there was some discussion on where to put them. Mr. Haynes informed the council the different types of advertising they are using now to reach the public. The mayor and council thanked both of the gentlemen for coming to the meeting and explaining more about the Mountain Transit Authority.

Jack Warren addressed the council again concerning the neighborhood watch program he would like to form. He was at the February meeting where it was decided the council would table the decision on being a part of this until some items could be checked out. Mr. Warren presented his credentials for past projects he has been involved with. The council concurred that it would be a liability and financial issue for the town and after doing research would not support this with the town's backing. Mr. Warren was told that he doesn't have to have the council's approval; he can do it on his own, as long as no laws are broken.

Old Business:

- Second Reading of Proposed Bond Ordinance Resolution and Update of Water Project – Mayor Prather presented the bond ordinance for second reading. It will now be brought before council April 11, 2013 at its regular meeting of council, and public meeting for the third and final reading. Mayor Prather informed the council that bid on the project has taken place. The low bid was with Enyart & Sons with bid of \$2,579,605.50. Edna explained the process left before construction can begin. The court date to file suits for the condemnation of two properties for easements will be May 3rd. The attorney will have the final title opinion by May 10th. The submittal resolution will be May 9th in order to move forward. The attorney will have the final title opinion by May 10th, and May 23rd will be the tentative date for the pre-closing of the bond and the 24th will be the final closing where the money will then be wired to our account. Edna also explained that everything has to be done by June 5, 2013 in order to proceed because the bid is good for ninety days from time of bid opening, which was March 5, 2013. The mayor and members of council plan to be here for the pre-bid closing.
- Second Reading of Ordinance Titled, "Permitting an Unauthorized Person to Drive" - Mayor Prather presented the second reading of this ordinance. Motion was made by Councilman Garvin, seconded by Councilman Fletcher to accept as read. Motion carried.
- Second Reading of Ordinance Titled, "Driving While License Suspended or Revoked non DUI – Mayor presented the second reading of this ordinance. Motion was made by Councilman Garvin to accept as read, seconded by Councilman Fletcher. Motion carried.
- Update on Playground Fence – The mayor is to meet with Lowe's on Friday at 6:00pm. She stated that everything is in order, and they will walk around and look at the location for the town's approval of where to put the fence. At which time the mayor will sign the contract and get a firm date of the installment. The town will be reimbursed for the cost and installment from the Community Participate Grant through WV Development Authority.
- Update of Grant for Reclamation of Public Property – Edna spoke to the council concerning the reclamation of the side of the Callahan building that needs work done on it. She talked to Tim from Rhodebaugh Construction and they will be coming to meet with her as soon as weather breaks. We have until June 30, 2013 to complete the project. She said there is concern we may not have enough money to fix the side entirely. Councilman Garvin suggested using money from Coal Severance Fund for supplies. Edna reminded council we can only use 25% of the total in the account for salaries. After discussion, Councilman Garvin made motion to dedicate money from the coal severance account to go toward the reclamation of town owned building on Main Street. Motion was seconded by Councilman Seabolt. Motion carried. An amended resolution for the budget will be presented at the next council meeting.
- Item #6 was removed from agenda before meeting. It was found it wasn't necessary.

- Update on Rail Trail Project – Our lawyer, Bill McCourt, informed Edna that he hasn't received the letter he needs from the Gauley Railroad, or the CXT Railroad, concerning a line item that needs recorded on the deed to the property the town wants to purchase from Muddly Trading Company. This item should have been in the deed when it was sold to the Muddety Trading Company because it was required in an earlier deed. He asked permission from council to get firmer with them due to maybe losing the grant if it isn't dealt with. Motion was made by Councilwoman Hopkins to give him approval to do what is necessary to get this documentation from them, seconded by Councilman Garvin. Motion approved.
- Take Action on new Sign at Mayor's Office Outside – Councilman Seabolt reported that he talked to Mike Rapp about doing the sign. We have a relative new sign so he will see about getting a sign made of the phone number to hang from the sign now there. Councilman Seabolt made motion to get the sign with the phone number on it from Mike Rapp and have it installed. This motion was seconded by Councilwoman Hopkins. Motion carried.
- Appointment of Council Member to Seat until Election of Officials June 11, 2013 – Mayor stated that Twilla Evans is going to run for council for the next two years on June 11, 2013. She is willing to take the seat that is now vacant with approval of council until the elections. Motion was made by Councilman Garvin to fill vacancy of the council seat with appointment of Twilla Evans, seconded by Councilwoman Hopkins. Motion carried. Edna reminded council that the deadline for write-ins for the election of 2013 is April 23rd and the requirements to run. She also asked for any names she could check with that might work the polls. She stated we need four workers of which two are to be Democrats and two of the Republican parties. So far we have write-ins of Chris Christian, Twilla Evans, and Mary Hopkins.

NEW BUSINESS:

- Discussion of Renewal of town's Flood Insurance Policy – The town received the premium invoice for its annual policy of \$1,082. The recorder informed the council if they increased the cost by \$72 the coverage would increase from \$50,000 to \$55,000 for the building and \$30,000 to 31,500 for contents. Motion was made by Councilman Seabolt to increase the coverage with the cost of \$1,154. Motion was seconded by Councilman Fletcher. Motion carried.
- Discuss and Act Upon Legal Advise Concerning Mobile Home Ordinance Amendment – Mayor Prather informed the council that lawyer Bill McCourt suggested we amend our mobile ordinance concerning the size of land to have a mobile hom park to change from "one acre more or less" to "one acre of usable space". After discussion it was agreed by all that we have the first reading of the amendment at our next regular council meeting.

- Police Chief Report for February 2013 – See attached report. Chief Acord informed the council he wanted to go to a training class for meth lab tech. All were in favor of his getting as much training as he wants. Motion was made by Councilman Garvin and seconded by Councilwoman Hopkins to pay the cost of training, to use the cruiser for travel, and his wages to be paid while in training. Motion carried.
- Mayor and Council Comments (no action will be taken at this meeting) – No comments.

There being no further business the meeting was adjourned.

Lisa Gathers Mayor

Edna Martin Recorder

April 11, 2013 Date Read & Approved

MINUTES OF THE TOWN COUNCIL OF CAMDEN ON GAULEY REGULAR MEETING OF APRIL 11, 2013

The meeting was called to order by Mayor Lisa Prather at 7:00pm. Those present were town council members; Mary Hopkins, Twilla Evans, and Cecil Fletcher. Motion was made by Councilman Cecil Fletcher to accept the minutes of the previous regular meeting accepted as received, seconded by Councilwoman Mary Hopkins. Motion carried. The financial report was presented and accepted. (See attached.) The financial reports of the water and sanitation system were reviewed by council.

Twilla Evans, who was appointed by the council to fill the seat until the next town election, which is June 11, 2013, took oath of office. She was welcomed by all.

The Mayor introduced Karen and Jesse Naylor, representatives of the Community Energy Response Team (CERT), who explained this program which is funded through FEMA and Homeland Security, and asked if the town would like to participate in the project. CERT helps during crisis and at other times when others need help. The mayor commented, and the council agreed, to table this until all council members are present at our next meeting for further discussion and questions. They left materials with information about this organization that can be reviewed before the next council meeting. The mayor informed them the date of the next council meeting, of May 9th at 7:00pm.

Kenneth Green was to be at the meeting to request a mobile home permit. The mayor advised the council that Mr. Green came in and requested a permit when he bought the mobile home, which were a few days after the last council meeting. He came in again and said he had to move it immediately from where he bought it. The mayor explained that he tried to comply with the mobile home law by getting a permit, but through no fault of his own he had to move it. He moved it in the day before this meeting. She stated there is problem created for the mobile home owners when they need to get the trailers moved, but have to wait a month to come to the council meeting to be approved. She suggested that the council amend the mobile home ordinance to read that they can apply for a temporary permit that is good for thirty days. They will have this time to set it up and bring it into compliance as stated in the ordinance. After the thirty days the Mayor or Chief of Police will inspect it. If it is approved the owner will receive an annual permit. If at that the time of inspection if it is not up to code they do not get a permit. The temporary permit will be given in writing with a copy of the mobile home ordinance. This temporary permit can be given by the mayor or recorder. The council will approve or disapprove the annual permit and instruct the mayor what is to be done. If not in compliance the council can have it moved out or give them more time at their discretion. The town council will make the final decision. Also, they will not get hook up for water or sanitation until they have an annual permit. The mobile home permit fee of \$5.00 will stand. After discussion a motion was made by Council Garvin for the recorder to prepare these amendments to the mobile home ordinance for the first reading at the next regular council meeting. Motion was seconded by Council Hopkins. Motion carried.

Mayor Prather asked the wishes of council on granting a permit to Kenneth Greene. Motion was made by Council Hopkins and seconded by Council Fletcher to grant this permit and if it is not to code as required the town will revoke it. Motion carried.

Old Business:

1. Mayor Prather introduced Todd Swanson, attorney with Steptoe and Johnson. Mr. Swanson read by title the bond ordinance for third reading. Motion was made by Council Garvin to accept the final reading and approve the enactment of the bond ordinance for the water distribution system improvement project. Motion was seconded by Council Fletcher, motion carried.
2. Resolution to Amend the Mobile Home Ordinance Concerning Wording of Amount of Land Required for a Trailer Park – Mayor Prather presented the amendment for first reading. The ordinance 13-1-1C which now reads, “An area of at least one acre” for renting of space for mobile homes, will be amended to read “An area consisting of at least one acre of usable space for renting of space for mobile homes”. The second reading will take place at the next regular council meeting in May.
3. Update on Playground Fence – The fence has been paid for and ordered and is now here. The contractor was to contact us of the date he will put it in. They have not called as of this date. The mayor will call tomorrow, April 12th, to get the date from him.
4. Update on Rail Trail Project – Mayor explained to council that we are still having trouble getting the clear title to the property. Our lawyer is still trying to get a response from the CSX Railroad to complete a clause in the deed which was not recorded when Muddlety Trading Company purchased it from the railroad. Mr. McCourt is working very hard to get this taken care of. Meanwhile the town received an email from the DOT that if we don't get something done on this legal stage or send any invoices that we will lose the grant. The council will be kept informed of the status.

New Business:

1. Correspondence – An invitation for the mayor to attend the Region IV dinner on. If anyone from council or recorder goes the cost is \$25.00. It will be held at Smoking's on the Gorge in Lansing. The mayor plans to attend at no cost to her. The mayor requested that the town pay for the recorder's ticket for the dinner.

Councilman Garvin made motion for the town to pay \$25.00 for the dinner, seconded by Councilwoman Evans, motion carried. The recorder informed the council that WD Smith is going to retire in October and we will have to have new signature cards signed for the water project when they let us know the date that it will be required. The recorder announced that the 2013-14 budget/levy has been approved by the auditor's office. The council will have a meeting on April 17, 2013 at 7:30pm to lay the levy. This is the date that the state sets and we have to have a quorum. The mayor informed the council that we've received the bills from Webster Echo and Webster Republican newspapers for the levy being published in each one for the amount of \$498.70, being a total of \$997.40. It was published in both county newspapers for a two week period. Comments were made concerning the high cost for town's to do this in our county. The recorder will pay this total.

1

2. Resolution to Amend 2012- 2013 General Fund Budget for the Two State Grants received from WV Development Community Participation Grant Program. One is \$5,000 for the Playground Fence, and one is \$1,000 for Reclamation of the Side of the Wall of the old Callahan Building that is now owned by the Town – Mayor Prather presented the resolutions to council which will increase general fund by \$6,000. Motion was made by Councilman Garvin to approve the resolution, seconded by Councilwoman Evans. Motion carried. All present voted for the approval. (See Attachment)
3. Fair Housing Proclamation Reading/Adoption as required by the State of WV for any Municipality that has received a Small Cities Block Grant – The mayor proclaimed April 2013 as Fair Housing Month as set by the Governor. The town will comply with all the requirements. There will be a notice placed in the county newspaper. Motion was made by Councilwoman Evans to accept this proclamation. Motion was seconded by Councilman Garvin. Motion carried. (See Attachment)
4. Action for Water Tank Signs Required by Federal Government – Recorder explained that it is required by law for there to be a sign at the water tank of no trespassing, destruction, vandalizing or entering the tank area. There was a sign there, but it is now gone and it is felt the storm this winter may have caused this. Council instructed Edna to order the new sign and have it put at the tank, as required. Edna commented the town doesn't have tools to put it back, and we've been borrowing privately owned tools when needed. She asked if we can buy some. Motion was made by Councilman Garvin that tools be purchased for the town with a limit of \$200, seconded by Councilman Fletcher. Motion carried.
5. Police Report for March 2013 – Chief Acord was not present for the meeting. He had copies of his report for the council. (See Attached) He asked the mayor to announce this Saturday is "Make It Shine" day for town clean up. He will not be on duty, but our new officer, Sgt. Mike Hanks, will be here. After some discussion about the volunteers for "Make It Shine", the council instructed Edna to order pins

to give out when kids help the town. Chief Acord has requested the town order a new WV Criminal Code & Penalty book, ours is for 2010 and we need an updated one. The council instructed Edna to order it. The Chief also wanted to know what the Council thought about putting up signs at the post office to "park with the flow of traffic". After discussion council agreed with the Mayor not to do this. Councilman Garvin felt we need a cross walk at the Post Office and instructed Edna to check with the DOH to have a crosswalk painted there. She stated she will check to see if we need a resolution to that effect and if not will go ahead with it. The Mayor said the chief stated in his report that we have received many complaints about the potholes on Greenbrier Street. After discussion, it was decided that since they will be tearing up the street when putting the new water lines, in we should get gravel to fill them, then when the project is complete we can run lines to take care of the water problem in the curve and look into fixing the bad road. Councilman Garvin stated we need to purchase crusher run three quarter gravel. The recorder was instructed to get someone to bring in gravel and fill the holes. Motion was made by Councilman Garvin and seconded by Councilman Fletcher to get the least they will bring for the temporary patch of the holes on Greenbrier Street, and if any gravel is left over, have it put in holes where needed. Motion carried. Chief Acord asked the Mayor to report to the council for him that there is an interest of the residents up Gauley Mills and the area to annex. Kenny Robinson obtained approximately forty signatures by petition, which is over fifty percent. The Mayor reminded the council that we were going to work on annexation on the west side of town to the county line and maybe do the area along with the Gauley Mills area at the same time. Subject was tabled until the recorder can do some research with the state on some of the questions that arose from council and she will make report at the next council meeting. Lastly, Jack Cutlip told Chief Acord that he would like to work out a deal with the town to do line painting in the parking lot. All council members agreed that we do not need this service because we can do it ourselves.

Mayor and Council comments (no action can take place at this meeting) – Matt Morris wants to be hired to do the mowing for the town and the Mayor recommended him. She will find out how much he wants paid. The mayor reminded the council about the Spring cleanup day, and that we will provide snacks and water for the volunteers as we have done in the past. She also said that Barbie Radcliff was on the agenda to talk to council about idea for grants, but she was not able to come. The recorder stated that the council may want to go in the buildings the town now owns and look over the condition of them. She said he previous owner told her that the first thing we will need to do is put a new roof on them because of damage created in the October storm that he didn't know about. Mayor Prather said that we will have to apply as quickly as possible for grants to do this. No comments from council.

All business being conducted motion was made by Councilman Garvin, and seconded by Councilwoman Evans to adjourn the meeting. Motion carried.

Approved 5/9/13
Edna Martin
Recorder
Lain Prather
Mayor

TOWN OF CAMDEN-ON-GAULEY

Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B
(West Virginia DWTRF Program)

EXCERPT OF MINUTES ON ADOPTION OF SUPPLEMENTAL
RESOLUTION, DRAW RESOLUTION AND SWEEP RESOLUTION

The undersigned Recorder of the Town of Camden-on-Gauley (the "Town") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the Town.

* * *

* * *

* * *

The Council of the Town met in regular session, pursuant to notice duly given, on the 9th day of May, 2013, in Camden-on-Gauley, West Virginia, at the hour of 7:00 p.m.

PRESENT:

Lisa Prather, Mayor
Edna Martin, Recorder
Roy Garvin
Dan Seabolt
Cecil Fletcher
Mary Hopkins
Twillia Evans
Richard Lewis, Steptoe & Johnson

ABSENT:

None.

Lisa Prather, Mayor, presided, and Edna Martin, acted as Recorder.

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor presented a proposed Supplemental Resolution and Conformed Bond Ordinance in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL
AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION,

INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA DWTRF PROGRAM), AND WATER REVENUE BONDS, SERIES 2013 B (WEST VIRGINIA DWTRF PROGRAM) OF THE TOWN OF CAMDEN-ON-GAULEY; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; APPROVING A CONFORMED ORDINANCE; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion.

Thereupon, on motion duly made by Cecil Fletcher and was seconded by Dan Seabolt, it was unanimously ordered that the above-entitled Supplemental Resolution be adopted.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Twilla Evans and was seconded by Dan Seabolt, it was unanimously ordered that the said Sweep Resolution be adopted.

Next, the Mayor presented a proposed First Draw Resolution for the authorization of payment of invoices. Thereupon, on motion duly made by Dan Seabolt and was seconded by Cecil Fletcher, it was unanimously ordered that the said First Draw Resolution be adopted.

Next, the Mayor presented a proposed Second Draw Resolution for the authorization of payment of invoices. Thereupon, on motion duly made by Twilla Evans and was seconded by Cecil Fletcher, it was unanimously ordered that the said Second Draw Resolution be adopted.

* * *

* * *

* * *

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the Town of Camden-on-Gauley and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 24th day of May, 2013.

Edna Martini

Recorder

WV MUNICIPAL BOND COMMISSION

West Virginia State Lottery Building
900 Pennsylvania Avenue, Suite 1117
Charleston, WV 25302
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 5/24/2013

ISSUE: Town of Camden-on-Gauley
Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program)

ADDRESS: P.O. Box 300, Camden-on-Gauley, West Virginia 26208 COUNTY: Webster

PURPOSE OF ISSUE:

New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 5/24/2013

CLOSING DATE: 5/24/2013

ISSUE AMOUNT: \$1,080,500

RATE: 0% (no admin fee)

1ST DEBT SERVICE DUE: 100% forgivable

1ST PRINCIPAL DUE 100% forgivable

1ST DEBT SERVICE AMOUNT 100% forgivable

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: First Community Bank
Contact: Pam Holcomb
Phone: 304.872.4402

ESCROW TRUSTEE:

Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT

Contact: Lisa Prather
Position: Mayor
Phone: 304.226.8667

OTHER:

Agency: West Virginia Bureau for Public Health
Contact: Robert DeCrease
Position: Manager
Phone: (304) 558-2981

DEPOSITS TO MBC AT CLOSE

By: Wire Accrued Interest: \$
 Check Capitalized Interest: \$
 Reserve Account: \$
 Other: \$

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: Wire To Escrow Trustee \$
 Check To Issuer \$
 IGT To Cons. Invest. Fun. \$
 To Other: \$

NOTES: Series 2013 B Bonds are forgivable. No accounts are set up at the MBC.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

TOWN OF CAMDEN-ON-GAULEY

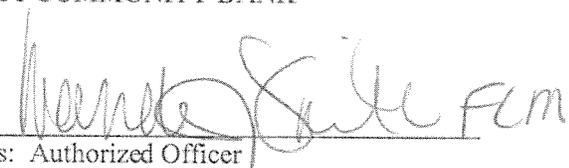
Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B
(West Virginia DWTRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

First Community Bank, Summersville, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Ordinance of the Town of Camden-on-Gauley (the "Issuer") enacted April 11, 2013, and the Supplemental Resolution and Conformed Bond Ordinance of the Issuer adopted May 9, 2013 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program), dated May 24, 2013, issued in the principal amount of \$880,500 and Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program), dated May 24, 2013, issued in the principal amount of \$1,080,500 (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 24th day of May, 2013.

FIRST COMMUNITY BANK

By: 

Its: Authorized Officer

TOWN OF CAMDEN-ON-GAULEY

Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B
(West Virginia DWTRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of Camden-on-Gauley Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program), dated May 24, 2013, issued in the principal amount of \$880,500 and Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program), dated May 24, 2013, issued in the principal amount of \$1,080,500 (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 24th day of May, 2013.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

123550.00001

6011087

TOWN OF CAMDEN-ON-GAULEY

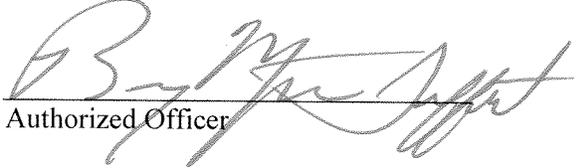
Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B
(West Virginia DWTRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the Town of Camden-on-Gauley (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program), of the Issuer, dated May 24, 2013, in the principal amount of \$880,500, numbered AR-1, and the single, fully registered Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program), of the Issuer, dated May 24, 2013 in the principal amount of \$1,080,500, numbered BR-1, were registered as to principal and interest, if any, 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 24th day of May, 2013.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

TOWN OF CAMDEN-ON-GAULEY

Water Revenue Bonds, Series 2013 A
(West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B
(West Virginia DWTRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 24th day of May, 2013, by and between the TOWN OF CAMDEN-ON-GAULEY, a municipal 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 \$880,500 Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program) and \$1,080,500 Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program), in fully registered form (collectively, the "Bonds"), pursuant to the Bond Ordinance of the Issuer duly enacted April 11, 2013, and the Supplemental Resolution and Conformed Bond Ordinance of the Issuer duly adopted May 9, 2013 (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 exclusion of interest, if any, on the Bonds from gross income for federal income tax purposes, 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: Town of Camden-on-Gauley
Post Office Box 300
Camden-on-Gauley, WV 26208
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The registrar shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legal available remedies.

9. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

10. 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.

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.

TOWN OF CAMDEN-ON-GAULEY

By: 
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

(Please see attached)



STATEMENT OF REGISTRAR'S FEES
Invoice Date May 24, 2013

**Town of Camden-on-Gauley
Account Number 6089001809**

Town of Camden-on-Gauley
Water Revenue Bonds, Series 2013 A
c/o Katy Mallory
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR May, 2013

TOTAL AMOUNT	\$ 500.00
TOTAL DUE	<u>\$ 500.00</u>

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035



STATEMENT OF REGISTRAR'S FEES
Invoice Date May 24, 2013

Town of Camden-on-Gauley
Account Number 6089001809

Town of Camden-on-Gauley
Water Revenue Bonds, Series 2013 B
c/o Katy Mallory
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR May, 2013

TOTAL AMOUNT	\$ 500.00
TOTAL DUE	<u>\$ 500.00</u>

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

PWSID: WV3305102

PWSID: WV3305107

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313

CHARLESTON, WV 25301-3713

Telephone (304) 558-2981

PERMIT

(Water)

PROJECT: Water Distribution System Improvements

PERMIT NO.: 18,855

LOCATION: Camden-on-Gauley

COUNTY: Webster/Nicholas

DATE: 7-21-2011

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

**Town of Camden-on-Gauley
P. O. Box 300
Camden-on-Gauley, West Virginia 26208**

is hereby granted approval to: install approximately 37,000 LF of 6", 1,240 LF of 4" and 5,000 LF of 2" water line; one (1) ½ "4" pressure reducing station; one (1) 15 GPM simplex hydro-pneumatic residential booster station; one (1) 28 GPM duplex hydro-pneumatic booster station; a new altitude valve and vault at the existing water storage tank site; a new master meter and vault; repainting/rehabilitation of the existing water storage tank; and all necessary valves, controls and appurtenances.

Facilities are to serve 193 existing customers in the Town of Camden-on-Gauley.

Note: This permit is contingent upon all new water line and the rehabilitated water storage tank being disinfected, flushed and bacteriologically tested, prior to use.

The Environmental Engineering Division of the **OEHS Philippi District Office, (304) 457-2296**, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR



William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:plk

pc: Triad Engineering, Inc.
Ingrid Ferrell, PSC-Engineering Division
Amy Swann, PSC
Webster County Health Department
Nicholas County Health Department
OEHS-EED Philippi District Office
OEHS-EED Beckley District Office

ACORD CERTIFICATE OF LIABILITY INSURANCE

INSURED COPY

DATE (MM/DD/YY)

PRODUCER
 WV BOARD OF RISK & INSURANCE MGT.
 90 MACCORKLE AVE. SW, SUITE 203
 SOUTH CHARLESTON, WV 25303

Serial # A15440

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
 Town of Camden On Gauley
 PO Box 300
 Camden On Gauley, WV 208

INSURER A: NATIONAL UNION FIRE CO OF PITTSBURGH, PA
 INSURER B:
 INSURER C:
 INSURER D:
 INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	L600000529	07/01/2012	07/01/2013	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire) \$ 100,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$ 0
	<input checked="" type="checkbox"/> WRONGFUL ACT				PERSONAL & ADV INJURY \$ INCLUDED
	<input checked="" type="checkbox"/> PROFESSIONAL				GENERAL AGGREGATE \$ NONE
GEN'L AGGREGATE LIMIT APPLIES PER:					PRODUCTS - COMP/OP AGG \$ NONE
<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					
A	AUTOMOBILE LIABILITY	L1600000529	07/01/2012	07/01/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
<input checked="" type="checkbox"/> HIRED AUTOS					
<input checked="" type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC \$
					AUTO ONLY: AGG \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
	<input type="checkbox"/> DEDUCTIBLE				\$
	<input type="checkbox"/> RETENTION \$				\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	STOPGAP	07/01/2012	07/01/2013	WC STATU-TORY LIMITS OTH-ER \$
					E.L. EACH ACCIDENT \$ 1,000,000
					E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
					E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:

Closing of Water Bonds For Insured

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER:

CANCELLATION

West Virginia Water Development Authority
 1000 Bullitt Street
 Charleston, WV 25301

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Jerry W. Gladwell

GRANT AGREEMENT
(2012W-1335)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), at the direction of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the TOWN OF CAMDEN-ON-GAULEY (the "Governmental Agency").

R E C I T A L S

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed \$1,188,326 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Authority and the Governmental Agency hereby agree as follows:

T E R M S

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit B, unless the Council and Authority are provided replacement instructions in writing.

6. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

8. The Governmental Agency shall list the Grant 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.

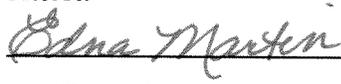
9. This Grant Agreement shall be governed by the laws of the State of West Virginia.

IN WITNESS WHEREOF, the parties hereto have caused this Grant Agreement to be executed by the respective duly authorized officers as of the date executed below by the Authority.

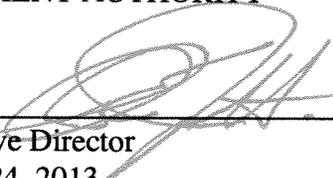
TOWN OF CAMDEN-ON-GAULEY

By: 
Its: Mayor
Date: May 24, 2013

(SEAL)

Attest:

Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: 
Its: Executive Director
Date: May 24, 2013

(SEAL)

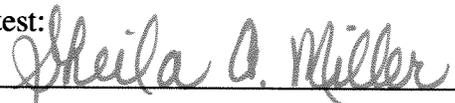
Attest:

Its: Authorized Officer

Exhibit A

Project Description

The Project consists of acquisition and construction of certain additions, betterments and improvements for the existing public waterworks system of the Governmental Agency, consisting of replacement of old and undersized water distribution lines and rehabilitation of a water storage tank, together with all necessary appurtenances.

Number of Proposed New Customers to Be Served: 0

Location: N/A

[TO BE PLACED ON LETTERHEAD]

Exhibit B

Wiring Instructions

**Town of Camden-on-Gauley
9676 Webster Road
Camden-on-Gauley, WV 26208**

Payor: West Virginia Water Development Authority
Source: Grant Proceeds
Amount: \$ _____
Date: _____
Form: Electronic Funds Transfer
Payee: Town of Camden-on-Gauley
9676 Webster Road, Camden-on-Gauley, WV 26208
Contact Name: Edna Martin
Telephone: (304) 226-8667
Bank Name: First Community Bank, N.A.
Bank Street Address: 902 Northside Drive, Summersville, WV 26651
Bank Contact: _____
Telephone: (304) 872-1156
ABA: 051501299
Account #: 10432174
Account: Series 2013 Bonds Construction Trust Fund



State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
FAX: (304) 342-7025
www.wv.gov.org

October 26, 2010

The Honorable Nancy Cowger
Mayor
Town of Camden-on-Gauley
Post Office Box 300
Camden-on-Gauley, West Virginia 26208

Dear Mayor Cowger:

Thank you for your application to the Small Cities Block Grant Program for the Town of Camden-on-Gauley's water system replacement project.

Your request has been approved in the amount of \$200,000 for a Design and Administration Grant. These funds will enable you to complete the engineering design and required administrative services for the Town of Camden-on-Gauley's above-referenced project. The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule.

In order to effectively utilize the limited dollars available, the West Virginia Development Office created a program to assist communities with the engineering and administrative components of selected projects. This grant does not secure funding for the balance of the request in your application. The designed project must be resubmitted and will be competitively reviewed and considered for funding based on an amended application, availability of funds, and other requests pending at that time.

Please contact Mr. Zachary Browning of the West Virginia Development Office, at (304) 558-2234, extension 52054, to complete the necessary contract in order to proceed with your project.

I am pleased to assist with this project for the citizens of the Town of Camden-on-Gauley.

With warmest regards,

A handwritten signature in black ink, appearing to read "Joe Manchin III".

Joe Manchin III
Governor

JM:zbn



CLOSING MEMORANDUM

To: Financing Team

From: John C. Stump, Esquire

Date: May 24, 2013

Re: Town of Camden-on-Gauley
9676 Webster Road, Camden-on-Gauley, West Virginia 26208
Water Revenue Bonds, Series 2013 A (West Virginia DWTRF Program); and
Water Revenue Bonds, Series 2013 B (West Virginia DWTRF Program)

1. DISBURSEMENTS TO THE TOWN OF CAMDEN-ON-GAULEY

- A. Payor: West Virginia Bureau for Public Health
Source: Water Revenue Bonds, Series 2013 A
Amount: \$22,500
Form: Wire Transfer
Payee: Town of Camden-on-Gauley
Bank: First Community Bank, N.A.
902 Northside Drive, Summersville, WV 26651
Contact: Pam Holcomb, 304.872.4402
Acct. No.: 10432174
ABA: 051501299
Account: Series 2013 Bonds Construction Trust Fund
- B. Payor: West Virginia Bureau for Public Health
Source: Water Revenue Bonds, Series 2013 B
Amount: \$-0-
Form: Wire Transfer
Payee: Town of Camden-on-Gauley
Bank: First Community Bank, N.A.
902 Northside Drive, Summersville, WV 26651
Contact: Pam Holcomb, 304.872.4402
Acct. No.: 10432174
ABA: 051501299
Account: Series 2013 Bonds Construction Trust Fund

C. Payor: West Virginia Infrastructure & Jobs Development Council
Source: Grant Proceeds
Amount: \$28,152.04
Form: Wire Transfer
Payee: Town of Camden-on-Gauley
Bank: First Community Bank, N.A
902 Northside Drive, Summersville, WV 26651
Contact: Pam Holcomb, 304.872.4402
Acct. No.: 10432174
ABA: 051501299
Account: Series 2013 Bonds Construction Trust Fund

2. **DISBURSEMENTS TO MUNICIPAL BOND COMMISSION**

Payor: West Virginia Bureau for Public Health
Source: Water Revenue Bonds, Series 2013 A
Amount: \$29,352
Form: Wire
Payee: Town of Camden-on-Gauley
ABA No: 051503394
Account No: 5270517317
Bank: BB&T for the benefit of Municipal Bond Commission
Contact: Sara Rogers, 304.558.3971
Account: Series 2013 A Bonds Reserve Account

123550.00001

2012W-1335

RESOLUTION OF THE TOWN OF CAMDEN ON GAULEY APPROVING INVOICES RELATING TO SERVICES FOR THE WATER SYSTEM IMPROVEMENT PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Town of Camden on Gauley , has reviewed the invoices attached in relation to the Project funded by the West Virginia Infrastructure & Jobs Development Council Grant (IJDC); Small Cities Block Grant (SCBG) and Drinking Water Treatment Revolving Fund Loans (DWTRF) find as follows:

- a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
- b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.
- c) That each of such costs has been otherwise properly incurred.
- d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED the **Town of Camden on Gauley** by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	DWTRF 2013 A	DWTRF 2013 B	SCBG	IJDC Grant
Step toe & Johnson	21,500.00	21,500.00	0.00	0.00	0.00
Huntington Bank	1,000.00	1,000.00	0.00	0.00	0.00
Griffith & Associates	75.00	0.00	0.00	75.00	0.00
Triad	5,040.00	0.00	0.00	5,040.00	0.00
Cammie Chapman	14,970.61	0.00	0.00	763.66	14,206.95
Town	1,200.00	0.00	0.00	0.00	1,200.00
Region IV	14,745.09	0.00	0.00	2,000.00	12,745.09
Total	58,530.70	22,500.00	0.00	7,878.66	28,152.04

ADOPTED BY the **Town of Camden on Gauley** on the 9th day of May, 2013

By: 
Its: Mayor

2012W-1335

RESOLUTION OF THE TOWN OF CAMDEN ON GAULEY APPROVING INVOICES RELATING TO SERVICES FOR THE WATER SYSTEM IMPROVEMENT PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Town of Camden on Gauley , has reviewed the invoices attached in relation to the Project funded by the West Virginia Infrastructure & Jobs Development Council Grant (IJDC); Small Cities Block Grant (SCBG) and Drinking Water Treatment Revolving Fund Loans (DWTRF) find as follows:

- a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
- e) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.
- f) That each of such costs has been otherwise properly incurred.
- g) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED the **Town of Camden on Gauley** by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	DWTRF 2013 A (DWTRF Repayment Funds)	DWTRF 2013 B	SCBG	IJDC Grant
Municipal Bond Commission (Reserves)	29,352.00	29,352.00	0.00	0.00	0.00
Total	29,352.00	29,352.00	0.00	0.00	0.00

ADOPTED BY the Town of Camden on Gauley on the 9th day of May, 2013

By: 
Its: Mayor

State of West Virginia
WATER DEVELOPMENT AUTHORITY
 180 Association Drive, Charleston, WV 25311-1217
 (304) 558-3612 - (304) 558-0299 (Fax)
 Internet: www.wvwda.org - Email: contact@wvwda.org

Date 5/22/13 Time 11:45 LGA Camden on Gauley Program DW/TWDC

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
<u>Sheila Miller</u>	<u>WDA</u>	<u>304-414-16500</u>	<u>304-414-0865</u>	<u>smillers@wvwda.org</u>
<u>Sam He Lee</u>	<u>JACKSON KELLY PLLC</u>	<u>304 340 1318</u>	<u>304 340 1298</u>	<u>sgre@jacksonkelly.com</u>
<u>John Stump</u>	<u>Stepac + Johnson PLLC</u>	<u>304.353.8196</u>	<u>304.353.8181</u>	<u>john.stump@stepac-johnson.com</u>

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Lisa Prather, Mayor Telephone 304.226.8667 E-Mail N/A
 Address P.O. Box 300, Camden on Gauley 26208

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

SWEEP RESOLUTION

WHEREAS, the Town of Camden-on-Gauley (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;

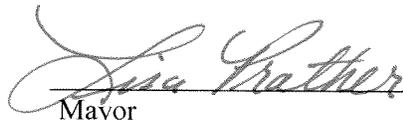
WHEREAS, Pursuant to Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the "MBC Fee");

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.

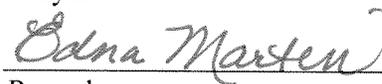
NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- 1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.
- 2) The Mayor and the Recorder 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 9th day of May, 2013.



Mayor



Recorder

EXHIBIT A

List each bond issue and the last four digits of the Bank account number from which the electronic transfer will be made.

Bond Issue

Bank Information (last 4 digits)

Water Revenue Bonds, Series 2013 A

0062

Required:

Email for main contact: townofcog@yahoo.com

