THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY (WEST VIRGINIA)

$51,500,000
Public School Bonds, Series 2010
Dated February 1, 2010

Date of Closing: February 17, 2002

BOND TRANSCRIPT

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BERKELEY COUNTY BOARD OF EDUCATION
BOND ELECTION ORDER

AN ORDER OF THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY DIRECTING THAT A SPECIAL ELECTION BE HELD FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF BERKELEY COUNTY SCHOOL DISTRICT ALL QUESTIONS CONNECTED WITH THE CONTRACTING OF A DEBT AND THE ISSUING OF BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN FIFTY-ONE MILLION FIVE HUNDRED THOUSAND DOLLARS ($51,500,000) FOR SITE PREPARATION, CONSTRUCTION, EQUIPPING AND FURNISHING OF NEW SCHOOLS AND ADDITIONS, RENOVATIONS AND IMPROVEMENTS FOR EXISTING SCHOOLS IN BERKELEY COUNTY SCHOOL DISTRICT

BE IT ORDERED AND ENTERED OF RECORD BY THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY:

It appears to The Board of Education of the County of Berkeley (herein called the "Board") and the Board does accordingly hereby find:

1. As a result of continued growth in student enrollment, and inadequate school buildings and related facilities in Berkeley County School District (the "District") in the State of West Virginia (the "State"), insufficient and ineffective space, excessive maintenance costs and lack of efficiency are conditions which now exist and are adversely affecting proper and adequate education of students in the District to prepare them for gainful employment or further education, and those conditions, together with due regard for proper health and safety standards, make it necessary that the Board acquire, construct, erect, furnish and equip two new schools and undertake renovation and improvements for certain other existing schools, all as shown below; and such conditions and requirements have been found and are hereby determined to exist, pursuant to investigation caused to be made by this Board. The funds derived from current levies applicable to acquisition and construction of such new facilities which this body is now authorized by law to lay, after providing for the administration of the affairs of this Board and meeting the current expenses thereof required by law, are insufficient to finance such acquisition and construction and therefore, Bonds should be issued to provide funds therefor.

2. Funds should be obtained for the purposes mentioned above and described below and it will be necessary to incur debt and issue Bonds for the acquisition, construction, erection, equipping and furnishing of two new schools, together with site preparation costs, and additions, renovations and improvements for certain existing schools and all necessary appurtenances (collectively, the "Project"), to pay interest during the period of construction of the Project and for up to six months thereafter, to pay architectural, engineering and inspection costs and to pay costs of issuance of the Bonds, all as more fully hereinafter described. Investigation and studies by this Board show that at least the sum of **$96,500,000** should be spent for such purposes, **$51,500,000** of which would be provided from proceeds of the hereinafter described Bonds and **$45,000,000** of which would be provided by a grant or grants from the School Building Authority of West Virginia (the "SBA"), **$25,000,000** of which grant or grants from the SBA has been committed, contingent upon passage of the bond election described herein, with the remaining **$20,000,000** not yet committed, but expected (but not guaranteed) to be committed, subject to certain conditions having been met by the Board, or a grant or grants from another source, all to the end of providing adequate, safe and convenient school facilities in the District to meet and improve the educational needs and opportunities of the students in the District.

3. The valuation of the taxable property in the District, as shown by the last assessment thereof for state and county taxation purposes, is **$5,383,735,227**, and the valuation of each class of property within the District is as follows:

Class I	**$ -0-**
Class II	**3,380,515,434**
Class III	**1,509,926,451**
Class IV	**493,293,342**
TOTAL	**$5,383,735,227**

4. There is bonded indebtedness for school purposes in the District in the outstanding amount of **$18,900,000**. The unbonded indebtedness of the District is negligible and can be paid from current levy funds. Accordingly, Bonds in the aggregate principal amount of **$51,500,000**, together with the existing bonded indebtedness of **$18,900,000**, being less than 5% of the value of such taxable property as ascertained by the last assessment thereof for State and county taxes, may be issued for the purposes herein provided without exceeding any constitutional or statutory limitation.

5. Bonds in the principal amount of $5,000 each, or integral multiples thereof, aggregating not more than **$51,500,000**, shall be issued and sold, in whole, or from time to time in part, as the Board may in its discretion, deem proper, advisable and in the best interests of the inhabitants of the District, the proceeds of which sale shall be used for the Project, provided, that if any part of the bond proceeds should not be needed for completion of the Project, such unneeded part shall be deposited with the West Virginia Municipal Bond Commission to be used

solely for the purchase or redemption of any Bonds of this issue outstanding or for the payment of such Bonds and the interest thereon at the maturities thereof. The proceeds of sale of the Bonds will not be used except as herein specified, provided that the Board shall have the authority to pay matured interest and the principal amount of any matured Bonds from Bond proceeds until levy money is available to pay the same and thereafter, the bond proceeds expended for this purpose may be reimbursed from levy moneys collected.

6. The Bonds shall bear interest at a rate or rates not exceeding **7.0% per annum**, payable semiannually, but it is anticipated that the best bid for the Bonds will provide a much lower interest rate (which will result in a lower levy rate needed to pay the Bonds and the interest thereon), and the Bonds shall be payable for a maximum term of **15-1/2 years** from the date of issuance thereof.

7. It is further hereby ordered by the Board of Education of the County of Berkeley that:

(A) The question of incurring said debt and issuing said Bonds and all other questions properly connected therewith shall be submitted to the voters of Berkeley County School District at a special election to be held in the District on **Saturday, September 26, 2009.**

(B) The names of the Commissioners for holding said election shall be as follows (provided that, if any of such Commissioners are unavailable or otherwise unable to serve, substitutes will be appointed):

Willard Wynn

Ronald Wasson

(C) The registration of voters and the use of the registration books shall be governed by the permanent registration laws of the State of West Virginia and the Board hereby adopts the registration lists of the County of Berkeley as the official registration lists of the District for such school bond election.

(D) The purposes or projects for which the proceeds of sale of the Bonds (**$51,500,000**), if authorized by the voters and the expected grants from the School Building Authority of West Virginia (**$45,000,000**), are to be expended are as follows:

	PROJECT	LOCATION	ESTIMATED COST
1.	**NEW SPRING MILLS AREA HIGH SCHOOL** Site preparation and construct, furnish and equip a new high school to house approximately 1,500 students containing approximately 228,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Spring Mills Area Middle School	**$53,500,000***
2.	**NEW MOUNTAIN RIDGE AREA MIDDLE SCHOOL** Site preparation and construct, furnish and equip a new middle school to house approximately 600 students containing approximately 84,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Mountain Ridge Intermediate School	**$20,000,000**
3.	**EXISTING MUSSELMAN HIGH SCHOOL** Construct new classrooms, new science labs, restrooms, stairwells, and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.	Existing Musselman High School	**$ 7,000,000**
4.	**EXISTING NORTH MIDDLE SCHOOL** Construct new classrooms, new science labs, restrooms and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.	Existing North Middle School	**$16,000,000**

APPROXIMATE TOTAL COST TO BE PAID FROM BOND PROCEEDS	**$51,500,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA (OR OTHER) GRANTS	**$45,000,000**
APPROXIMATE TOTAL COST OF ALL PROJECTS	**$96,500,000**

*$25,000,000 of the $53,500,000 would be provided by a grant currently committed by the School Building Authority of West Virginia, which grant is contingent upon passage of this bond issue as submitted to the voters of Berkeley County.

The above amounts include costs of site improvement, construction, erection, renovation, repair, furnishing, equipping and improving of such projects, architectural, engineering and other professional fees and costs, interest during construction of the Project and for up to six months thereafter, expenses of issuance and sale of the Bonds, including bond insurance and rating agency fees, if appropriate, and such other costs as may be necessary for properly carrying out the foregoing projects. The Board may, in its discretion, allocate to and expend for any one or more of the above projects or for additions, renovations or improvements to existing school facilities in the District any sum remaining unused upon completion of any other project or projects, whether any such sum remains unused upon such completion by reason of lower than estimated costs for such project or projects or a grant or grants upon the cost of any such project or projects received by the Board from the State or Federal Government, or any State or Federal Governmental agency, or from any other source.

(E) If the voters of the District approve such debt and the issuance of said Bonds, the Board shall lay annually upon the assessed valuation of all the taxable property within the District a levy sufficient to provide funds for the payment of the annual interest upon said Bonds as it accrues semiannually, and the principal of said Bonds at the maturities thereof, for which purpose a levy upon each $100 valuation, based upon the last assessment of such property for state and county purposes, will be required at the approximate rates as follows:

Upon Class I property, approximately **4.29** cents
Upon Class II property, approximately **8.58** cents
Upon Class III property, approximately **17.16** cents
Upon Class IV property, approximately **17.16** cents

(F) In the laying of such levy, the assessment levy authorized to be laid by the Board for the District by the Constitution of West Virginia and the statutes enacted pursuant thereto shall not be exceeded; provided, however, that the rates hereinabove set forth may, whenever necessary, be exceeded in making the

annual levy for interest and principal of such Bonds within any statutory and constitutional limitations; and in the levy, collection and disbursement of taxes within constitutional and statutory limitations, such levy for interest and principal upon such proposed Bonds shall have preference over all other taxes collected by the Board for any purpose whatever, except the payment of interest and sinking fund requirements on other Bond issues which heretofore have been authorized or which may hereafter be authorized.

(G) If the debt and the Bond issue shall be approved by the voters, the Bonds, together with all existing bonded indebtedness, including any other bonds heretofore issued and payable from taxes levied outside the limitations fixed by Section 1, Article X of said Constitution, will not exceed in the aggregate 5% of the valuation of the taxable property in the District ascertained in accordance with Sections 8 and 10, Article X of said Constitution, and such Bonds and the interest thereon will be payable from a direct annual tax levied and collected each year, on all taxable property in the District, sufficient to pay the principal and interest maturing and becoming due on such Bonds in each year together with any deficiencies for prior years, within, and not exceeding 34 years, which tax levies will be laid separate and apart from, and in addition to, the maximum rates provided for tax levies for school districts on the several classes of property in Section 1, Article X of said Constitution, but in the same proportions as such maximum rates are levied on the several classes of property; and said tax will be levied outside the limits fixed by Section 1, Article X of said Constitution.

(H) If the debt and Bond issue submitted to the voters shall be approved, by virtue of Section 8, Article X of the Constitution, known as the "School Bond Amendment," and Section 10, Article X of the Constitution, known as the "Better Schools Amendment," and the enabling legislation enacted by the Legislature of West Virginia, Regular Session, 1951, amending and re-enacting Sections 3 and 4, Article 1, Chapter 13 of the Code of West Virginia, 1931, the levies hereinbefore provided will not violate any constitutional or statutory provisions of this State establishing maximum levies; said levies herein provided shall be levied and allocated each year for the purpose of discharging the interest and principal of the Bonds to be authorized, and for such purposes shall be laid separate and apart from all other levies made for all other purposes of the District, and the Board does further find that after laying and allocating said special levies for payment of the principal and interest requirements of said Bonds, there will be, out of the levies authorized by law, moneys which, when added to other income, will be sufficient to carry on the proper requisite functions of the Board and of the District.

(I) The form of ballot to be used for such school bond election shall be as follows:

OFFICIAL BALLOT
BOARD OF EDUCATION OF THE COUNTY OF BERKELEY
SPECIAL SCHOOL BOND ELECTION
SATURDAY, SEPTEMBER 26, 2009

Shall the Board of Education of the County of Berkeley incur debt and issue Bonds in the amount of not more than **FIFTY-ONE MILLION FIVE HUNDRED THOUSAND DOLLARS ($51,500,000)**, maturities on such Bonds to run not more than **15-1/2 years** from the date of such Bonds, with interest not exceeding the rate of **7% per annum**, payable semi-annually, for the purpose of making the following improvements in Berkeley County School District (Estimated Costs to include both Bond proceeds and proceeds of grants expected to be received from the School Building Authority of West Virginia or other source, as shown below) to provide adequate, safe and convenient educational facilities for the School District, and levy taxes sufficient to pay the interest on and the principal of such Bonds?

	PROJECT	LOCATION	ESTIMATED COST
1.	**NEW SPRING MILLS AREA HIGH SCHOOL** Site preparation and construct, furnish and equip a new high school to house approximately 1,500 students containing approximately 228,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Spring Mills Area Middle School	**$53,500,000***
2.	**NEW MOUNTAIN RIDGE AREA MIDDLE SCHOOL** Site preparation and construct, furnish and equip a new middle school to house approximately 600 students containing approximately 84,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Mountain Ridge Intermediate School	**$20,000,000**

3.	**EXISTING MUSSELMAN HIGH SCHOOL**	Existing Musselman High School	**$ 7,000,000**
	Construct new classrooms, new science labs, restrooms, stairwells, and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.		
4.	**EXISTING NORTH MIDDLE SCHOOL**	Existing North Middle School	**$16,000,000**
	Construct new classrooms, new science labs, restrooms and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.		

APPROXIMATE TOTAL COST TO BE PAID FROM BOND PROCEEDS	**$51,500,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA (OR OTHER) GRANTS	**$45,000,000**
APPROXIMATE TOTAL COST OF ALL PROJECTS	**$96,500,000**

*$25,000,000 of the $53,500,000 would be provided by a grant currently committed by the School Building Authority of West Virginia, which grant is contingent upon passage of this bond issue as submitted to the voters of Berkeley County.

The above amounts include costs of site improvement, construction, erection, renovation, repair, furnishing, equipping and improving of such projects, architectural, engineering and other professional fees and costs, interest during construction of the Project and for up to six months thereafter, expenses of issuance and sale of the Bonds, including bond insurance and rating agency fees, if appropriate, and such other costs as may be necessary for properly carrying out the foregoing projects. The Board may, in its discretion, allocate to and expend for any one or more of the above projects or for additions, renovations or improvements to existing school facilities in the District any sum remaining unused upon completion of any other project or projects, whether any such sum remains unused upon such completion by reason of lower than estimated costs for such project or projects or a grant or grants upon the cost of any such project or projects received by the Board

from the State or Federal Government, or any State or Federal Governmental agency, or from any other source.

[ ] YES

[ ] NO

INSTRUCTIONS TO VOTERS: To vote in favor of the proposition submitted on this ballot, place an X mark in the square before the word "YES".

To vote against the proposition, place a similar mark in the square before the word "NO".

* * * * * * * * * * * *

8. The Secretary of the Board with the assistance of the Clerk of the County Commission of Berkeley County, which Clerk is hereby designated and appointed as an agent of the Board for this election, is hereby authorized and directed to procure and furnish to the election commissioners at each voting precinct, insofar as practicable, the ballots, poll books, tally sheets and other supplies and things necessary for conducting the election as provided by West Virginia Code, Chapter 13, Article 1, Section 11, and perform all duties imposed by law upon Clerks of the Circuit Court and County Commission in relation to general elections insofar as practicable; and, in accordance with Section 13, Article 1 of said Chapter 13, the Board shall canvass the election returns, and shall meet on **Friday, October 2, 2009**, that being the 5th day, Sunday excepted, after such election for such purposes.

9. Absentee ballots shall be applied for, obtained from and returned to the Clerk of the Circuit Court of the County of Berkeley in accordance with the laws of the State of West Virginia, and said Clerk is hereby appointed the agent of the Board to perform all duties relating to absentee ballots in this election.

10. Notice of the school bond election hereby ordered shall be given, as required by law, by the publication of this order within the 14 consecutive days next preceding the date of such election, with an interval of at least 6 full days between the first and second publications, once a week for 2 successive weeks in the *Martinsburg Journal*, being the only qualified newspaper published or of general circulation in Berkeley County, West Virginia, the publication dates to be September 15, 2009 and September 22, 2009.

Given under my hand this July 1, 2009.

THE BOARD OF EDUCATION OF
THE COUNTY OF BERKELEY

By: _____
Its President

CERTIFICATE

Certified a true and correct copy of the Order Directing Election, made and entered of record by The Board of Education of the County of Berkeley at a regular meeting thereof duly and regularly called and held upon lawful notice to all members thereof and to the public and news media, on July 1, 2009, at Martinsburg, Berkeley County, West Virginia, a quorum of said members being present at said meeting and acting throughout the same. Such order is in full force and effect.

Given under my hand this February 17, 2010.

By: _____
Secretary of The Board of Education of the County of Berkeley

THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY
RESOLUTION AND ORDER DIRECTING ISSUANCE OF BONDS

WHEREAS, The Board of Education of the County of Berkeley (the "Issuer"), has heretofore, on July 1, 2009, made and entered of record a Bond Election Order (the "Order") upon the question of authorizing bonds in the amount of Fifty-one Million Five Hundred Thousand Dollars ($51,500,000) to be issued and sold for the purpose of providing funds for making certain improvements in Berkeley County School District (the "District");

WHEREAS, in pursuance of said order, an election was held on September 26, 2009, at each of the legally established voting precincts in the District for the purpose of ascertaining the will of the voters upon the question of whether or not said bonds should be issued. The result of said election, as shown by a canvass of the returns thereof made by The County Commission of Berkeley County and The Board of Education of the County of Berkeley, sitting as a canvassing board on October 2, 2009, and as certified on October 2, 2009, was 4,595 votes for and 2,629 votes against the issuance of said bonds; so that more than 50% of the voters, to wit, 63.6% at said election, voted for the issuance of said bonds; and

WHEREAS, the Issuer has accordingly determined to proceed with the issuance of bonds as hereinafter provided.

NOW THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY, AS FOLLOWS:

1. Bonds in the aggregate principal amount of $51,500,000 (the "Bonds"), shall be issued and sold in denominations of $5,000 or integral multiples thereof, the proceeds of which sale shall be used for the purposes hereinafter set forth, the sale of such Bonds to be made in whole, or from time to time in part, as the Issuer may in its discretion, deem proper, advisable and in the best interests of the residents of the District. Upon completion of the Project and payment of all costs thereof in full, any unused sum remaining from the sale of the Bonds shall be deposited with the West Virginia Municipal Bond Commission to be used for the purchase of any outstanding Bonds or for the payment of the Bonds hereby authorized and the interest thereon at the maturities thereof.

2. The Bonds shall bear interest at a rate or rates not exceeding seven per centum (7.00%) per annum, payable semiannually, but it is hoped that the best bid for the Bonds will provide a lower interest rate (which will result in somewhat lower levy rates needed to pay the Bonds and the interest thereon), and the Bonds shall be payable annually in the principal amounts and shall mature on May 1 in the years as follows:

Maturity (May 1)	Principal Amount	Maturity (May 1)	Principal Amount
2011	2,025,000	2019	3,560,000
2012	2,660,000	2020	3,710,000
2013	2,770,000	2021	3,865,000
2014	2,890,000	2022	4,030,000
2015	3,010,000	2023	4,205,000
2016	3,140,000	2024	4,380,000
2017	3,275,000	2025	4,565,000
2018	3,415,000		
TOTAL			**$51,500,000**

3. Both the Bonds and the interest thereon shall be payable in lawful money of the United States of America at the office of the West Virginia Municipal Bond Commission (the "Paying Agent"), as the West Virginia State Treasurer's designated paying agent, and the Issuer shall annually, at the levy term thereof, make up and lay a levy upon all taxable property within the District sufficient to provide funds for paying the interest on the Bonds as the same accrues and becomes payable and the principal thereof at their respective maturities.

4. The Bonds shall be issued under the 5% limitation of the Better Schools Amendment, and will be payable from a direct annual tax on all taxable property in the District, in the ratio, as between the several classes or types of such taxable property specified in Section 1, Article X of the Constitution, separate and apart from and in addition to all other taxes for all other purposes, sufficient to pay, annually, the interest of such debt and the principal thereof, within and not exceeding 34 years, which may be levied outside the limits fixed by Section 1, Article X of the Constitution, and the Issuer covenants with the registered owners from time to time of the Bonds that the District shall include in its budget the amount of the debt service for each fiscal year of the District in which such sums are payable, shall appropriate such amount from its revenues for the payment of such debt service and shall duly and punctually pay or cause to be paid from its sinking fund or any other of its available revenues or funds the principal amount of each of the Bonds and the interest due thereupon at the date and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, subject to the limitations fixed by the District shall and does pledge, irrevocably, its full faith, credit and taxing power.

5. It is hereby found and determined by the Issuer that the aggregate amount of such Bonds, to wit, Fifty-one Million Five Hundred Thousand Dollars ($51,500,000), does not exceed or violate any provisions or limitations in any manner provided by the School Bond Amendment and the Better Schools Amendment.

6. The Bonds hereby authorized shall be exempt from all taxation by the State of West Virginia or any political subdivision thereof and shall contain the

following recital: "It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia."

7. Each Bond shall be signed by and on behalf of the Issuer by its President and countersigned by its Secretary, and the corporate seal of the Issuer shall be affixed to each Bond, which signatures and seal may be manual or by facsimile, and the Bonds herein authorized to be issued shall be upon the terms and in form or effect substantially as set forth in "**Exhibit A**," attached hereto as a part hereof. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution and Order unless and until the Registrar's Certificate of Authentication and Registration on such Bond, substantially in the form set forth in said "**Exhibit A**" shall have been manually executed by the registrar for the Bonds to be set forth and designated in the Bonds (the "Registrar").

8. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by wire or by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Registrar.

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

So long as any of the Bonds remain outstanding, the Issuer, through the Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

The Bonds shall be transferable only upon the books of the 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 Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privileges of exchanging Bonds or transferring the registered Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Bond Resolution and Order. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Registrar. Transfers and exchanges of Bonds shall be made by the Registrar without

charge to the holder or the transferee thereof, except as provided below. For every such exchange or transfer of Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and such tax or other governmental charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds.

10. The Bonds may be subject to redemption prior to their stated dates of maturity at the option of the Issuer, on or after such date, in such order of maturity as may be determined by the Issuer and by lot within a maturity, and at the redemption price or prices to be set forth in the Notice of Sale of the Bonds. At the option of the Issuer, the Bonds or portions thereof may also be subject to mandatory sinking find redemption in lieu of serial maturities in the years and in the amounts set forth in the Bonds. The Issuer shall not levy taxes in connection with the redemption of any Bonds in excess of the taxes that would have been levied for the payment of principal of and interest on the Bonds in such year.

11. The Bonds shall be registered upon issuance to CEDE & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). In the event the Issuer determines that it is in the best interest of the beneficial owners of the Bonds that they obtain Bond certificates, the Issuer may notify DTC and the Registrar, whereupon DTC will notify its participants, of the availability through DTC of Bond certificates. In such event, the Registrar shall cause to be issued, transferred and exchanged Bond certificates as requested by DTC as Bondholder in appropriate amounts. DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the Issuer or the Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Issuer and the Registrar shall be obligated to deliver Bond certificates as described in a resolution supplemental hereto. In the event the Bond certificates are issued, the provisions of this Resolution and Order shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such Bond certificates. Whenever DTC requests the Issuer and the Registrar to do so, the Registrar and the Issuer will cooperate with DTC in taking appropriate action after reasonable notice (a) to make available one or more separate certificates evidencing the Bonds to any participant having the Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds. The President of the Issuer is hereby authorized and directed to execute and deliver to DTC a Letter of Representations in substantially the form presented to this meeting and the Issuer is authorized to comply with all requirements of DTC.

12. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bonds are used for Private Business Use if, in addition, the payment

of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related.

13. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

14. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

15. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

16. The Issuer covenants with the registered owners from time to time of the Bonds that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Bonds, would cause such Bonds to be "arbitrage bonds," as that term is defined in Section 148 of the Internal Revenue Code of 1986, as amended, or any successor provision, and the applicable regulations thereunder (the "Code"). The Issuer further covenants that it will comply with the requirements of such Section 148 and with the regulations thereunder throughout the term of this issue. In addition, the President of the Issuer being the official responsible for issuing the Bonds, is hereby authorized and directed to execute and deliver, in the name and on behalf of the District, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing of its opinion that the Bonds are not "arbitrage bonds" within the meaning of said Section 148 and the

regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance, sale and delivery of the Bonds, which certificate shall set forth the reasonable expectations of the District as to the amount and use of the proceeds of the Bonds and other matters relating to such Section 148.

17. The Issuer hereby covenants to take all actions necessary to comply with the "rebate" provisions of Section 148(f) of the Code and shall employ such professionals as may be necessary in order to ensure such compliance.

18. The Issuer hereby approves the Tax and Non-Arbitrage Certificate to be dated that date of delivery of the Bonds, in substantially the form presented to this meeting, and the President of the Issuer is hereby authorized and directed to execute such certificate with such changes, insertions and deletions as shall be approved by the President.

19. The Issuer hereby covenants to take all actions necessary to comply with SEC Rule 15c2-12 and to deliver a continuing disclosure agreement or similar document to the successful bidder or bidders for the Bonds.

20. The Bonds may, at the option of the Issuer, be insured by a policy of municipal bond insurance or other surety guarantying the payment of the principal of and interest on the Bonds.

21. The Secretary of the Issuer shall transmit to the Attorney General of the State of West Virginia a duly certified copy of all orders, resolutions, proclamations, notices, advertisements, affidavits and records of all proceedings connected with or pertaining to this Bond issue, and any and all other matters relative thereto which the Attorney General may require, as provided by Section 25, Article 1, Chapter 13 of the Code of West Virginia.

22. The Bonds hereby authorized shall be advertised for sale to the public on sealed bids or electronic bids, in the manner set forth in Chapter 13, Article 1, Section 21 of the West Virginia Code of 1931, as amended, at such time or times as shall be determined by the Board. The Issuer may issue the Bonds in one or more series and may reject any and all bids.

23. All officers, members and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause valid Bonds to be issued as authorized by the voters of the District at the election held on September 26, 2009, pursuant to the calling thereof, and to do all things proper and necessary to obtain the approval and sale of said Bonds, and no further authority shall be necessary to authorize any such officers or employees to give further assurance, to execute such additional documents and do such further acts as may legally be required by any individual or corporate purchaser of the Bonds hereby authorized or any of them.

24. This resolution and order shall be effective immediately upon its adoption and entry of record.

Adopted and entered of record this October 19, 2009.

THE BOARD OF EDUCATION OF
THE COUNTY OF BERKELEY

By: _____
Its President

CERTIFICATE

Certified a true and correct copy of the Resolution and Order Directing Issuance of Bonds, adopted and entered of record by The Board of Education of the County of Berkeley at a meeting thereof duly and regularly called and held upon lawful notice to all members thereof on October 19, 2009, at 401 South Queen Street, Martinsburg, Berkeley County, West Virginia, a quorum of said members being present at said meeting and acting throughout the same. Such resolution and order is in full force and effect.

Given under my hand this February 17, 2010..

By: _____
Secretary of The Board of Education of The County of Berkeley

EXHIBIT A

[FORM OF BOND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY
(WEST VIRGINIA)
PUBLIC SCHOOL BONDS, SERIES 2010

No. _____ $_____

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY, (West Virginia) a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1 in each year, beginning _____ 1, 20__, (each an "Interest Payment Date"), until maturity. The Treasurer of the State of West Virginia has designated _____, _____, West Virginia, as its agent to act as registrar for the Bonds (the "Registrar") and the West Virginia

Municipal Bond Commission, Charleston, West Virginia, as its agent to act in the capacity of paying agent for the Bonds (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by the Paying Agent, or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Bonds, Series 2010" (the "Bonds"), issued by the Issuer in the aggregate principal amount of Fifty-one Million Five Hundred Thousand Dollars ($51,500,000). The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order Directing Issuance of Bonds as supplemented and amended (the "Order") duly adopted by the Issuer, for the purpose of providing funds for the acquisition, construction and equipping of public school facilities, together with all necessary appurtenances, in Berkeley County School District. The terms and provisions of the Order are hereby incorporated by reference as if set forth fully herein.

This Bond may be transferred or exchanged by the Registered Owner hereof upon surrender of this Bond to the Registrar at its principal corporate trust office, accompanied by a written instrument or instruments of transfer in form, with instructions, and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner of this Bond or his attorney-in-fact or legal representative. The Registrar shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same maturity and form for the aggregate denominations of the same maturity and form for the aggregate amount which the transferee is entitled to receive at the earliest practicable time. The Issuer, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner thereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of

principal hereof and interest due hereon and for all other purposes, and the Issuer, the Registrar and the Paying Agent shall not be affected by any notice to the contrary. All payments made to the Registered Owner of a Bond, as herein provided, shall be valid and effectual to satisfy in full and discharge the liability of the Issuer upon the Bond as paid.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon or on the Order, against any member, officer or employee, past, present, or future, of the Issuer or of any successor body, as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Bond.

[The Bonds maturing on _____ 1, 20__ and thereafter are subject to redemption at the option of the Issuer prior to their respective dates of maturity on or after_____, 20__, in whole at any time or in part on any interest payment date, in any order of maturity selected by the Issuer, and by lot within a maturity, at a redemption price equal to ____% of the principal amount of the Bonds to be redeemed, together with interest accrued to the date fixed for redemption.]

[Notice of any redemption of Bonds shall be given by the Registrar, on behalf of the Issuer, to the registered owners of the Bonds to be redeemed at least thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, by registered or certified mail, at the address appearing in the Bond Register or at such other address as is furnished in writing by the registered owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Bonds and failure to mail such notice shall not affect the validity of any such proceedings for any Bond with respect to which no such failure has occurred. Notice of redemption having been given in the manner described herein, and moneys necessary for the redemption of the Bonds having been deposited, the Bonds specified in such notice shall, on the date fixed for redemption, become due and payable and from and after such date (unless the Issuer shall default in the payment of the redemption price), such Bonds shall cease to bear interest.]

The Issuer has covenanted in the Order that it shall include in its budget the amount of the debt service for each fiscal year of the Issuer in which principal and/or interest on the Bonds is payable, that it shall appropriate from its revenues any such sums for the payment of such debt service and that it shall duly and punctually cause to be paid when due, the principal of and interest on the Bonds.

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

The Issuer has caused CUSIP numbers to be printed on the Bonds, and has directed the Paying Agent to use such numbers in notices, if any, as a convenience to bondholders. No representation is made as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice.

[The Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by _____.]

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the laws of the State of West Virginia to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, and that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

For payment of both principal and interest hereof the full faith and credit and resources of the Issuer are hereby irrevocably pledged within the limitations prescribed by the Constitution and statutes of the State of West Virginia.

This Bond shall not be entitled to any benefit under the Order nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Registrar.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of _____, 2010.

THE BOARD OF EDUCATION OF
THE COUNTY OF BERKELEY

(SEAL)

By: _____
Its President

By: _____
Its Secretary

REGISTRAR'S CERTIFICATE OF
AUTHENTICATION AND REGISTRATION

This Bond is one of the Bonds of the Series designated therein, described in the within-mentioned Resolution and Order Directing Issuance of Bonds, and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, a signed original of which is on file with the undersigned, delivered and dated on the date of the original delivery of and payment for the Bonds of said Series.

Dated: _____.

_____,
as Registrar

By: _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Language to be provided by Bond Insurer]

ATTORNEY GENERAL'S APPROVAL

I, DARRELL V. McGRAW, JR., Attorney General of the State of West Virginia, do hereby certify that this Bond has been approved by me by virtue of the authority vested in me by Article 1, Chapter 13, of the West Virginia Code of 1931, as amended; that notice of my approval hereof was published as required by Section 25 of said Chapter 13, Article 1; that 10 days have elapsed since the date of the last publication of such notice; that there has been no appeal from my decision to the Supreme Court of Appeals; and that this Bond has become incontestable, under and by virtue of the provisions of said Article 1, Chapter 13, and is a binding obligation upon The Board of Education of the County of Berkeley a corporation, the authority issuing the same, and upon the taxable property within Berkeley County School District, and that by reason of the provisions of said Article 1, Chapter 13, no one has the right hereafter to contest in any court or in any action or proceeding the validity of this Bond for any cause whatsoever.

WITNESS my hand this _____, 2010.

By: _____
Attorney General of the State
of West Virginia

ASSIGNMENT

Social Security or Other Identifying Number of Assignee: _____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

$51,500,000
THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY
(WEST VIRGINIA)
PUBLIC SCHOOL BONDS, SERIES 2010

SUPPLEMENTAL RESOLUTION

WHEREAS, The Board of Education of the County of Berkeley, West Virginia (the "Issuer"), did, on October 19, 2009, adopt and enter of record a Resolution and Order Directing Issuance of Bonds, (the "Resolution") authorizing the issuance of the above-captioned bonds (the "Bonds");

WHEREAS, the Resolution provided for certain details of the Bonds and designation of a Registrar and Paying Agent to be set forth in a resolution or resolutions supplemental thereto; and

WHEREAS, pursuant to the Resolution and applicable law, the Issuer has duly and properly advertised the Bonds for sale upon sealed or electronic proposals to be received by the Issuer until 12:00 Noon, on the date hereof, being February 3, 2010;

WHEREAS, all proposals received have been reviewed by representatives of the Issuer and Raymond James & Associates, Inc., the Issuer's Financial Advisor, and the highest responsive bidder (lowest true interest cost) has been determined;

WHEREAS, the Issuer wishes to adopt this Supplemental Resolution in order to award the sale of the Bonds to the highest responsive bidder to set forth the interest rates on the Bonds, to provide for redemption of the Bonds prior to the maturity thereof, to appoint and designate the Registrar and Paying Agent, to approve a certificate relating to the Official Statement for the Bonds, and to approve other matters relating to the Bonds;

NOW THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY, WEST VIRGINIA, AS FOLLOWS:

1. The Bonds shall be sold to Merrill Lynch, Pierce, Fenner & Smith Incorporated, d/b/a Banc of America Merrill Lynch, being the highest responsive bidder (lowest true interest cost) thereon.

2. The Bonds shall be dated the date of delivery thereof (anticipated to be February 17, 2010), and shall bear interest at the rates and shall mature on the dates and in the amounts as follows:

Maturity Date (May 1)	Principal Amount	Interest Rate
2011	$2,025,000	3.000%
2012	2,660,000	3.000%
2013	2,770,000	2.000%
2014	2,890,000	4.000%
2015	3,010,000	2.000%
2016	3,140,000	2.500%
2017	3,275,000	4.000%
2018	3,415,000	4.000%
2019	3,560,000	4.000%
2020	3,710,000	4.000%
2021	3,865,000	3.250%
2022	4,030,000	3.075%
2023	4,205,000	3.500%
2024	4,380,000	4.000%
2025	4,565,000	3.750%
	$51,500,000	

3. The Bonds maturing on or after May 1, 2021 shall be subject to redemption on or after May 1, 2020, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at the redemption price of 100% of the principal amount to be so redeemed, plus interest, if any, accrued to the date fixed for redemption.

4. Notice of any redemption of Bonds shall be given by the Registrar, on behalf of the Issuer, to registered owners of the Bonds to be redeemed at least thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, by registered or certified mail, at the address appearing in the Bond Register or at such other address as is furnished in writing by the registered owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Bonds and failure to mail such notice shall not affect the validity of any such proceedings for any Bond with respect to which no such failure has occurred. Notice of redemption having been given in the manner described herein, and moneys necessary for their redemption of the Bonds having been deposited, the Bonds specified in such notice

shall, on the date fixed for redemption, become due and payable and from and after such date (unless the Board shall default in the payment of the redemption price), such Bonds shall cease to bear interest.

5. The Issuer hereby designates United Bank, Inc., with its principal office in Charleston, West Virginia, as Registrar and the West Virginia Municipal Bond Commission, with its principal office in Charleston, West Virginia, as Paying Agent for the Bonds.

6. The Certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the President of the Issuer are hereby approved and directed.

7. The Issuer hereby approves the initial deposit of proceeds of the Bonds or any portion thereof with the West Virginia State Treasurer's Consolidated Fund, Charleston, West Virginia, and directs the Board to take such actions as are appropriate to accomplish such deposit. The Treasurer is hereby further directed to invest such proceeds in a guaranteed investment contract or other guaranteed investment at such time as the Issuer may deem appropriate.

This Supplemental Resolution shall be effective immediately.

Adopted and entered this February 3, 2010.

THE BOARD OF EDUCATION OF
THE COUNTY OF BERKELEY

By: _____
Its President

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by The Board of Education of the County of Berkeley (West Virginia) at a special meeting of the Board held at 12:15 p.m., on February 3, 2010, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Given under my hand this February 17, 2010.

By: _____
Secretary of The Board of Education of the County of Berkeley

Cross Receipt

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

CROSS RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, William J. Conaway of **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED** (the "Purchaser"), for and on behalf of the Purchaser, and **DR. WILLIAM F. QUEEN**, President of **THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY** (the "Issuer"), hereby certify as follows:

1. On February 17, 2010, in New York, New York, the Purchaser received the entire original issue of $51,500,000 in aggregate principal amount of The Board of Education of the County of Berkeley (West Virginia) Public School Bonds, Series 2010 (the "Bonds"). The Bonds, as so received on original issuance, are dated February 17, 2002, are numbered, mature on May 1 of the years, bear interest at the rates and are in the respective denominations set forth in **EXHIBIT A** attached hereto and incorporated herein by reference, and are all fully registered in the name of "CEDE & CO."

2. At the time of such receipt of the Bonds upon original issuance, they had been signed by Dr. William F. Queen, as President of the Issuer, by his manual signature, and countersigned by Manuel P. Arvon, II, as Secretary of the Issuer, by his manual signature, and the seal of the Issuer had been affixed upon such Bonds and had been authenticated by United National Bank, as Registrar.

3. The Issuer has received and hereby acknowledges receipt from the Purchaser as the original purchaser of the Bonds, of the proceeds of the Bonds, as follows:

Purchase Price	$51,500,000.00
Plus: Net Premium	1,362,011.17
Less: Purchaser's Good Faith Deposit	(1,030,000.00)
TOTAL	$51,832,011.17

Payment for the Bonds was made in Federal Funds in the amount of $51,832,011.17, on the date hereof.

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

WITNESS our respective signatures this February 17, 2010.

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: _____
Its Authorized Officer

THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY

By: _____
Its President

Payment for the Bonds was made in Federal Funds in the amount of $51,832,011.17, on the date hereof.

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

WITNESS our respective signatures this February 17, 2010.

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: _____
Its Authorized Officer

THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY

By: _____
Its President

EXHIBIT A

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

Bond No.	Cusip	Principal Amount	Maturity Date (May 1)	Interest Rate
R-1	084239 EX6	$2,025,000	2011	3.000%
R-2	084239 EY4	2,660,000	2012	3.000%
R-3	084239 EZ1	2,770,000	2013	2.000%
R-4	084239 FA5	2,890,000	2014	4.000%
R-5	084239 FB3	3,010,000	2015	2.000%
R-6	084239 FC1	3,140,000	2016	2.500%
R-7	084239 FD9	3,275,000	2017	4.000%
R-8	084239 FE7	3,415,000	2018	4.000%
R-9	084239 FF4	3,560,000	2019	4.000%
R-10	084239 FG2	3,710,000	2020	4.000%
R-11	084239 FH0	3,865,000	2021	3.250%
R-12	084239 FJ6	4,030,000	2022	3.375%
R-13	084239 FK3	4,205,000	2023	3.500%
R-14	084239 FL1	4,380,000	2024	4.000%
R-15	084239 FM9	4,565,000	2025	3.750%

IN THE MATTER OF
THE BOARD OF EDUCATION OF BERKELEY COUNTY
(WEST VIRGINIA)
$51,500,000
PUBLIC SCHOOL BONDS, SERIES 2010

ATTORNEY GENERAL'S APPROVAL

At a regular meeting of the Board of Education of the County of Berkeley, State of West Virginia, held on July 1, 2009, an order was entered of record authorizing a vote to be taken of legal voters of the County of Berkeley at a special election to be held on September 26, 2009, upon all questions connected with the incurring of debt and issuing bonds in the aggregate principal amount of Fifty One Million Five Hundred Thousand Dollars ($51,500,000), and levying taxes to pay the interest on and the principal of said bonds, the proceeds from the sale of such bonds to be used (together with proceeds of certain grants from the expected to be received School Building Authority of West Virginia, as set forth below) for the following purposes:

PROJECT	LOCATION	ESTIMATED COST
1. **NEW SPRING MILLS AREA HIGH SCHOOL** Site preparation and construct, furnish and equip a new high school to house approximately 1,500 students containing approximately 228,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Spring Mills Area Middle School	**$53,500,000***

2. **NEW MOUNTAIN RIDGE AREA MIDDLE SCHOOL** Site preparation and construct, furnish and equip a new middle school to house approximately 600 students containing approximately 84,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Mountain Ridge Intermediate School	**$20,000,000**
3. **EXISTING MUSSELMAN HIGH SCHOOL** Construct new classrooms, new science labs, restrooms, stairwells, and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.	Existing Musselman High School	**$ 7,000,000**
4. **EXISTING NORTH MIDDLE SCHOOL** Construct new classrooms, new science labs, restrooms and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.	Existing North Middle School	**$16,000,000**

APPROXIMATE TOTAL COST TO BE PAID FROM BOND PROCEEDS	**$51,500,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA (OR OTHER) GRANTS	**$45,000,000**
APPROXIMATE TOTAL COST OF ALL PROJECTS	**$96,500,000**

*$25,000,000 of the $53,500,000 would be provided by a grant currently committed by the School Building Authority of West Virginia, which grant is contingent upon passage of this bond issue as submitted to the voters of Berkeley County.

The Board of Education of the County of Berkeley pursuant to the provisions of Chapter 13, Article 1, Section 25, of the West Virginia Code of 1931, as amended, has caused to be transmitted to me certified copies of all orders, ordinances, proclamations, notices, advertisements, affidavits, resolutions and records of all the proceedings connected with or pertaining to such bond issue, and I have examined the same.

It appears from the records so transmitted to me that with respect to the proposition of incurring debt and issuing bonds, as provided in said order, Four Thousand Five Hundred Ninety Five (4,595) votes were cast for and Two Thousand Six Hundred Twenty-Nine (2,629) votes were cast against the issuance of said bonds, so that a majority of the votes were cast for the proposition.

In my opinion, there has been substantial compliance with the law relating to the issuance of said bonds, and I therefore approve the validity of such bond issue pursuant to the provisions of Chapter 13, Article 1, Section 25, of the West Virginia Code of 1931 as amended.

Darrell V. McGraw, Jr.

Charleston, West Virginia

December 8, 2009

STANDARD
&POOR'S

55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-2066
reference no.: 1099356

January 27, 2010

Berkeley County Board of Education
401 South Queen Street
Martinsburg, WV 25401
Attention: Mr. Ken Marstiller, Jr., Business Manager

Re: ***US$51,500,000 The Board of Education of the County of Berkeley, West Virginia, Public School Bonds, Series 2010, dated: Date of Delivery, due: May 1, 2011-2025***

Dear Mr. Marstiller:

Pursuant to your request for a Standard & Poor's rating on the above-referenced obligations, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions,* have assigned a rating of "AA". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on

CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

Standard & Poor's is pleased to be of service to you. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. If we can be of help in any other way, please call or contact us at nypublicfinance@standardandpoors.com. Thank you for choosing Standard & Poor's and we look forward to working with you again.

Sincerely yours,

Standard & Poor's Ratings Services
a Standard & Poor's Financial Services LLC business

Standard + Poor's/KS

al
enclosures
cc: Ms. Marie L. Prezioso
Mr. Vince Collins

STANDARD
&POOR'S

PUBLIC FINANCE

Berkeley County Board of Education, West Virginia

Primary Credit Analysts:
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RatingsDirect
Publication Date
Jan. 28, 2010

Credit Profile

US$51.5 mil pub sch bnds ser 2010 due 05/01/2011-2025

Long Term Rating	AA/Stable	New

Rationale

Standard & Poor's Ratings Services assigned its 'AA' long-term rating, and stable outlook, to Berkeley County Board of Education, W.Va.'s public school bonds series 2010.

The rating reflects what we view as the board's eligibility and participation in West Virginia's Municipal Bond Program. The rating also reflects the state's strong debt service oversight and the legislature's replenishment provision for the bond commission's sinking fund. Under the program, West Virginia annually appropriates sufficient funds to meet any shortfall in an issuer's debt service payment to bondholders.

Standing Appropriation Programs

Standard & Poor's rates four different types of state programs, in more than 20 states, that provide enhancement for school bond issues. These program types include state guarantee, permanent fund, standing or annual appropriation, and state intercept or withholding programs. Each state program is analyzed according to the program type and we base the rating on the characteristics of the particular program and funding mechanisms. West Virginia is one of five states with Standard & Poor's-rated standing appropriation programs, along with California, Minnesota, New Jersey, and Texas. Because appropriation programs are dependent on the ability of a state to use its cash reserves to make up any debt service deficiencies, a program rating is directly linked to the state's own credit quality. Therefore, the program rating will move in tandem with its related state rating, keeping the relative rating

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The McGraw-Hill Companies

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

United National Bank, as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith (or have previously been delivered to you) as Registrar for the above-captioned Bonds:

1. Bonds Nos. R-1 to R-15, inclusive, constituting the entire original issue of The Board of Education of the County of Berkeley (West Virginia) Public School Bonds, Series 2010, dated February 17, 2010, in the aggregate principal amount of $51,500,000 (the "Bonds"), all as set forth in **EXHIBIT A**, attached hereto and made a part hereof, signed by the President and countersigned by the Secretary of The Board of Education of the County of Berkeley (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Resolution and Order Directing Issuance of Bonds adopted by the Issuer on October 19, 2009, and a Supplemental Resolution adopted by the Issuer on February 3, 2010 (collectively, the "Resolution").

2 A copy, duly certified by the Secretary, of the Resolution.

3. A signed, unqualified approving opinion of nationally recognized bond counsel designated by the Issuer and acceptable to the Purchaser.

You are hereby requested and authorized to authenticate, register and deliver the Bonds to CEDE & CO., as nominee of Depository Trust Company, on behalf of Banc of America Merrill Lynch, as the Purchaser thereof.

Dated this February 17, 2010.

THE BOARD OF EDUCATION OF
THE COUNTY OF BERKELEY

By: _____
Its President

EXHIBIT A

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

Bond No.	Cusip	Principal Amount	Maturity Date (May 1)	Interest Rate
R-1	084239 EX6	$2,025,000	2011	3.000%
R-2	084239 EY4	2,660,000	2012	3.000%
R-3	084239 EZ1	2,770,000	2013	2.000%
R-4	084239 FA5	2,890,000	2014	4.000%
R-5	084239 FB3	3,010,000	2015	2.000%
R-6	084239 FC1	3,140,000	2016	2.500%
R-7	084239 FD9	3,275,000	2017	4.000%
R-8	084239 FE7	3,415,000	2018	4.000%
R-9	084239 FF4	3,560,000	2019	4.000%
R-10	084239 FG2	3,710,000	2020	4.000%
R-11	084239 FH0	3,865,000	2021	3.250%
R-12	084239 FJ6	4,030,000	2022	3.375%
R-13	084239 FK3	4,205,000	2023	3.500%
R-14	084239 FL1	4,380,000	2024	4.000%
R-15	084239 FM9	4,565,000	2025	3.750%

School Building Authority of West Virginia
Dr. Mark A. Manchin, Executive Director

2300 Kanawha Boulevard, East • Charleston, West Virginia 25311-2306 • Office Number (304) 558-2541 • FAX Number (304) 558-2539

April 30, 2009

Mr. Manuel P. Arvon, II
Superintendent
Berkeley County Schools
401 South Queen Street
Martinsburg, WV 25401-3285

Dear Mr. Arvon:

Congratulations! The School Building Authority of West Virginia at a Quarterly Meeting on April 20, 2009 approved a School Construction Fund Reserve Grant for Berkeley County in the amount of $100,000. The grant was awarded for the construction of a new Spring Mills High School. Funds from this grant are for the project described in the enclosed Grant Agreement and not to be expended for any other purpose.

This grant is contingent upon the passage of a local bond issue in the approximate amount of $50,000,000 scheduled in October, 2009 by the Berkeley County Board of Education. If the bond issue is successful, this project will require additional funding from the Authority in the amount of $24,900,000. The Project Development Schedule will begin immediately following the passage of the bond issue. Funds from this grant are for the project described in the enclosed Grant Agreement and not to be expended for any other purpose.

A total of $25,000,000 in SBA funds has been committed toward this project with a three year multi-funding schedule as follows:

FY 2010 $100,000 FY 2012 $12,450,000 FY 2013 $12,450,000

If you have not already done so, I encourage you to immediately begin the process to hire a design professional to assist you with the project. This will enable you to move smoothly and quickly to the planning and design phase of your project. Attached you will find your grant contract and a project development schedule (see Exhibit A-2 attachment). This schedule must be followed to avoid delay costs that will ultimately raise the county's financial responsibility for the project. Please make note of the specific dates on your Project Development Schedule (Exhibit A-2).

We will be able to transfer funds into your account at United National Bank as soon as receive your grant contract. We have enclosed the Grant Agreement for this project and encourage your signature as soon as possible. Please sign all three of the enclosed copies retaining one copy for your records and return the remaining two copies of the contract to our office. Funds cannot be transferred without the signed contract returned to the SBA.

We are pleased that you will be receiving sufficient funds to address your project. If you have any questions, please do not hesitate to call on me.

Sincerely,

Dr. Mark A. Manchin
Executive Director

MAM:kc

Attachment/Enclosure

f:\countyfiles\berkeley0409grantawardltr.wpd

PROJECT DEVELOPMENT SCHEDULE
Exhibit A-2

High School Schedule

Milestone	Timeframe (months)	
1. Planning	July 30, 2009	(3 months)
2. Schematic design	October 15, 2009	(2.5 months)
3. Design development and technology plan	February 15, 2010	(4 months)
4. Bidding documents	June 1, 2010	(3.5 months)
5. Bidding and contract award	July 1, 2010	(1 month)
6. Construction	May 1, 2012	(22 months)
Total time	**36**	

Middle School Schedule

Milestone	Timeframe (months)
1. Planning	3
2. Schematic design	3
3. Design development and technology plan	4
4. Bidding documents	4
5. Bidding and contract award	1
6. Construction	18
Total time	**33**

Elementary School Schedule

Milestone	Timeframe (months)
1. Planning	3
2. Schematic design	3
3. Design development and technology plan	2
4. Bidding documents	4
5. Bidding and contract award	1
6. Construction	14
Total time	**27**

NOTE: The project development schedule begins on the date of the notification of the grant award to the county. It is imperative that the project move forward based on the schedule provided. You should begin the planning phase of your project immediately by hiring school planning, design and when applicable, consruction management professionals to assist you with the planning and programming phase of your project. This phase must be completed and approved by the SBA withinin the number of days indicated in the above Phase 1 timeframe. The deadlines for all subsmission and SBA approval for all phases of the project are also provided above. If the project is delayed in any phase at the county level as a result of timelines not being met, the SBA will require the grant recipient to pay delay costs based on the current annual construction inflation rate, prorated over the number of days the project is delayed. Design Build project schedules will be adjusted to comply with the requirements of WV Code and the SBA Deisign/Build Policy. Major addition and renovation project schedules will be established jointly with the grant recipient, project architect or design builder and the SBA based on the size and complexity of the project. This project development schedule shall be provided to your design professionals to allow them to adjust their schedule to meet the project development schedule.

NOTE: Unless approved by the SBA the construction timeline will be dictated by the completion dates provided by the contractors within the bid. The construction timeframes indicated

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY
(WEST VIRGINIA)
PUBLIC SCHOOL BONDS, SERIES 2010

No. R-1 **$2,025,000**

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
3.000%	May 1, 2011	February 17, 2010	084239 EX 6

REGISTERED OWNER: **CEDE & CO.**

PRINCIPAL AMOUNT: **TWO MILLION TWENTY-FIVE THOUSAND DOLLARS**

THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY, (West Virginia) a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2010, (each an "Interest Payment Date"), until maturity. The Treasurer of the State of West Virginia has designated United Bank, Inc., Charleston, West Virginia, as its agent to act as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston,

SPECIMEN

West Virginia, as its agent to act in the capacity of paying agent for the Bonds (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by the Paying Agent, or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Bonds, Series 2010" (the "Bonds"), issued by the Issuer in the aggregate principal amount of Fifty-one Million Five Hundred Thousand Dollars ($51,500,000). The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order Directing Issuance of Bonds as supplemented and amended (the "Order") duly adopted by the Issuer, for the purpose of providing funds for the acquisition, construction and equipping of public school facilities, together with all necessary appurtenances, in Berkeley County School District. The terms and provisions of the Order are hereby incorporated by reference as if set forth fully herein.

This Bond may be transferred or exchanged by the Registered Owner hereof upon surrender of this Bond to the Registrar at its principal corporate trust office, accompanied by a written instrument or instruments of transfer in form, with instructions, and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner of this Bond or his attorney-in-fact or legal representative. The Registrar shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same maturity and form for the aggregate denominations of the same maturity and form for the aggregate amount which the transferee is entitled to receive at the earliest practicable time. The Issuer, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner thereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer,

SPECIMEN

the Registrar and the Paying Agent shall not be affected by any notice to the contrary. All payments made to the Registered Owner of a Bond, as herein provided, shall be valid and effectual to satisfy in full and discharge the liability of the Issuer upon the Bond as paid.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon or on the Order, against any member, officer or employee, past, present, or future, of the Issuer or of any successor body, as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Bond.

The Bonds maturing on or after May 1, 2021 are subject to redemption at the option of the Issuer prior to their respective dates of maturity on or after May 1, 2020, in whole at any time or in part on any interest payment date, in any order of maturity selected by the Issuer, and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with interest accrued to the date fixed for redemption.

Notice of any redemption of Bonds shall be given by the Registrar, on behalf of the Issuer, to the registered owners of the Bonds to be redeemed at least thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, by registered or certified mail, at the address appearing in the Bond Register or at such other address as is furnished in writing by the registered owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Bonds and failure to mail such notice shall not affect the validity of any such proceedings for any Bond with respect to which no such failure has occurred. Notice of redemption having been given in the manner described herein, and moneys necessary for the redemption of the Bonds having been deposited, the Bonds specified in such notice shall, on the date fixed for redemption, become due and payable and from and after such date (unless the Issuer shall default in the payment of the redemption price), such Bonds shall cease to bear interest.

The Issuer has covenanted in the Order that it shall include in its budget the amount of the debt service for each fiscal year of the Issuer in which principal and/or interest on the Bonds is payable, that it shall appropriate from its revenues any such sums for the payment of such debt service and that it shall duly and punctually cause to be paid when due, the principal of and interest on the Bonds.

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

SPECIMEN

The Issuer has caused CUSIP numbers to be printed on the Bonds, and has directed the Paying Agent to use such numbers in notices, if any, as a convenience to bondholders. No representation is made as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the laws of the State of West Virginia to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, and that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

For payment of both principal and interest hereof the full faith and credit and resources of the Issuer are hereby irrevocably pledged within the limitations prescribed by the Constitution and statutes of the State of West Virginia.

This Bond shall not be entitled to any benefit under the Order nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Registrar.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SPECIMEN

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of February 17, 2010.

THE BOARD OF EDUCATION OF
THE COUNTY OF BERKELEY

(SEAL)

By: _____
Its President

By: _____
Its Secretary

SPECIMEN

REGISTRAR'S CERTIFICATE OF
AUTHENTICATION AND REGISTRATION

This Bond is one of the Bonds of the Series designated therein, described in the within-mentioned Resolution and Order Directing Issuance of Bonds, and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, a signed original of which is on file with the undersigned, delivered and dated on the date of the original delivery of and payment for the Bonds of said Series.

Dated: February 17, 2010.

UNITED BANK, INC.,
as Registrar

By: _____
Its Authorized Officer

SPECIMEN

ATTORNEY GENERAL'S APPROVAL

I, DARRELL V. McGRAW, JR., Attorney General of the State of West Virginia, do hereby certify that this Bond has been approved by me by virtue of the authority vested in me by Article 1, Chapter 13, of the West Virginia Code of 1931, as amended; that notice of my approval hereof was published as required by Section 25 of said Chapter 13, Article 1; that 10 days have elapsed since the date of the last publication of such notice; that there has been no appeal from my decision to the Supreme Court of Appeals; and that this Bond has become incontestable, under and by virtue of the provisions of said Article 1, Chapter 13, and is a binding obligation upon The Board of Education of the County of Berkeley a corporation, the authority issuing the same, and upon the taxable property within Berkeley County School District, and that by reason of the provisions of said Article 1, Chapter 13, no one has the right hereafter to contest in any court or in any action or proceeding the validity of this Bond for any cause whatsoever.

WITNESS my hand this February 17, 2010.

By: _____
Attorney General of the State
of West Virginia

SPECIMEN

ASSIGNMENT

Social Security or Other Identifying Number of Assignee: _____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

GENERAL CERTIFICATE OF THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY ON:

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The undersigned **PRESIDENT** and the undersigned **SECRETARY** of **THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY (West Virginia)** (the "Issuer"), a public corporation of the State of West Virginia (the "State"), HEREBY CERTIFY, for and on behalf of the Issuer, to Banc of America Merrill Lynch, as original purchaser from the Issuer of the above-captioned bond issue and other interested parties as follows, jointly unless otherwise stated, all capitalized terms not otherwise defined herein to have the meanings given in the Resolution, herein defined:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings as in the Resolution and Order Directing Issuance of Bonds of the Issuer adopted October 19, 2010, as supplemented and amended (collectively, the "Resolution").

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 and delivery of the Bonds or the collection of the ad valorem tax levies or the pledge thereof to the payment of the principal of and interest on the Bonds, nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance, sale and delivery of the Bonds nor in any manner affecting the validity or enforceability of the Bonds, the Resolution, the bidding procedures relating to sale of the Bonds, or any agreement or instrument relating thereto, or any pro-visions made or authorized for the payment of the Bonds; nor in any manner questioning the valid existence of the Issuer or the authority or titles of the President, Secretary and the members of the Board and other officials of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the authorization, sale and delivery of the Bonds; nor wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Issuer or adversely affect the power of the Issuer to levy, collect and enforce the collection of taxes or other revenues for the payment of the Bonds, or the acquisition and construction of the Projects financed with proceeds of the Bonds which is not set forth in the Official Statement relating to the Bonds.

3. AWARD OF BONDS; SIGNATURES: Pursuant to Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act"), the Bonds were duly and properly advertised for sale and nine bids were received, the best bid being that of Banc of America Merrill Lynch, all as appears from the minutes of the Issuer of its meeting of February 3, 2010, a copy of which is delivered herewith. The Bonds were thereupon awarded to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Purchaser"), at the price of 100% of par ($51,500,000), plus net premium in the amount of $1,362,011.17 for a total of $52,862,011.17. The Bonds were duly signed by the manual signature of the President and countersigned by the manual signature of the Secretary, and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed thereon.

4. DELIVERY AND PAYMENT: The undersigned President did, on the date hereof, deliver to the Purchaser, through DTC, in New York, New York, the entire issue of the Bonds, in denominations equal to the principal amounts maturing in each of the years 2011 to 2025, inclusive and numbered R-1 to R-15, inclusive.

At the time of delivery of the Bonds, there was paid to the Issuer the agreed price therefor as follows:

Purchase Price	$51,500,000.00
Plus: Net Premium	1,362,011.17
Total Received	$52,862,011.17

5. AUTHORIZATION, EXECUTION AND DELIVERY OF BOND DOCUMENTS: The following documents (the "Bond Documents") conform with the forms prescribed in the Resolution, the execution and delivery thereof (where applicable) having been duly authorized, and each such document requiring execution by the Issuer has been properly executed by the President, by his manual signature, in multiple counterparts thereof and the Bond Documents have not been amended, altered, supplemented, repealed, canceled, superseded or modified since authorization thereof and have been delivered to the Registrar and others:

Bond Election Order
Resolution and Order Directing Issuance of Bonds
Supplemental Resolution
Minutes (or excerpt) of Board Meetings of
July 1, 2009 and October 19, 2009 and February 3, 2010
Attorney General's Approval
Affidavit of Publication of Attorney General's Approval Official
Notice of Sale
Bid of Banc of America Merrill Lynch and Other Bidders
Copy of Letter of Clerk of Supreme Court of Appeals
Affidavits of Publication of Notice of Sale
Certificate on Valuation of Taxable Property
Preliminary Official Statement Official Statement
Tax and Arbitrage Certificate
Continuing Disclosure Agreement
Specimen Bond
Rating Letter

6. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since January 19, 2010, except as may be set forth in the Official Statement. There is not any indebtedness or obligation of the Issuer outstanding and unpaid or for which full and irrevocable provision for payment has not been made which has priority over or ranks on a parity with the Bonds as to the sources of and security for payment.

7. MEETINGS, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds or the design, acquisition, construction and equipping of the Project were authorized or adopted at meetings of the Board of the Issuer duly and

regularly called and held pursuant to the Rules of Procedure of the Issuer and all applicable statutes, including Chapter 6, Article 9A of the Code of West Virginia, 1931, as amended, and a quorum of duly elected, qualified and acting boardmembers of the Issuer was present and acting at all times during all such meetings.

8. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The Board of Education of the County of Berkeley" and it is a public corporation of the State of West Virginia, in Berkeley County of said state. The governing body of the Issuer consists of five members. The names and dates of commencement and termination of current terms of office of the members of the Issuer are as follows:

Name and Office	**Termination of Office**	**Date of Commencement of Office**
Dr. William F. Queen, President	June 30, 2012	July 1, 1996
Todd M. Beckwith	June 30, 2010	July 1, 1994
Richard A. Pill	June 30, 2010	July 1, 2002

(There are currently two vacancies on the Board.)

The duly appointed and acting officials of the Issuer are as follows:

Manuel P. Arvon, II	-	Superintendent of Schools and Secretary
James Welton, Jr.	-	Treasurer

The duly appointed and acting General Counsel for the Issuer is Laura L. Sutton, Esquire, Berkeley, West Virginia.

9. SIGNATURES: Set forth below are our true and genuine signatures.

10. 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 and the issuance of the Bonds have been (or will be) duly and timely obtained and will remain in full force and effect during the period of acquisition and construction of the Project. Competitive bids for all construction contracts relating to the Project will be solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended.

11. PROCUREMENT OF ARCHITECTURAL/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 architectural/engineering services to be paid from proceeds of the Bonds.

12. USE OF BOND PROCEEDS: On the date hereof, the Issuer received the entire principal amount of the Bonds, together with the net premium thereon, in the total amount of $52,862,011.17. Such proceeds will be expended as follows:

Costs of Issuance	$ 87,000.00
Funds Available for Project Costs	$52,775,011.17

13. DESIGNATION OF REGISTRAR AND PAYING AGENT: The Issuer hereby confirms the appointment of United National Bank, as Registrar and the West Virginia Municipal Bond Commission as Paying Agent for the Bonds.

14. OTHER DOCUMENTS: The Bond Documents and all other agreements, instruments, certificates and documents required to be executed or approved by the Issuer and delivered in order to carry out, give effect to and consummate the transactions contemplated by the Bond Documents have been duly authorized and executed or approved by the Issuer and delivered, and as of the date hereof each is in full force and effect.

15. DISCLOSURES: The information relating to the Issuer contained in the Official Statement is true and correct in all material respects, and nothing has come to the attention of the undersigned that would lead the undersigned to believe that the Official Statement contains any untrue or misleading statement of a material fact or omits to the state any material fact relating to the Issuer necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

16. SBA GRANT: The Issuer expects grants in aid of construction of the Projects from the School Building Authority of West Virginia, in the amount of $25,000,000, as described in the letter from SBA dated April 30, 2009.

17. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

WITNESS our signatures and the official corporate seal of THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY on this February 17, 2010.

[SEAL]

Signature	**Official Title**
	President
	Secretary

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

TAX AND ARBITRAGE CERTIFICATE

I, **WILLIAM F. QUEEN**, President, and **MANNY P. ARVON**, Superintendent of **THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY, WEST VIRGINIA** (the "Issuer"), being an official of the Issuer duly charged with the responsibility for the issuance of the $51,500,000 Public School Bonds, Series 2010, of the Issuer, dated February 17, 2010 (the "Bonds"), hereby certify as follows, jointly unless otherwise stated, all capitalized terms used herein and not otherwise defined to have the meanings ascribed thereto in the Resolution and Order Directing Issuance of Bonds adopted by the Issuer on October 19, 2010, as supplemented and amended (collectively, the "Resolution"), pursuant to which the Bonds are issued:

A. DEFINITIONS

In addition to the terms defined in the Resolution, the following words and phrases shall have the following meanings:

"**Bona Fide Debt Service Fund**" shall mean a fund which may include proceeds of an issue, that:

(a) Is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; and

(b) Is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of:

(i) the earnings on the fund for the immediately preceding bond year; or

(ii) one-twelfth (1/12th) of the principal and interest payments on the issue for the immediately preceding Bond Year.

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

"**Bond Counsel**" means the law firm or firms delivering its or their approving opinion or opinions with the respect to the issuance of the Bonds and the exclusion of interest on the Bonds from gross income for the purposes of federal income taxation.

"**Bond Year**" means the one-year periods during the term of the Bonds beginning on the first day of May of any calendar year and ending on the last day of April of the succeeding calendar year. The first Bond Year begins on the Date of Issue of the Bonds and ends on April 30, 2010.

"**Bond Yield**" means the yield of the Bonds, calculated in accordance with the provisions of Section 1.148-4 of the Regulations.

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

"**Computation Date**" means each Installment Computation Date and the Final Computation Date.

"**Computation Date Credit**" means $1,000.00. Only one Computation Date Credit for each Computation Date is permitted for the Bonds.

"**Costs of Issuance**" means all costs incurred in connection with the issuance of the Bonds. Examples of costs of issuance include (but are not limited to):

(a) purchaser's spread (whether realized directly or derived through purchase of the Bonds at a discount below the price at which a substantial number of Bonds are sold to the public);

(b) counsel fees (including Bond Counsel, Issuer's Counsel, and any other specialized counsel fees incurred in connection with the issuance of the Bonds);

(c) financial advisor fees incurred in connection with the issuance of the Bonds;

(d) paying agent, disbursement agent, and certifying and authenticating agent fees related to issuance of the Bonds;

(e) accountant fees related to issuance of the Bonds;

(f) printing costs (for the Bonds and of preliminary and final offering materials); and

(g) costs incurred in connection with any required public approval process (e.g., publication costs for public notices generally and costs of the public hearing or voter referendum).

"**Date of Issue**" means February 17, 2010.

"**Debt Service Account**" means the fund described in Section B(10) hereof.

"**Discharged**" means with respect to any Bond, the date on which all amounts due with respect to such Bond are actually and unconditionally due if cash is available at the place of payment and no interest accrues with respect to the Bond after such date.

"**Fair Market Value**" of an Investment means as follows:

(a) In General. Except as specifically otherwise provided below, the Fair Market Value of an Investment is the price at which a willing buyer would purchase the Investment from a willing seller in a bona fide arm's length transaction. The Fair Market Value of an Investment that is purchased directly from the United States Treasury is its purchase price.

(b) Investment Contracts. The purchase price of a guaranteed investment contract is treated as its Fair Market Value on the purchase date if -

(i) The Issuer makes a bona fide solicitation for a specified guaranteed investment contract and reserves at least three (3) bona fide bonds from providers that have no material financial interest in the issue (e.g. as underwriters or brokers);

(ii) The Issuer purchases the highest yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees);

(iii) The yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contracts, if any, offered to persons from a source of funds other than gross proceeds of tax exempt bonds;

(iv) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the Issuer's reasonably expected draw down schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(v) The terms of the guaranteed investment contract, including collateral security requirements, are reasonable; and

(vi) The obligor on the governmental investment contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the guaranteed investment contract.

(c) Certificates of Deposit. The Fair Market Value of a certificate of deposit is its purchase price if it has a fixed rate of interest, a fixed payment schedule, and a substantial penalty for early withdrawal and the yield on the certificate of deposit is not less than (1) the yield on comparable direct obligations of the United States, and (2) the highest yield published or posted by the provider to be currently available on reasonably comparable certificates of deposit.

"**Final Computation Date**" means the date on which the last Bond is Discharged.

"**Future Value**" means the amount determined by using the following formula:

$$FV = PV(1+i)^n$$

where:

FV = The future value of the nonpurpose receipt or payment at the end of the interval. Each interval ends on the last day of a compounding interval. The compounding interval is the same compounding interval used in computing the Bond Yield.

PV = The future value of the nonpurpose receipt or payment at the beginning of the interval, or the amount thereof if the computation is for the first interval. The first interval begins on the date the nonpurpose receipt or payment is actually or constructively received or paid (or otherwise is taken into account). The amount of every nonpurpose receipt and payment with respect to an issue that is taken into account at the beginning of the first interval may be rounded to the nearest whole dollar. The preceding sentence shall not apply to receipts and payments with respect to investments in a restricted escrow within the meaning of Section 1.148-8(g) of the Regulations.

i = The Bond Yield during the interval (expressed as a decimal) divided by the number of compounding intervals in a year.

^{n} = A fraction, the numerator of which is the length of the interval and the denominator of which is the length of a whole compounding interval.

"**Gross Proceeds**" means Proceeds and Replacement Proceeds of the Bonds within the meaning of the Regulations.

"**Installment Computation Date**" means the last day of the fifth Bond Year and each succeeding fifth Bond Year.

"**Investment**" means any security, obligation, annuity contract, or investment type property as defined in section 148(b) of the Code.

"**Investment Proceeds**" means any amounts actually or constructively received from investing Proceeds of an issue of bonds.

"**IRS**" means the Internal Revenue Service.

"**Issue Price**" means $53,038,111.15, being the initial offering price to the public at which price a substantial amount of the Bonds is reasonably expected to be sold. For this purpose, ten percent (10%) is a substantial amount, and the term "the public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. The Issue Price generally is the first price at which the Bonds are sold to the public, and the issue price will not change if part of the issue is subsequently sold at a different price. The "issue price" of the Bonds for purposes of IRS Form 8038-G, based upon the price paid to the Issuer, is $53,038,111.15.

"**Net Sale Proceeds**" means Sale Proceeds less the amount of those proceeds invested in a reasonably required reserve or replacement fund under section 148(d) of the Code and as part of a minor portion under section 148(e) of the Code.

"**Nonpurpose Investment**" means any Investment that is not acquired to carry out the governmental purpose of an issue.

"**Payment**" means a payment as defined in section 1.148-3(d) of the Regulations for purposes of computing the rebate amount, and a payment as defined in section 1.148-5(b) of the Regulations for purposes of computing the yield on an investment.

"**Present Value**" means the amount determined by using the following formula:

$$PV = \frac{FV}{(1+i)^n}$$

where i equals the discount rate divided by the number of compounding intervals in a year and n equals the sum of (i) the number of whole compounding intervals for the period ending on the date as of which the Future Value is determined and (ii) a fraction the numerator of which is the length of any short compounding interval during such period and the denominator of which is the length of a whole compounding interval.

"**Present Value of an Investment**" shall mean the value of an investment computed under the economic accrual method; using the same compounding interval and financial conventions used to compute the yield on the Bonds. On any valuation date, the Present Value of an Investment is equal to the Present Value of all unconditionally payable receipts to be received from the payments to be paid for the investment after that date, using the Yield on the Investment as the discount rate.

"**Proceeds**" means Sale Proceeds, Investment Proceeds, and Transferred Proceeds of an issue of bonds. Proceeds do not include amounts that are actually or constructively received that with respect to an investment that is acquired for the governmental purpose of an issue that are properly allocable to the immaterially higher yield under section 1.148-2(d) of the Regulations or section 143(g) of the Code or to qualified administrative cost recoverable under section 1.148-5(e).

"**Project**" means the acquisition, construction, equipping, renovation and repair of certain public school buildings in Berkeley County School District.

"**Purchaser**" means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

"**Rebate Amount**" means, in respect of the bonds, the amount determined pursuant to the Code and Regulations in accordance with section E(1) hereof. Generally, under the Regulations, the rebate amount, as of any date, equals the excess of the Future Value of all Receipts with respect to Nonpurpose Investments allocated to the Gross Proceeds of the Bonds over the Future Value of all the Payments with respect to such Nonpurpose Investments computed in accordance with the Regulations.

"**Rebate Analyst**" means the entity or person chosen by the Issuer in accordance with Section E(3) hereof to determine the Rebate Amounts.

"**Rebate Fund**" means the fund created by the Issuer herein by that name.

"**Rebate Payment Date**" means the date following a Computation Date on which the Rebate Amount is mailed or otherwise filed with the IRS. The Rebate Payment Date cannot be a date which is more than 60 days after a Computation Date.

"**Receipt**" means a receipt as defined in section 1.148-3(d) of the Regulations for purposes of computing the Rebate Amount, and a receipt as defined in section 1.148-5(b) for purposes of computing Yield on an Investment.

"**Regulation**" or "**Regulations**" means the temporary, proposed or final Income Tax Regulations promulgated by the Department of the Treasury that are applicable to the Bonds.

"**Replacement Proceeds**" means amounts that are treated as replacement proceeds of an issue of bonds under section 1.148-1(c) of the Regulations. Generally, amounts are Replacement Proceeds of an issue if the amounts have a sufficiently direct nexus to the governmental purpose of the issue to conclude that the amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose. Replacement Proceeds include, but are not limited to, sinking funds or pledged funds to the extent that those funds are held by or derived from a substantial beneficiary of the issue (which, for this purpose includes the issuer and any related party to the issuer).

"**Sale Proceeds**" means amounts actually or constructively received from the sale of an issue of bonds (including amounts used to pay underwriter's discount and compensation and accrued interest other than pre-issuance accrued interest).

"**Tax-Exempt Bond**" means any tax-exempt bond within the meaning of section 103 of the Code and section 1.150-1 of the Regulations that is not investment property within the meaning of section 148(b)(3) of the Code.

"**Transferred Proceeds**" means Proceeds of a prior issue of bonds that have ceased to be allocated to that prior issue and are treated as Proceeds of a refunding issue under section 1.148-9 of the Regulations.

"**Transferred Proceeds of the Bonds**" means amounts that have ceased to be allocated to the Prior Bonds and are treated as Transferred Proceeds of the Bonds.

"**Universal Cap**" means the maximum value of Nonpurpose Investments which may be allocated to the Bonds under section 1.148-6 of the Regulations and is determined by reference to the Value of all outstanding Bonds of the issue. For purposes of this determination Nonpurpose Investments include cash, Tax-Exempt Bonds (i.e., any tax-exempt bond that is not investment property under section 148(b)(3) of the Code), qualified mortgage loans, and qualified student loans.

"**Valuation Date**" means the date on which the value of the Universal Cap and the Nonpurpose Investments allocable to the Bonds thereunder must be determined under section 1.148-6 of the Regulations. In general, beginning with the first Bond Year beginning after second year anniversary of the Issue Date, the first day of each Bond Year constitutes a Valuation Date. In addition, the Regulations provide with respect to a refunded issue (e.g., the Prior bonds) and a refunding issue (i.e., the Bonds) each date on which proceeds of the refunded issue would become transferred proceeds of the refunding issue, e.g., each date on which principal of the refunded issue is paid with proceeds of the refunding bonds, constitutes a Valuation Date.

"**Value of a Bond**" means the value of a bond determined under section 1.148-4(e) of the Regulations. Under those Regulations, value generally means:

(a) In the case of a plain par bond (within the meaning of section 1.148-1(b) of the Regulations), its outstanding stated principal amount, plus accrued unpaid interest or in the case of a plain par bond actually redeemed, or that is treated as redeemed, its stated redemption price on the redemption date plus accrued unpaid interest; and

(b) In the case of a bond other than a plain par bond, the value on a date of such a bond is generally its Present Value on that date, using the yield on the issue of which the bonds are a part as the discount factor. In determining the Present Value of a variable rate bond, the initial

interest rate on the bond established by the index or other rate setting mechanism is used to determine the interest payments on that bond.

"**Value of an Investment**" means the value of an investment determined under section 1.148-5(d) of the Regulations. Under those Regulations, value as of any date generally means, for any fixed rate investment (within the meaning of section 1.148-1(b) of the Regulations) or Yield Restricted Investment, Present Value on that date, and for any plain par investment (within the meaning of section 1.148-1(b) of the Regulations), the outstanding stated principal amount, plus accrued unpaid interest, as of that date.

"**Yield**" or "**yield**" means the yield computed under section 1.148-4 of the Regulations for the Bonds, and the yield computed under Section 1.148-5 of the Regulations for an Investment.

"**Yield Restricted Investments**" means any Investments which either (1) bear a yield that is no greater than the Bond Yield, or (2) are investments in one or more Tax-Exempt Bonds.

B. GENERAL

1. This certificate is being executed and delivered pursuant to the Code and regulations promulgated thereunder. I am an officer of the Issuer charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances, and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer.

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on February 17, 2010, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Issuer has covenanted in the Resolution that it will not permit at any time or times any of the proceeds of the Bonds or any funds of the Issuer to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

6. The Bonds were sold and delivered on February 17, 2010, to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Purchaser") for a purchase price of $52,862,011.17 (par amount of $51,500,000, plus net premium of $1,362,011.17).

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of providing moneys necessary (i) to pay a portion of the costs of acquisition, construction and equipping of new schools and of additions, renovations and improvements for certain existing public school buildings in Berkeley County School District (the "Project"), (ii) to capitalize interest on the Bonds, and (iii) to pay costs of issuance of the Bonds and related costs.

8. The face amount of the Bonds is $51,500,000. The sources and uses of proceeds of the Bonds is as follows:

Sources

Par amount of Bonds	$51,500,000.00
Net Premium	1,362,011.17
Total Sources	$52,862,011.17

Uses

Costs of Issuance	$ 87,000.00
Funds Available to Board for Project Costs	52,775,011.17
Total Uses	$52,862,011.17

9. The Purchaser has stated, in its certificate, a copy of which is attached hereto as **EXHIBIT C - PURCHASER'S CERTIFICATE** (the "Purchaser's Certificate") that the Bonds have been reoffered, and a substantial amount thereof sold, to purchasers other than bond houses, brokers or other intermediaries, at the initial offering prices not greater than the respective prices shown on the cover page of the Official Statement for the Bonds, including interest accrued on the Bonds from February 17, 2010.

C. THE PROJECT AND USE OF BOND PROCEEDS

1. The proceeds of the Bonds are being used to finance the Project to pay costs of issuance of the Bonds. There is no accrued interest on the Bonds. The proceeds of the Bonds (the "Net Sale Proceeds") will be deposited in a project construction fund (the "Construction Fund") and expended solely for payment of costs of the Project and Costs of Issuance of the Bonds. The Issuer reasonably expects that:

(a) it will incur a substantial binding obligation to a third party to expend at least 5% of the Net Sale Proceeds within 6 months following the Date of Issue;

(b) completion of the Project and allocation of the Net Sale Proceeds to expenditures for Project costs will proceed with due diligence; and

(c) it will expend at least 85% of the Net Sale Proceeds and earnings thereon for Project costs within 5 years of the Date of Issue.

2. The Issuer is a governmental unit and has general taxing powers; no Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer). No portion of the Bonds is issued to refund other obligations.

3. All property financed with proceeds of the Bonds will be held by or on behalf of a qualified governmental unit, and the Project will be operated solely for a public purpose as a governmental activity.

4. No portion of the Project will consist of any airplane, skybox or other luxury box, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

5. No portion of the payments of principal or interest will be made, financed or secured by, directly or indirectly, by payments or property used in any trade or business of any person other than the Issuer. The Issuer will not permit any portion of the payment of the principal or interest on the Bonds to be secured, directly or indirectly, by (i) interests in property or (ii) payments in respect of such property, which property is used or to be used in any trade or business of any person other than the Issuer. The Issuer will not permit any portion of the payment of the principal or interest on the Bonds to be derived, directly or indirectly by payments (whether or not to the Issuer) in respect of property or borrowed money, used or to be used in any trade or business of any persons other than the Issuer.

6. The Project is used only in activities directly related to the Issuer's exempt governmental purpose. No other person owns or uses the Project either directly or indirectly, including use through a management agreement, and neither the Issuer nor any other state or local government unit currently having ownership interest in the Project will transfer ownership of the Project while the Bonds are outstanding.

D. THE BONDS

1. The principal amounts, interest rates, yields, and interest and principal payment dates, with respect to the Bonds are set forth in **EXHIBIT A** hereto.

2. A Debt Service Account for the Bonds is established by the Bond Commission. Moneys deposited to the Debt Service Account, including subsequent deposits thereto, will be spent within a 13-month period beginning on the date of deposit and will be depleted at least once a year, except for a reasonable carryover amount not in excess of 1/12 of the annual debt service with respect to the Bonds or as otherwise required by law. The Bonds all bear interest at a fixed interest rate. The Debt Service Account is designed to achieve a proper matching of the Issuer's revenues and debt service on the Bonds within each Bond Year. All moneys held in the Debt Service Account will be used to pay debt service on the Bonds. There is no accrued interest on the Bonds. The Debt Service Account qualifies as a Bona Fide Debt Service Fund and all moneys in the Debt Service Account will be invested without restriction as to yield and are not subject to rebate.

3. A Surplus Collections Account for the Bonds is also established by the Bond Commission. Tax levy receipts and earnings thereon in excess of the amounts necessary to pay principal of and interest on the Bonds are transferred from the Debt Service Account and accumulated in the Surplus Collections Account. Moneys in the Surplus Collections Account are used to pay debt service on the Bonds in the event that tax levies for any particular period are insufficient therefor. All moneys in the Surplus Collections Account will be invested at a yield not to exceed the yield on the Bonds.

4. No Reserve Account or similar fund is established with respect to the Bonds.

5. Other than the Debt Service Account and the Surplus Collections Account, there are no other funds or accounts of the Issuer which (i) are reasonably expected to be used to pay Debt Service on the Bonds or which are pledged as collateral to secure repayment of Debt Service on the Bonds and (ii) for which there is a reasonable assurance that amounts therein will be available to pay Debt Service on the Bonds.

6. For purposes of this Tax Certificate, yield is calculated as set forth in Section 148(h) of the Code and Sections 1.148-4 and 1.148-5 of the Regulations. Thus, yield generally means that discount rate which, when used in computing the present value of all unconditionally payable payments of principal and interest with respect to an obligation and the cost of qualified guarantees (if any) paid and to be paid with respect to such obligation, produces an amount equal to the issue price of the obligation.

7. The Issuer certifies, based upon representations of the Purchaser shown in **EXHIBIT C** hereto, that the aggregate reoffering price of the Bonds is $53,038,111.15 which represents the price at which the Bonds were reasonably expected to be sold to the public (excluding bond houses, brokers and other intermediaries). For purposes hereof, yield shall be calculated on a 360-day year basis with interest compounded semiannually. The yield on the Bonds on an aggregate basis as computed by the Purchaser is 3.176084%.

8. Unless otherwise authorized by an Opinion of Bond Counsel, during any period in which any amounts held in the Bona Fide Debt Service Fund, that remain unexpended after 13 months from the date of accumulation in such funds, at any time in the aggregate exceeds $100,000, the excess will be invested either (i) in assets that comply with the requirements for qualified yield reduction payments set forth in Regulations §1.148-5(c) or (ii) in Investment Property with a yield not exceeding the yield on the Bonds.

9. Pursuant to Regulation Section 1.148-6(d)(1)(i) the Issuer hereby elects to use the "gross proceeds spent first method" for purposes of allocating proceeds of the Bonds to expenditures.

E. REBATE

1. Undertakings. The Issuer has covenanted to comply with certain requirements of the Code. The Issuer acknowledges that the United States Department of the Treasury has issued Regulations with respect to these undertakings, including the proper method for computing whether any rebate amount is due the United States under Section 148(f) of the Code (i.e., Sections 1.148-0 through 1.148-11, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2 of the Regulations). The Issuer covenants that it will undertake to determine (or have determined on its behalf) what is required with respect to the rebate provisions contained in Section 148(f) of the Code from time to time and will undertake to comply with any requirements that may be applicable to the Bonds. The Issuer will undertake the methodology described in this Section E of this Tax Certificate, except to the extent inconsistent with any requirements of present or future law, regulations or future guidance issued by the United States Department of the Treasury or if the Issuer receives an opinion of Bond Counsel.

2. Rebate Fund. The Issuer hereby creates a special fund designated the *"Rebate Fund"* to be held by a commercial bank separate and apart from all other funds and accounts of the Issuer.

3. Recordkeeping. Detailed records with respect to each and every Nonpurpose Investment attributable to Gross Proceeds (within the meaning of Section 1.148-1(b) of the Regulations) of the Bonds must be maintained by the Issuer, including (i) purchase date, (ii) purchase price, (iii) any accrued interest paid, (iv) face amount, (v) coupon rate, (vi) date of interest payments, (vii) disposition price, (viii) any accrued interest received, (ix) disposition date, and (x) broker's fees. Such detailed record keeping is required for the calculation of the rebate amount (within the meaning of Section 1.148-3 of the Regulations) which, in part, will require a determination of the difference between the actual aggregate earnings of all Nonpurpose Investments and the amount of such earnings assuming a rate of return equal to the yield on the Bonds.

4. Rebate Amount Calculation and Payment.

(a) The Issuer represents, warrants and covenants that it will prepare or cause to be prepared a calculation of the rebate amount with respect to the Bonds consistent with the rules described in this Section 4. The Issuer will prepare or cause to be prepared a calculation of the rebate amount (i) within fifty-five (55) days after the close of the fifth Bond Year and each fifth Bond Year thereafter so long as any Bonds remain unpaid, and (ii) within fifty-five (55) days after the first date on which there are no unpaid Bonds. Not later than fifty-five (55) days after the end of the fifth Bond Year and each fifth Bond Year thereafter so long as any Bond remains unpaid, and within fifty-five (55) days after the last Bond is paid, the Issuer shall deposit in the Rebate Fund an amount so that the balance held by the Issuer in the Rebate Fund shall be equal to the rebate amount.

(b) For purposes of calculating the rebate amount (i) the aggregate amount earned with respect to a Nonpurpose Investment shall be determined by assuming that the Nonpurpose Investment was acquired for an amount equal to its value at the time it becomes a Nonpurpose Investment, and (ii) the aggregate amount earned with respect to any Nonpurpose Investment shall include any unrealized gain or loss with respect to the Nonpurpose Investment on the first date when there are no unpaid Bonds or when the investment ceases to be a Nonpurpose Investment.

(c) The Issuer shall pay to the United States Department of the Treasury out of designated funds (i) not later than sixty (60) days after the end of each fifth Bond Year, a payment equal to at least ninety percent (90%) of the rebate amount with respect to the Bonds, calculated as of the end of such fifth Bond Year, and (ii) not later than sixty (60) days after the first date when there are no unpaid Bonds, an amount equal to one hundred percent (100%) of the rebate amount (determined as of the first date when there are no unpaid Bonds) plus any actual or imputed earnings on such rebate amount, all as set forth in Sections 1.148-1 through 1.148-11 of the Regulations and as determined by or on behalf of the Issuer.

(d) Each payment required to be made pursuant hereto and relating to the Bonds shall be filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255, on or before the date such payment is due and shall be accompanied by Internal Revenue Service Form 8038-T. The Issuer must retain records of the calculations required by this Section 4.4 until six (6) years after the retirement of the last obligation of the Bonds.

5. Valuation of Investments.

(a) General Rule. Except as otherwise provided in this Section 5, for all purposes of Section 148 of the Code, the value of an investment allocated to the Bonds (including a payment or receipt on the investment) on a date must be determined using one of the following valuation methods:

(i) Outstanding Principal Amount Method. A plain par investment (as defined in Section 1.148-1(b) of the Regulations) may be valued at its outstanding stated principal amount, plus any accrued unpaid interest on that date.

(ii) Present Value Method. An investment whose yield is fixed and determinable on the issue date (a *"fixed rate investment"*) may be valued at its present value on that date. Present value of an investment is computed under the economic accrual method, using the same compounding interval and financial conventions used to compute the yield on the Bonds (i.e., 360-day year basis with interest compounded semiannually). The present value of an investment on a date is equal to the present value of all unconditionally payable receipts to be received from and payments to be paid for the investment after that date, using the yield on the investment as the discount rate.

(iii) Fair Market Value Method. An investment may be valued at its fair market value on that date. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair market value generally is determined on the date on which a contract to purchase or sell the nonpurpose investment becomes binding (i.e., the trade date rather than the settlement date). Except as otherwise provided in Subsections 4.5(e), (f) and (g) hereof, an investment that is not of a type traded on an established securities market, within the meaning of Section 1273 of the Code, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(b) Mandatory Valuation of Certain Investments at Fair Market Value. Except as provided in Subsections 4.5(c) and (d), an investment must be valued at fair market value on the date that it is first allocated to the Bonds or first ceases to be allocated to the Bonds as a consequence of a deemed acquisition or deemed disposition.

(c) Mandatory Valuation of Yield Restricted Investments at Present Value. Any yield restricted investment must be valued at present value.

(d) Transferred Proceeds Allocations, Universal Cap Allocations and Commingled Funds. Notwithstanding Subsection 4.5(b) hereof, an investment need not be valued at fair market value if it is allocated to the Bonds or ceases to be allocated to the Bonds as a result of the transferred proceeds allocation rule under Section 1.148-9(b) of the Regulations or the universal cap rule under Section 1.148-6(b)(2) of the Regulations. In addition, investments in a commingled fund (other than a bona fide debt service fund) need not be valued at fair market value unless it is a commingled fund described in Section 1.148-6(e)(5)(iii) of the Regulations.

(e) Certificates of Deposit. The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal will be treated as its fair market value on the purchase date if:

(i) the yield on the certificate of deposit is not less than the yield on reasonably comparable direct obligations of the United States; and

(ii) the yield on the certificate of deposit is not less than the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(f) Guaranteed Investment Contracts. The purchase price of a guaranteed investment contract will be treated as its fair market value on the purchase date if:

(i) the Issuer has made (or had made on its behalf) a bona fide solicitation for a specified guaranteed investment contract and received at least three (3) bona fide bids from providers that have no material financial interest in the Bonds;

(ii) the Issuer purchased (or had purchased on its behalf) the highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees);

(iii) the yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contract, if any, offered to other persons from a

source of funds other than gross proceeds of tax-exempt bonds. For purposes of computing the yield on a guaranteed investment contract acquired through a broker, any compensation received by such broker whether payable by or on behalf of the obligor or obligee of such investment contract may be taken into account in determining the cost of such guaranteed investment contract (as provided in Section 1.148-5(e)(2)(iii) of the Regulations) to the extent that the amount of compensation does not exceed the lesser of $32,000 or 0.2% of the computational base (as defined in Section 1.148-5(e)(2)(iii)(B)(2) of the Regulations), provided that in no event shall the Issuer treat as qualified administrative costs more than $90,000 in broker's commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with the gross proceeds of the issue.

(iv) the determination of the terms of the guaranteed investment contract took into account as a significant factor the Issuer's reasonably expected drawdown schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(v) the terms of the guaranteed investment contract, including collateral security requirements, are reasonable; and

(vi) the provider of the guaranteed investment contract certified the administrative costs that it paid (or expects to pay) to third parties in connection with the guaranteed investment contract.

(g) United States Treasury Obligations. The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

6. Segregation of Proceeds. In order to perform the calculations required by the Code, it is necessary to track separately all of the Gross Proceeds. To that end, the Issuer hereby agrees to establish separate funds, accounts or subaccounts or take other accounting measures in order to account fully for all Gross Proceeds.

7. Filing Requirements. The Issuer shall file or cause to be filed such reports or other documents with the Internal Revenue Service as may be required by the Code from time to time (e.g., Form 8038-G and Form 8038-T).

8. Failure to Pay Rebate Amounts. In the event the Issuer fails to pay at the proper time and in the proper amounts, any Rebate Amount, it will pay the rebate amount plus interest within 180 days after discovery of such failure as set forth in Section 1.148-3(h)(3) of the Regulations. Notwithstanding the foregoing, in the event the Issuer fails to pay at the proper time and in the proper amount any Rebate Payment or correction amount, it hereby covenants and agrees to pay any penalty required by Internal Revenue Service in lieu of a declaration of taxability on the Bonds.

F. MISCELLANEOUS

1. The amount designated as "Cost of Issuance" of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

2. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah. The information set forth in **EXHIBIT B - IRS FORM 8038-G**, attached hereto, is true and correct, and may be relied upon by Bond Counsel in its preparation of IRS Form 8038-G.

3. None of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, or will be used to make or finance loans to, any person who is not a governmental unit.

4. The original proceeds of the Bonds will not exceed the amount necessary for the purpose of the issue, except to the extent any such proceeds are required for rebate to the United States.

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

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

7. The Issuer has not entered and will not enter into any transaction to reduce the Yield on an investment of the Gross Proceeds of the Bonds so as to cause the amount to be rebated to the United States Treasury to be less than it would have been had the transaction been at arm's length and the Yield on the Bonds not been relevant to either party to the transaction, and that all investments of Gross Proceeds will be made on an arm's length, Fair Market Value basis.

8. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of the Issuer or other related governmental agency that

have been used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date hereof, to produce a yield materially higher than the Yield on the Bonds.

9. In connection with the Bonds, there has not been created or established, and the Issuer does not expect that there will be created or established, any sinking fund, pledged fund or similar fund (other than as specifically identified in this Tax and Arbitrage Certificate), including without limitation any arrangement under which money, securities, or obligations are pledged directly or indirectly to secure the Bonds or any contract securing the Bonds or any arrangement providing for compensating or minimum balances to be maintained by the Issuer or related governmental agencies with any registered owner of the Bonds.

10. The Bonds are not and will not be part of a transaction or series of transactions that (i) attempt to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the Regulations promulgated thereunder which enable the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or (ii) increase the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling obligations that would not otherwise be sold or selling a larger amount of obligations, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

11. No other obligations are being issued by the Issuer or any related entity at substantially the same time and sold pursuant to a common plan of financing and which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Bonds or which will be paid directly or indirectly from proceeds of the sale of the Bonds.

12. The issuance of the Bonds will not involve the use of a "device" or an "abusive transaction" within the meaning of Section 149(d)(4) of the Code and the Regulations thereunder.

13. The Issuer covenants to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be and continue to be excludable from gross income for federal income tax purposes.

14. The Issuer shall comply with all yield restrictions on Bond proceeds as set forth in the Code.

15. The Bonds are a fixed yield issue. No interest or other amount payable on any of the Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

16. Under section 1.148-2(b) of the Regulations, an officer of the Issuer must certify the Issuer's expectations as of the issue date. In accordance therewith, the undersigned President of the Issuer hereby in good faith certifies that the representations and covenants set forth in this Tax and Arbitrage Certificate constitute the reasonable expectations of the Issuer as of the Issue Date. Accordingly, the representations and covenants set forth herein are intended and may be relied upon as the certification described in section 1.148-2(b) of the Regulations and are being delivered as part of the record of proceedings in connection with the issuance of the Bonds.

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

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

19. Notwithstanding any other provision hereof, any provision of this Tax and Arbitrage Certificate shall be amended at any time and such amendment shall be complied with, upon receipt by the Issuer of an opinion of Bond Counsel that such amendment is necessary or permissible under the then current Code and Regulations and is either necessary to or will not adversely affect the excludability of interest on the Bonds from gross income of the recipients thereof for federal income tax purposes.

20. To the best of our knowledge, information and belief, the foregoing expectations are reasonable.

21. If any provision of this Tax Certificate (including all accompanying certificates) shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

22. Notwithstanding anything in this Tax Certificate or any other provisions of the Resolution to the contrary, the obligation to remit the rebate amount to the United States Department of the Treasury and to comply with all other requirements contained in this Tax Certificate shall survive the defeasance or payment in full of the Bonds.

23. The yield restrictions contained herein or any other restriction or covenant contained herein need not be observed or may be changed if the Issuer receives an opinion of Bond Counsel to the effect that such noncompliance or change will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes.

24. The terms, provisions, covenants and conditions of this Tax Certificate shall bind and inure to the benefit of the successors and assigns of the Issuer.

25. The headings of this Tax Certificate are inserted for convenience only and shall not be deemed to constitute a part of this Tax Certificate.

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IN WITNESS WHEREOF, we have set our hands this February 17, 2010.

THE BOARD OF EDUCATION OF
THE COUNTY OF BERKELEY

By _____
Its President

By: _____
Its Superintendent

EXHIBIT A

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

Bond No.	Cusip	Principal Amount	Maturity Date (May 1)	Interest Rate
R-1	084239 EX6	$2,025,000	2011	3.000%
R-2	084239 EY4	2,660,000	2012	3.000%
R-3	084239 EZ1	2,770,000	2013	2.000%
R-4	084239 FA5	2,890,000	2014	4.000%
R-5	084239 FB3	3,010,000	2015	2.000%
R-6	084239 FC1	3,140,000	2016	2.500%
R-7	084239 FD9	3,275,000	2017	4.000%
R-8	084239 FE7	3,415,000	2018	4.000%
R-9	084239 FF4	3,560,000	2019	4.000%
R-10	084239 FG2	3,710,000	2020	4.000%
R-11	084239 FH0	3,865,000	2021	3.250%
R-12	084239 FJ6	4,030,000	2022	3.375%
R-13	084239 FK3	4,205,000	2023	3.500%
R-14	084239 FL1	4,380,000	2024	4.000%
R-15	084239 FM9	4,565,000	2025	3.750%

EXHIBIT B

IRS FORM 8038-G

[Included in Transcript as Document Number 26]

EXHIBIT C

PURCHASER'S CERTIFICATE

[Included in Transcript as Document Number 16]

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

CERTIFICATE OF ISSUER AND ARCHITECT

The undersigned, **DR. WILLIAM F. QUEEN**, President of **THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY,** West Virginia (the "Issuer"), and **GREG WILLIAMSON**, AIA, a licensed architect of the State of West Virginia, Certificate of Professional Registration number 2101, of Williamson Shriver Architects, Inc., Charleston, West Virginia (the "Architect"), hereby certify as follows relative to the use of the proceeds of the Issuer's $51,500,000 Public School Bonds, Series 2010, dated February 17, 2010 (the "Bonds"):

1. The proceeds of the Bonds are being used to finance the acquisition of sites and the acquisition, construction, and equipping of two new schools and the renovation, expansion and improvement of certain existing schools (collectively, the "Project"). The proceeds of the Bonds in the amount of $52,775,011 (the "Net Sale Proceeds") will be deposited in a project construction fund (the "Construction Fund") and, together with earnings thereon, expended solely for payment of costs of the Project and payment of costs of issuance of the Bonds.

2. Due to the large number of construction contracts included within the Project and the substantial period of time needed to negotiate and acquire properties necessary for the Project, the Issuer and the Architect reasonably expect that it will take more than 3 years, but not more than 5 years, from the date of delivery of the Bonds (February 17, 2010, the "Issue Date") to fully complete the Project.

3. The Issuer will incur a substantial binding obligation to a third party to expend at least 5% of the Net Sale Proceeds within 6 months of the Issue Date.

4. The acquisition and construction of the Project and allocation of the Net Sale Proceeds of the Bonds to expenditures for Project costs will proceed with due diligence until completion of the Project.

5. The Issuer and the Architect reasonably expect that the Issuer will expend at least 85% of the Net Sale Proceeds and earnings thereon for costs of the Project within 5 years of the Issue Date as shown on the Estimated Construction Draw Schedule attached hereto as **EXHIBIT A - ESTIMATED CONSTRUCTION DRAW SCHEDULE**, and incorporated by reference herein.

WITNESS our respective signatures this February 17, 2010.

THE BOARD OF EDUCATION OF
THE COUNTY OF BERKELEY

By: _____
Its President

WILLIAMSON SHRIVER
ARCHITECTS, INC.

By: _____
Greg Williamson, AIA

EXHIBIT A

ESTIMATED CONSTRUCTION DRAW SCHEDULE

Cash Flow Analysis

Summary for All Projects

Berkeley County Schools

2-Mar-10

Date	Spring Mills HS Local Funding	Musselman HS Addition	North MS Addition	North MS Renovation	Gerrardstown MS	Total	Running Total	Running Remainder
2010								
January						-	-	51,499,998
February		88,096	79,139			167,235	167,235	51,332,764
March	311,427	147,170	134,996			593,593	760,827	50,739,171
April	-	11,884	11,791		School Building	23,674	784,502	50,715,497
May	144,235	240,863	216,933		Authority Funded	602,032	1,386,534	50,113,464
June	625,270	23,032	22,362			670,664	2,057,198	49,442,800
July	13,275	97,896	88,230		No Local Bond	199,402	2,256,600	49,243,399
August	306,027	160,486	144,185		Funding	610,698	2,867,298	48,632,701
September	470,689	138,462	124,400			733,551	3,600,849	47,899,150
October	1,613,633	576,588	516,085			2,706,306	6,307,155	45,192,843
November	803,742	639,178	572,040			2,014,959	8,322,115	43,177,884
December	971,918	701,767	627,995			2,301,680	10,623,795	40,876,203
2011								
January	796,306	701,767	627,995			2,126,068	12,749,863	38,750,135
February	739,551	764,356	683,950			2,187,857	14,937,721	36,562,278
March	975,547	826,946	739,905			2,542,398	17,480,119	34,019,880
April	975,547	639,178	572,040		School Building	2,186,765	19,666,884	31,833,115
May	1,447,541	357,525	320,243		Authority Funded	2,125,308	21,792,192	29,707,806
June	1,447,541	263,641	236,310			1,947,492	23,739,684	27,760,314
July	584,377	138,462	124,400		No Local Bond	847,239	24,586,924	26,913,075
August	774,923	482,704	432,153		Funding	1,689,779	26,276,703	25,223,296
September	774,923					774,923	27,051,625	24,448,373
October	965,468					965,468	28,017,093	23,482,905
November	965,468					965,468	28,982,561	22,517,437
December	1,156,013					1,156,013	30,138,574	21,361,424
2012								
January	965,468					965,468	31,104,042	20,395,956
February	965,468					965,468	32,069,510	19,430,488
March	774,923					774,923	32,844,433	18,655,566
April	774,923				School Building	774,923	33,619,355	17,880,643
May	774,923				Authority Funded	774,923	34,394,278	17,105,721
June	965,468					965,468	35,359,746	16,140,253
July	965,468				No Local Bond	965,468	36,325,213	15,174,785
August	1,156,013				Funding	1,156,013	37,481,227	14,018,772
September	774,923			115,866		890,788	38,372,015	13,127,983
October	584,377			-		584,377	38,956,392	12,543,606
November	584,377			154,488		738,865	39,695,257	11,804,741
December	393,832			-		393,832	40,089,089	11,410,909
2013								
January	393,832			-		393,832	40,482,921	11,017,078
February	393,832			308,976		702,807	41,185,728	10,314,270
March	393,832			79,294		473,126	41,658,855	9,841,144
April	774,923			22,476		797,398	42,456,253	9,043,746
May				100,228		100,228	42,556,480	8,943,518
June				188,558		188,558	42,745,039	8,754,960
July				276,889		276,889	43,021,928	8,478,071
August				453,550		453,550	43,475,478	8,024,520
September				541,881		541,881	44,017,359	7,482,639
October				541,881		541,881	44,559,240	6,940,758
November				630,212		630,212	45,189,452	6,310,546
December				806,873		806,873	45,996,325	5,503,673
2014								
January				806,873		806,873	46,803,199	4,696,800
February				895,204		895,204	47,698,402	3,801,596
March				806,873		806,873	48,505,276	2,994,723
April				806,873		806,873	49,312,149	2,187,850
May				630,212		630,212	49,942,361	1,557,638
June				453,550		453,550	50,395,911	1,104,088
July				365,220		365,220	50,761,131	738,868
August				373,648		373,648	51,134,779	365,220
September				365,220		365,220	51,499,998	0
	28,499,999	7,000,000	6,275,155	9,724,845		51,499,998		

Cash Flow Analysis

Spring Mills High School

Berkeley County Schools

2-Mar-10

Date	Project Timeline Notes	Design Expenditures Phase	Design Expenditures Percent	Design Expenditures Total	Site Prep Expenditures Percent	Site Prep Expenditures Total	Building Expenditures Percent	Building Expenditures Total	Owner Expenditures Percent	Owner Expenditures Total	Agency Expenditures Percent	Agency Expenditures Total	Total Expenditures Percent	Total Expenditures Total	Berkeley County Schools Local %	Berkeley County Schools Monthly	Berkeley County Schools Running Total
2010																	
January																	
February																	
March		AE Sch	15%	411,427									0.77%	411,427		311,427	311,427
April													0.00%	-		-	311,427
May		AE SP	3%	82,285					10.5%	61,950			0.27%	144,235		144,235	455,662
June	Site Prep bids received	AE DD	20%	548,570					13.0%	76,700			1.17%	625,270		625,270	1,080,932
July	Site Prep awarded								2.25%	13,275			0.02%	13,275		13,275	1,094,207
August					10.0%	292,752			2.25%	13,275			0.57%	306,027		306,027	1,400,234
September		AE CA	0.67%	18,286	15.0%	439,128			2.25%	13,275			0.88%	470,689		470,689	1,870,923
October		AE CD	37%	1,014,854	20.0%	585,504			2.25%	13,275			3.02%	1,613,633		1,613,633	3,484,556
November	Building bids received	AE CA	0.67%	18,286	25.0%	731,880			2.25%	13,275	100.0%	40,301	1.50%	803,742		803,742	4,288,298
December	Building awarded	AE BID	5%	137,142	20.0%	585,504	0.5%	235,997	2.25%	13,275			1.82%	971,918		971,918	5,260,216
2011																	
January		AE CA	0.67%	18,286	10.0%	292,752	1.0%	471,993	2.25%	13,275			1.49%	796,306		796,306	6,056,522
February		AE CA	0.67%	18,286			1.5%	707,990	2.25%	13,275			1.38%	739,551		739,551	6,796,072
March		AE CA	0.67%	18,286			2.0%	943,987	2.25%	13,275			1.82%	975,547		975,547	7,771,620
April		AE CA	0.67%	18,286			2.0%	943,987	2.25%	13,275			1.82%	975,547		975,547	8,747,167
May		AE CA	0.67%	18,286			3.0%	1,415,980	2.25%	13,275			2.71%	1,447,541		1,447,541	10,194,707
June		AE CA	0.67%	18,286			3.0%	1,415,980	2.25%	13,275			2.71%	1,447,541		1,447,541	11,642,248
July		AE CA	0.67%	18,286			3.0%	1,415,980	2.25%	13,275			2.71%	1,447,541	0.4037035	584,377	12,226,625
August		AE CA	0.67%	18,286			4.0%	1,887,973	2.25%	13,275			3.59%	1,919,534		774,923	13,001,548
September		AE CA	0.67%	18,286			4.0%	1,887,973	2.25%	13,275			3.59%	1,919,534		774,923	13,776,470
October		AE CA	0.67%	18,286			5.0%	2,359,967	2.25%	13,275			4.47%	2,391,527		965,468	14,741,938
November		AE CA	0.67%	18,286			5.0%	2,359,967	2.25%	13,275			4.47%	2,391,527		965,468	15,707,406
December		AE CA	0.67%	18,286			6.0%	2,831,960	2.25%	13,275			5.35%	2,863,520		1,156,013	16,863,419
2012																	
January		AE CA	0.67%	18,286			5.0%	2,359,967	2.25%	13,275			4.47%	2,391,527		965,468	17,828,887
February		AE CA	0.67%	18,286			5.0%	2,359,967	2.25%	13,275			4.47%	2,391,527		965,468	18,794,355
March		AE CA	0.67%	18,286			4.0%	1,887,973	2.25%	13,275			3.59%	1,919,534		774,923	19,569,278
April		AE CA	0.67%	18,286			4.0%	1,887,973	2.25%	13,275			3.59%	1,919,534		774,923	20,344,200
May		AE CA	0.67%	18,286			4.0%	1,887,973	2.25%	13,275			3.59%	1,919,534		774,923	21,119,123
June		AE CA	0.67%	18,286			5.0%	2,359,967	2.25%	13,275			4.47%	2,391,527		965,468	22,084,591
July		AE CA	0.67%	18,286			5.0%	2,359,967	2.25%	13,275			4.47%	2,391,527		965,468	23,050,058
August		AE CA	0.67%	18,286			6.0%	2,831,960	2.25%	13,275			5.35%	2,863,520		1,156,013	24,206,072
September		AE CA	0.67%	18,286			4.0%	1,887,973	2.25%	13,275			3.59%	1,919,534		774,923	24,980,994
October		AE CA	0.67%	18,286			3.0%	1,415,980	2.25%	13,275			2.71%	1,447,541		584,377	25,565,371
November		AE CA	0.67%	18,286			3.0%	1,415,980	2.25%	13,275			2.71%	1,447,541		584,377	26,149,749
December		AE CA	0.67%	18,286			2.0%	943,987	2.25%	13,275			1.82%	975,547		393,832	26,543,580
2013																	
January		AE CA	0.67%	18,286			2.0%	943,987	2.25%	13,275			1.82%	975,547		393,832	26,937,412
February		AE CA	0.67%	18,286			2.0%	943,987	2.25%	13,275			1.82%	975,547		393,832	27,331,244
March		AE CA	0.67%	18,286			2.0%	943,987	2.25%	13,275			1.82%	975,547		393,832	27,725,076
April		AE CA	0.67%	18,286			4.0%	1,887,973	2.25%	13,275			3.59%	1,919,534		774,923	28,499,999
May																	
June																	
			100.0%	2,742,849	100%	2,927,520	100.0%	47,199,330	100.0%	590,000	100.0%	40,301	100.0%	$3,500,000			

Values from Cost Breakdown	
Site Prep/Utilities Value	2,927,520
Site Devel/Building/F&E Value	47,199,330
Design Services Value	2,742,849
Agency Review Value	40,301
Owner Direct Expenses Value	590,000
	$3,500,000

Preliminary Cash Flow Analysis

Musselman High School Addition

Berkeley County Schools

2-Mar-10

Date	Project Timeline Notes	Design Expenditures Phase	Design Expenditures Percent	Design Expenditures Total	Site Prep Percent	Site Prep Total	Building Expenditures Percent	Building Expenditures Total	Owner Expenditures Percent	Owner Expenditures Total	Agency Expenditures Percent	Agency Expenditures Total	Total Expenditures Percent	Total Expenditures Total	Running Expenses
2010															
January															
February		AE Sch	15%	88,096									1.26%	88,096	88,096
March		AE DD	20%	117,461					20.0%	29,709			2.10%	147,170	235,265
April									8.0%	11,884			0.17%	11,884	247,149
May	Building bids received	AE CD	40%	234,922					4.0%	5,942			3.44%	240,863	488,012
June	Building awarded								12.0%	17,825	100.0%	5,207	0.33%	23,032	511,045
July		AE BID	5%	29,365			1.0%	62,589	4.0%	5,942			1.40%	97,896	608,941
August		AE CA	5.00%	29,365			2.0%	125,179	4.0%	5,942			2.29%	160,486	769,427
September		AE CA	1.25%	7,341			2.0%	125,179	4.0%	5,942			1.98%	138,462	907,889
October		AE CA	1.25%	7,341			9.0%	563,305	4.0%	5,942			8.24%	576,588	1,484,477
November		AE CA	1.25%	7,341			10.0%	625,894	4.0%	5,942			9.13%	639,178	2,123,655
December		AE CA	1.25%	7,341			11.0%	688,484	4.0%	5,942			10.03%	701,767	2,825,422
2011															
January		AE CA	1.25%	7,341			11.0%	688,484	4.0%	5,942			10.03%	701,767	3,527,189
February		AE CA	1.25%	7,341			12.0%	751,073	4.0%	5,942			10.92%	764,356	4,291,545
March		AE CA	1.25%	7,341			13.0%	813,663	4.0%	5,942			11.81%	826,946	5,118,491
April		AE CA	1.25%	7,341			10.0%	625,894	4.0%	5,942			9.13%	639,178	5,757,668
May		AE CA	1.25%	7,341			5.5%	344,242	4.0%	5,942			5.11%	357,525	6,115,193
June	Construction complete	AE CA	1.25%	7,341			4.0%	250,358	4.0%	5,942			3.77%	263,641	6,378,834
July	Furnishings complete	AE CA	1.25%	7,341			2.0%	125,179	4.0%	5,942			1.98%	138,462	6,517,296
August		AE CA	1.25%	7,341			7.5%	469,421	4.0%	5,942			6.90%	482,704	7,000,000
September															
			100.0%	587,304	0%	-	100.0%	6,258,944	100.0%	148,545	100.0%	5,207	100.0%	7,000,000	

Values from Project Cost Estimate	
Site Prep/Utilities Value	-
Site Devel/Building/F&E Value	6,258,944
Design Services Value	587,304
Agency Review Value	5,207
Owner Direct Expenses Value	148,545
	7,000,000

Cash Flow Analysis

North Middle School Addition

Berkeley County Schools

2-Mar-10

Date	Project Timeline Notes	Design Expenditures Phase	Design Expenditures Percent	Design Expenditures Total	Site Prep Percent	Site Prep Total	Building Expenditures Percent	Building Expenditures Total	Owner Expenditures Percent	Owner Expenditures Total	Agency Expenditures Percent	Agency Expenditures Total	Total Expenditures Percent	Total Expenditures Total	Running Expenses
2010															
January															
February		AE Sch	15%	79,139									1.26%	79,139	79,139
March		AE DD	20%	105,519					20.0%	29,477			2.15%	134,996	214,135
April									8.0%	11,791			0.19%	11,791	225,926
May	Building bids received	AE CD	40%	211,038					4.0%	5,895			3.46%	216,933	442,859
June	Building awarded								12.0%	17,686	100.0%	4,676	0.36%	22,362	465,221
July		AE BID	5%	26,380			1.0%	55,955	4.0%	5,895			1.41%	88,230	553,451
August		AE CA	5.00%	26,380			2.0%	111,910	4.0%	5,895			2.30%	144,185	697,636
September		AE CA	1.25%	6,595			2.0%	111,910	4.0%	5,895			1.98%	124,400	822,037
October		AE CA	1.25%	6,595			9.0%	503,595	4.0%	5,895			8.22%	516,085	1,338,122
November		AE CA	1.25%	6,595			10.0%	559,550	4.0%	5,895			9.12%	572,040	1,910,162
December		AE CA	1.25%	6,595			11.0%	615,505	4.0%	5,895			10.01%	627,995	2,538,158
2011															
January		AE CA	1.25%	6,595			11.0%	615,505	4.0%	5,895			10.01%	627,995	3,166,153
February		AE CA	1.25%	6,595			12.0%	671,460	4.0%	5,895			10.90%	683,950	3,850,103
March		AE CA	1.25%	6,595			13.0%	727,415	4.0%	5,895			11.79%	739,905	4,590,009
April		AE CA	1.25%	6,595			10.0%	559,550	4.0%	5,895			9.12%	572,040	5,162,049
May		AE CA	1.25%	6,595			5.5%	307,753	4.0%	5,895			5.10%	320,243	5,482,292
June	Construction complete	AE CA	1.25%	6,595			4.0%	223,820	4.0%	5,895			3.77%	236,310	5,718,602
July	Furnishings complete	AE CA	1.25%	6,595			2.0%	111,910	4.0%	5,895			1.98%	124,400	5,843,002
August		AE CA	1.25%	6,595			7.5%	419,663	4.0%	5,895			6.89%	432,153	6,275,155
September															
			100.0%	527,595	0%	-	100.0%	5,595,500	100.0%	147,384	100.0%	4,676	100.0%	6,275,155	

Values from Project Cost Estimate	
Site Prep/Utilities Value	-
Site Devel/Building/F&E Value	5,595,500
Design Services Value	527,595
Agency Review Value	4,676
Owner Direct Expenses Value	147,384
	6,275,155

Cash Flow Analysis

North Middle School Renovations

Berkeley County Schools

2-Mar-10

Date	Project Timeline Notes	Design Expenditures Phase	Design Expenditures Percent	Design Expenditures Total	Site Prep Expenditures Percent	Site Prep Expenditures Total	Building Expenditures Percent	Building Expenditures Total	Owner Expenditures Percent	Owner Expenditures Total	Agency Expenditures Percent	Agency Expenditures Total	Total Expenditures Percent	Total Expenditures Total	Running Expenses
2012															
January															
February															
March															
April															
May															
June															
July															
August															
September		AE Sch	15%	115,866									1.19%	115,866	115,866
October													0.00%	-	115,866
November		AE DD	20%	154,488									1.59%	154,488	270,354
December													0.00%	-	270,354
2013															
January													0.00%	-	270,354
February		AE CD	40.0%	308,976									3.18%	308,976	579,329
March	Building bids received	AE BID	5.0%	38,622					30.0%	33,713	100.0%	6,959	0.82%	79,294	658,624
April	Building awarded								20.0%	22,476			0.23%	22,476	681,099
May		AE CA	1.18%	9,088			1.0%	88,331	2.5%	2,809			1.03%	100,228	781,327
June		AE CA	1.18%	9,088			2.0%	176,661	2.5%	2,809			1.94%	188,558	969,885
July		AE CA	1.18%	9,088			3.0%	264,992	2.5%	2,809			2.85%	276,889	1,246,774
August		AE CA	1.18%	9,088			5.0%	441,653	2.5%	2,809			4.66%	453,550	1,700,325
September		AE CA	1.18%	9,088			6.0%	529,984	2.5%	2,809			5.57%	541,881	2,242,206
October		AE CA	1.18%	9,088			6.0%	529,984	2.5%	2,809			5.57%	541,881	2,784,087
November		AE CA	1.18%	9,088			7.0%	618,315	2.5%	2,809			6.48%	630,212	3,414,299
December		AE CA	1.18%	9,088			9.0%	794,976	2.5%	2,809			8.30%	806,873	4,221,172
2014															
January		AE CA	1.18%	9,088			9.0%	794,976	2.5%	2,809			8.30%	806,873	5,028,045
February		AE CA	1.18%	9,088			10.0%	883,307	2.5%	2,809			9.21%	895,204	5,923,249
March		AE CA	1.18%	9,088			9.0%	794,976	2.5%	2,809			8.30%	806,873	6,730,122
April		AE CA	1.18%	9,088			9.0%	794,976	2.5%	2,809			8.30%	806,873	7,536,995
May		AE CA	1.18%	9,088			7.0%	618,315	2.5%	2,809			6.48%	630,212	8,167,207
June		AE CA	1.18%	9,088			5.0%	441,653	2.5%	2,809			4.66%	453,550	8,620,757
July	Construction Complete	AE CA	1.18%	9,088			4.0%	353,323	2.5%	2,809			3.76%	365,220	8,985,977
August	Furnishings Complete	AE CA	1.18%	9,088			4.0%	353,323	10.0%	11,238			3.84%	373,648	9,359,625
September		AE CA	1.18%	9,088			4.0%	353,323	2.5%	2,809			3.76%	365,220	9,724,845
October															
November															
December															
			100.0%	772,439	0%	-	100.0%	8,833,069	100.0%	112,378	100.0%	6,959	100.0%	9,724,845	

Values from Cost Breakdown	
Site Prep/Utilities Value	-
Site Devel/Building/F&E Value	8,833,069
Design Services Value	772,439
Agency Review Value	6,959
Owner Direct Expenses Value	112,378
	9,724,845

Cash Flow Analysis

Gerrardstown Middle School

Berkeley County Schools

2-Mar-10

Date	Project Timeline Notes	Design Expenditures Phase	Design Expenditures Percent	Design Expenditures Total	Site Prep Expenditures Percent	Site Prep Expenditures Total	Building Expenditures Percent	Building Expenditures Total	Owner Expenditures Percent	Owner Expenditures Total	Agency Expenditures Percent	Agency Expenditures Total	Total Expenditures Percent	Total Expenditures Total	Running Expenses
2012															
January															
February															
March		AE Sch	15%	215,784									1.00%	215,784	215,784
April													0.00%	-	215,784
May	Site bids received/awarded												0.00%	-	215,784
June		AE DD	20%	287,712	15.0%	150,000							2.03%	437,712	653,496
July		AE SP	3%	43,157	20.0%	200,000			20.0%	59,708			1.40%	302,865	956,361
August		AE CA	0.8%	11,508	35.0%	350,000			5.0%	14,927			1.74%	376,435	1,332,797
September		AE CD	37.0%	532,268	25.0%	250,000			10.0%	29,854			3.76%	812,122	2,144,918
October		AE BID	5.8%	83,437	5%	50,000	1.0%	188,348	2.5%	7,464	100.0%	15,310	1.60%	344,558	2,489,477
November		AE CA	0.8%	11,508			1.5%	282,523	2.5%	7,464			1.40%	301,495	2,790,971
December		AE CA	0.8%	11,508			2.0%	376,697	2.5%	7,464			1.83%	395,669	3,186,640
2013															
January		AE CA	0.8%	11,508			4.0%	753,394	2.5%	7,464			3.58%	772,366	3,959,006
February		AE CA	0.8%	11,508			2.0%	376,697	2.5%	7,464			1.83%	395,669	4,354,675
March		AE CA	0.8%	11,508			2.5%	470,871	2.5%	7,464			2.27%	489,843	4,844,518
April		AE CA	0.8%	11,508			3.0%	565,045	2.5%	7,464			2.71%	584,017	5,428,535
May		AE CA	0.8%	11,508			4.0%	753,394	2.5%	7,464			3.58%	772,366	6,200,901
June		AE CA	0.8%	11,508			7.0%	1,318,439	2.5%	7,464			6.20%	1,337,411	7,538,312
July	Building bids received	AE CA	0.8%	11,508			8.0%	1,506,788	2.5%	7,464			7.07%	1,525,760	9,064,072
August	Building awarded	AE CA	0.8%	11,508			9.0%	1,695,136	2.5%	7,464			7.94%	1,714,108	10,778,180
September		AE CA	0.8%	11,508			7.0%	1,318,439	2.5%	7,464			6.20%	1,337,411	12,115,591
October		AE CA	0.8%	11,508			6.0%	1,130,091	2.5%	7,464			5.32%	1,149,063	13,264,653
November		AE CA	0.8%	11,508			4.0%	753,394	2.5%	7,464			3.58%	772,366	14,037,019
December		AE CA	0.8%	11,508			4.0%	753,394	2.5%	7,464			3.58%	772,366	14,809,385
2014															
January		AE CA	0.8%	11,508			4.0%	753,394	2.5%	7,464			3.58%	772,366	15,581,750
February		AE CA	0.8%	11,508			6.0%	1,130,091	2.5%	7,464			5.32%	1,149,063	16,730,813
March		AE CA	0.8%	11,508			7.0%	1,318,439	2.5%	7,464			6.20%	1,337,411	18,068,224
April		AE CA	0.8%	11,508			5.0%	941,742	2.5%	7,464			4.45%	960,714	19,028,938
May		AE CA	0.8%	11,508			3.0%	565,045	2.5%	7,464			2.71%	584,017	19,612,956
June		AE CA	0.8%	11,508			2.5%	470,871	2.5%	7,464			2.27%	489,843	20,102,799
July		AE CA	0.8%	11,508			2.0%	376,697	2.5%	7,464			1.83%	395,669	20,498,468
August		AE CA	0.8%	11,508			1.5%	282,523	8.0%	23,883			1.47%	317,914	20,816,382
September		AE CA	0.8%	11,508			4.0%	753,394	2.0%	5,971			3.57%	770,873	21,587,255
October															
November															
December															
			100.0%	1,438,561	100%	1,000,000	100.0%	18,834,844	100.0%	298,540	100.0%	15,310	100.0%	21,587,255	

Values from Cost Breakdown	
Site Prep/Utilities Value	1,000,000
Site Devel/Building/F&E Value	18,834,844
Design Services Value	1,438,561
Agency Review Value	15,310
Owner Direct Expenses Value	298,540
	21,587,255

Project Cost Breakdown

Expenditure Category	Spring Mills HS	Musselman HS Addition	North MS Addition	North MS Renovation	Gerrardstown MS
Site Prep Construction	2,927,520	-	-	-	2,170,560
Building Construction	47,199,330	6,258,944	5,595,500	8,833,069	16,509,667
Design	2,742,849	587,304	527,595	772,439	1,004,011
Agency Review	40,301	5,207	4,676	6,959	15,144
Owner Direct Expenses	590,000	148,545	147,384	112,378	300,618
	53,500,000	7,000,000	6,275,155	9,724,845	20,000,000
			16,000,000		

Canvass of the September 26, 2009 Special School Bond Election

				Yes			No		
				Election Day	Counted Provisionals	Absentees Received Before Canvass	Election Day	Counted Provisionals	Absentees Received Before Canvass
Precinct	1	Norborne	St. Luke's United Methodist Church	68			48		
Precinct	2	Norborne	Ambrose Towers	103			55		
Precinct	5	Adam/Stephen	Martinsburg High School	52			50		
Precinct	6	Adam/Stephen	South Middle School	43			17		
Precinct	7	Adam/Stephen	Burke Street School	55	1	1	21		
Precinct	8	Adam/Stephen	Ramer School	15			18		
Precinct	9	Norborne	Rosemont Elementary	179		1	50		
Precinct	9-22A	Norborne	Rosemont Elementary	28			4		
Precinct	10	Norborne	Tuscarora Elementary	129			55		1
Precinct	11	Adam/Stephen	Rosemont Elementary	89			27		
Precinct	12	Potomac	Potomack Intermediate	144			42		
Precinct	13	Tuscarora	Friendship United Methodist Church	38			17		
Precinct	14	Adam/Stephen	Berkeley Senior Center	24			9		
Precinct	15	Potomac	Opequon Elementary	31			14		
Precinct	16	Potomac	North Middle School	121	1		79	1	
Precinct	17	Adam/Stephen	Otterbein United Methodist Church	38			46		
Precinct	18	Potomac	The Living Room Church	34			40		
Precinct	18A	Potomac	The Living Room Church	25			21		
Precinct	19	Potomac	Marlowe Elementary	53			23		
Precinct	20	Potomac	Marlowe Elementary	54			14		
Precinct	21	Potomac	Bedington Elementary	89			30		
Precinct	22	Adam/Stephen	Orchardview Intermediate	50	1		42		
Precinct	22A	Adam/Stephen	Orchardview Intermediate	93			43		
Precinct	23	Potomac	Bedington Elementary	144			51		
Precinct	24	Tuscarora	Berkeley Heights Elementary	37			36		
Precinct	25	Tuscarora	Friendship United Methodist Church	36			22		
Precinct	26	Tuscarora	Dept. of Health & Human Resources	59			46		
Precinct	27	Tuscarora	Faith Baptist Church	108		1	70		
Precinct	28	Tuscarora	Opequon Elementary	84	1		63		
Precinct	29	Valley	157th Military Police Building	80			63		
Precinct	30	Potomac	Potomack Intermediate	83			26		
Precinct	32	Shenandoah	Mill Creek Intermediate	73			44		
Precinct	34	Valley	Valley View Elementary	103			56		
Precinct	35	Shenandoah	Pikeside School	101			57		

Canvass of the September 26, 2009 Special School Bond Election

Precinct	36	Shenandoah	Bunker Hill Elementary	63			74		
Precinct	38	Norborne	Tuscarora Elementary	194			69		
Precinct	39	Adam/Stephen	James Rumsey Vo-Tech Center	243			81		
Precinct	40	Norborne	Hedgesville Elementary	102			72		
Precinct	41	Valley	Tomahawk Ruritan Club	101			122		
Precinct	42	Norborne	Tomahawk Intermediate	39			64		
Precinct	43	Valley	Gerrardstown Elementary	21			13		
Precinct	43A	Valley	Mt. Ridge Intermediate	72			57		
Precinct	44	Norborne	Masonic Hall	48			44		
Precinct	45	Valley	Back Creek Valley Elementary	116			57		
Precinct	46	Valley	Arden United Methodist Church	45			18		
Precinct	46A	Valley	Trinity Lutheran Church	64			69		
Precinct	47	Valley	Back Creek Valley Elementary	94			69		
Precinct	48	Valley	The Woods Resort	98			61		
Precinct	49	Tuscarora	Faith Christian Academy	96			58		
Precinct	50	Norborne	Bedington Fire Station (Main)	61			19		
Precinct	51	Shenandoah	Ridgeway Community Center	60	1		39		
Precinct	51A	Shenandoah	Bunker Hill United Methodist Church	16			8		
Precinct	52	Tuscarora	Berkeley Heights Elementary	69			41		
Precinct	53	Tuscarora	Eagle School Intermediate	79			27		
Precinct	54	Shenandoah	Musselman Middle School	48			50		
Precinct	55	Norborne	James Rumsey Vo-Tech Center	33			14		
Precinct	56	Adam/Stephen	Bethel Assembly of God Church	33			21		
Precinct	105	Shenandoah	Pikeside School	40			17		
Precinct	106	Shenandoah	Inwood Assembly of God Church	32			29		
Precinct	107	Shenandoah	Valley View Elementary	42			37		
Precinct	110	Shenandoah	Inwood Assembly of God Church	42			25		
Precinct	111	Shenandoah	Musselman Middle School	49			25		
Precinct	112	Shenandoah	Musselman Middle School	40			12		
Precinct	113	Shenandoah	Musselman High School	25			19		
Precinct	114	Shenandoah	Musselman High School	16			4		
Precinct	115	Shenandoah	St. Leo's Catholic Church	43			13		
			Totals:	4587	5	3	2627	1	1
				4595			2629		

OCTOBER 2, 2009

Board of Canvassers

A TRUE COPY
ATTEST
John W. Small, Jr., Clerk
Berkeley County Court
By _____
~~Deputy~~ Clerk

STC 12-40 (01/02)

CERTIFICATE OF VALUATION

Berkeley County Board of Education (Levying Body)

Berkeley (County)

TO: **Mr. Manny Arvon, Superintendent**
(County Commission President, School Board Secretary or Municipal Clerk or Recorder)

The undersigned Assessor and County Clerk of said County do hereby certify the assessed value of the various classes of real estate, personal property and public utility property for the assessment year **2009**

	Column A Assessed Value Including Back Tax And New Property (Total)	Column B All Other Exempt Value (excluding P U)	Column C Gross Assessed (Col A Plus Col B) (County Classification Purposes Only)	Column D Homestead Exempt Value	Column E Assessed Valuation For Tax Purposes (w/o Homestead & Exempt) (Col A Minus Col D)
Class I					
Personal Property	0	0	0		0
Public Utility Property	0	0	0		0
Total Class I	0	0	0		0
Class II					
Real Estate	3,485,386,290	132,952,230	3,618,338,520	122,065,220	3,363,321,070
Personal Property	19,835,366	0	19,835,366	2,641,002	17,194,364
Total Class II	3,505,221,656	132,952,230	3,638,173,886	124,706,222	3,380,515,434
Class III					
Real Estate	981,723,700	134,827,750	1,116,551,450		981,723,700
Personal Property	397,228,390	423,131	397,651,521		397,228,390
Public Utility Property	130,974,361	0	130,974,361		130,974,361
Total Class III	1,509,926,451	135,250,881	1,645,177,332		1,509,926,451
Class IV					
Real Estate	379,523,430	44,473,980	423,997,410		379,523,430
Personal Property	82,777,259	55,650	82,832,909		82,777,259
Public Utility Property	30,992,653	0	30,992,653		30,992,653
Total Class IV	493,293,342	44,529,630	537,822,972		493,293,342
TOTAL FOR LEVYING BODY	5,508,441,449	312,732,741	5,821,174,190	124,706,222	5,383,735,227

Given under our hands this **2nd** day of **March**, **2009**

John R. Small Jr.
County Clerk

Patricia A. Kilmer
Assessor

NOTE: The above certificate must be in the hands of the levying body no later than March 3. (Section 6, Article 3, Chapter 11, Code of 1931, as amended.) The Assessor is required to certify the valuation of real estate and personal property and the County Clerk is required to certify the value of public utility property as assessed by the Board of Public Works. To avoid confusion this joint certificate is to be used.

When completed, submit original copy to the levying body, printed copy to the Department of Tax and Revenue, Property Tax Division, P.O. Box 2389, Charleston, WV 25328-2389, printed copy to the State Auditor's Office, Local Government Services Division, 200 W Main St, Clarksburg, WV 26301, and retain a printed copy for your office file. Only a printed copy of the Board of Education page should be forwarded to the State Department of Education.

Original signed copy - Levying Body
Photocopy - Tax Dept.
Photocopy - Auditor's Office
Photocopy - Retain
Photocopy - Board of Ed. Only - State Dept. of Education

ROLL BACK (REV 2002)

ASSESSED VALUES FOR CALCULATING REDUCED (ROLLED BACK) LEVY RATES

Berkeley County Board of Education (Levying Body)

Berkeley (County)

TO: **Mr. Manny Arvon**
(County Commission President, School Board Secretary or Municipal Clerk or Recorder)

The undersigned Assessor and County Clerk of said County, do hereby certify the assessed value of the various classes of real estate, personal property and public utility property FOR THE CALCULATION OF THE REDUCED (ROLLED BACK) LEVY RATE for the assessment year **2009**

	Column A Assessed Valuation For Tax Purposes (w/o Homestead & Exempt)	Column B New Property and Back Tax Property (Excluding TIF)	Column C TIF Tax Incremental Financing V alue	Column D Assessed Valuation For Tax Purposes Minus New Property, Back Tax Property & TIF (Col A Minus Col B and C)
Class I				
Personal Property	0	0	0	0
Public Utility Property	0	0	0	0
Total Class I	0	0	0	0
Class II				
Real Estate	3,363,321,070	107,810,880	0	3,255,510,190
Personal Property	17,194,364	0	0	17,194,364
Total Class II	3,380,515,434	107,810,880	0	3,272,704,554
Class III				
Real Estate	981,723,700	25,199,580	4,260	956,519,860
Personal Property	397,228,390	711,112	0	396,517,278
Public Utility Property	130,974,361	10,478,141	0	120,496,220
Total Class III	1,509,926,451	36,388,833	4,260	1,473,533,358
Class IV				
Real Estate	379,523,430	5,088,540	10,033,140	364,401,750
Personal Property	82,777,259	1,192	119,896	82,656,171
Public Utility Property	30,992,653	711,532	0	30,281,121
Total Class IV	493,293,342	5,801,264	10,153,036	477,339,042
TOTAL FOR LEVYING BODY	5,383,735,227	150,000,977	10,157,296	5,223,576,954

Given under our hands this **2nd** day of **March**, **2009**

John T. Stall
County Clerk

Patricia A. Fulmer
Assessor

The valuations above do not include values attributable to back-tax property, homestead property, new construction and improvements or new personal property.

THE VALUATIONS ARE TO BE USED ONLY FOR THE CALCULATION OF A REDUCED LEVY RATE as required by W.Va. Code § 11-8-6e and 6f. This rate must be applied to the CERTIFICATE OF VALUATIONS (enclosed) for budgeting purposes. These values, like the Certificate of Valuation, are to be in the hands of the levying body not later than March 3.

Print on **BLUE** paper - Levying Body
Photocopy - Tax Dept.
Photocopy - Auditor's Office
Photocopy - Retain
Photocopy -
Board of Ed. Only - State Dept. of Education

When completed, submit blue copy to the levying body, photocopy to the Department of Tax and Revenue, Property Tax Division, P.O. Box 2389, Charleston, WV 25328-2389, photocopy to the State Auditor's Office, Local Government Services Division, 200 W Main St, Clarksburg, WV 26301, and retain a photocopy for your office file. Only a photocopy of the Board of Ed. page should be forwarded to the State Dept. of Education.

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

CERTIFICATE OF BONDED INDEBTEDNESS

I, **DR. WILLIAM F. QUEEN**, President of **THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY**, hereby certify that the Berkeley County School District had outstanding bonded indebtedness of $18,900,000 as of July 1, 2009, the date on which said Board entered an order submitting the question of issuance of $51,500,000 Public School Bonds, Series 2002, to an election (which election was held September 26, 2009, and resulted in approval of the voters of Berkeley County School District of issuance of such Bonds).

I hereby further certify that the assessed valuation of taxable property in Berkeley County School District at said date was $5,383,735,227 and 5% thereof is $269,186,761, and that the total outstanding bonded indebtedness of Berkeley County School District on the date hereof is $70,400,000.

WITNESS my signature and the seal of said Board on this February 17, 2010.

The Board of Education of the County
of Berkeley

By: _____
Its President

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

PURCHASER'S CERTIFICATE

The undersigned, Brendan Troy, Director of **MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED.**, purchaser (the "Purchaser") of the above-captioned Bonds (the "Bonds"), hereby certifies that:

1. We have made an initial offering and sale of the Bonds to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers), pursuant to the Official Form of Proposal dated February 3, 2010, by the Purchaser and accepted by The Board of Education of The County of Berkeley, West Virginia (the "Issuer"), at prices no higher than or yields no lower than, those shown on the cover of the Official Statement, dated February 3, 2010, relating to the Bonds. While we have not yet sold at least 10% of each maturity of the Bonds to the public, on the sale date (February 10, 2010) we reasonably expected that the initial offering price of the Bonds to the public would be $ 53,038,111.15 (the "issue price").

2. As calculated by us, the weighted average maturity of the Bonds is 8.967391 years, the net interest cost on the Bonds is 3.226292%, the arbitrage yield on the Bonds is 3.176084% and the issue price of the Bonds is $53,038,111.15.

3. This certificate may be relied upon by the Issuer with respect to the Tax and Arbitrage Certificate relating to the Bonds and by Steptoe & Johnson PLLC in rendering its opinions with respect to the Bonds.

Dated: February 17, 2010.

MERRILL LYNCH, PIERCE FENNER & SMITH INCORPORATED

By: _____
Its Director

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

CERTIFICATE OF REGISTRAR

The undersigned, **KATHY SMITH**, Vice President and Trust Officer, of **UNITED BANK, INC.** Charleston, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies as follows, all capitalized terms used herein to have the meanings set forth in the Resolution and Order Directing Issuance of Bonds of The Board of Education of the County of Berkeley (West Virginia) (the "Issuer") adopted October 19, 2009, as supplemented and amended (the "Resolution"):

1. The Bank is a state banking company, duly organized and validly existing under and by virtue of the laws of the State of West Virginia and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Resolution and to serve in the capacities of Registrar under the Resolution.

2. The Bank has duly authorized, by all necessary action, the authentication of the Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Resolution, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his or her official capacity, was and is authorized to authenticate the Bonds for and on behalf of the Bank.

4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of his or her signature.

Name	Title	Signature
Kathy Smith	Vice President & Trust Officer	

5. The Bonds have been duly authenticated and delivered to the Original Purchaser, and proceeds of the Bonds have been deposited as required by the Resolution.

6. Attached hereto as **EXHIBIT A** is a correct listing of the Bond numbers, CUSIP numbers, principal amounts, maturity dates and interest rates of the Bonds.

IN WITNESS WHEROF, UNITED BANK, INC. has caused this Certificate to be executed by a duly authorized officer this February 17, 2010.

UNITED BANK, INC.

By: _____
Its

EXHIBIT A

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

Bond No.	Cusip	Principal Amount	Maturity Date (May 1)	Interest Rate
R-1	084239 EX6	$2,025,000	2011	3.000%
R-2	084239 EY4	2,660,000	2012	3.000%
R-3	084239 EZ1	2,770,000	2013	2.000%
R-4	084239 FA5	2,890,000	2014	4.000%
R-5	084239 FB3	3,010,000	2015	2.000%
R-6	084239 FC1	3,140,000	2016	2.500%
R-7	084239 FD9	3,275,000	2017	4.000%
R-8	084239 FE7	3,415,000	2018	4.000%
R-9	084239 FF4	3,560,000	2019	4.000%
R-10	084239 FG2	3,710,000	2020	4.000%
R-11	084239 FH0	3,865,000	2021	3.250%
R-12	084239 FJ6	4,030,000	2022	3.375%
R-13	084239 FK3	4,205,000	2023	3.500%
R-14	084239 FL1	4,380,000	2024	4.000%
R-15	084239 FM9	4,565,000	2025	3.750%

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

CERTIFICATE OF PAYING AGENT

The undersigned, **SARA BOARDMAN**, Executive Director of the **WEST VIRGINIA MUNICIPAL BOND COMMISSION** (the "Bond Commission"), hereby certifies as follows:

1. I am the duly appointed Executive Director of the Bond Commission.

2. The Bond Commission has duly authorized, by all necessary action, the acceptance of all duties of the Paying Agent for the above-captioned Bonds (the "Bonds") under the Resolution and Order pursuant to which they were issued, dated October 19, 2009.

WITNESS my signature this February 17, 2010.

WEST VIRGINIA MUNICIPAL
BOND COMMISSION

By: _____
Sara Boardman
Executive Director

$51,500,000
THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY
(WEST VIRGINIA)
PUBLIC SCHOOL BONDS, SERIES 2010

RULE 15c2-12 CERTIFICATE OF
THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY
(WEST VIRGINIA)

The undersigned hereby certifies and represents to **BANC OF AMERICA MERRILL LYNCH** (the "Original Purchaser") that he is the duly elected and acting President of **THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY** (West Virginia) (the "Board"), authorized to execute and deliver this Certificate and further certifies on behalf of the Board to Raymond James & Associates, Inc. (the "Financial Advisor").

(1) This Certificate is delivered to enable the Financial Advisor and the Original Purchaser to comply with Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), in connection with the issuance of The Board of Education of the County of Berkeley (West Virginia) Public School Bonds, Series 2010 (the "Bonds").

(2) In connection with the issuance of the Bonds, there has been prepared a Preliminary Official Statement, dated January 19, 2010, setting forth information concerning the Bonds and the issuer of the Bonds (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement with such changes as have been agreed to by the parties is, except for the Permitted Omissions, deemed final within the meaning of the Rule as of this date, and the information therein is accurate and complete except for the Permitted Omissions.

(5) If, at any time prior to the award of Bonds, any event occurs as a result of which the Preliminary Official Statement might include an 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,

the Board shall promptly notify the Financial Advisor and Original Purchaser thereof.

(6) The Board hereby agrees to deliver to the Financial Advisor and Original Purchaser within seven (7) business days after the award of the Bonds to the Original Purchaser, a final Official Statement pursuant to paragraph (b)(3) of the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand as of this February 3, 2010.

THE BOARD OF EDUCATION OF
THE COUNTY OF BERKELEY

By: _____
Its President

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

1085 Van Voorhis Road, Suite 400
P.O. Box 1616
Morgantown, WV 26507-1616
(304) 598-8000 (304) 598-8116 Fax
www.steptoe-johnson.com

Writer's Contact Information

February 17, 2010

$51,500,000
The Board of Education of the County of Berkeley
Public School Bonds, Series 2010

The Board of Education of the
County of Berkeley
Martinsburg, West Virginia

Merrill Lynch, Pierce, Fenner & Smith Incorporated
New York, NY

Ladies and Gentlemen:

We have examined a record of proceedings relative to the issuance and sale of $51,500,000 Public School Bonds, Series 2010 (the "Bonds"), of Berkeley County School District, by and through The Board of Education of the County of Berkeley, West Virginia (the "Issuer"). The Bonds are issued in fully registered form, are dated February 17, 2010, upon original issuance, are numbered in order of maturity from R-1 consecutively upward, are of the denominations of $5,000 or integral multiples thereof, mature on May 1 in years and amounts, bear interest payable each May 1 and November 1, commencing November 1, 2010, at the rates and are subject to redemption prior to maturity, as set forth in the Official Statement of the Issuer, dated February 3, 2010.

The Bonds were authorized at an election held in Berkeley County School District on September 26, 2009, and by a resolution and order adopted by the Issuer on October 19, 2009, as supplemented (such resolution and order, as supplemented, herein called the "Resolution"), and are issued pursuant to Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of providing funds for the acquisition, construction, renovation and repair of certain public school buildings, together with the sites thereof and all necessary appurtenances, in Berkeley County School District, and paying costs of issuance of the Bonds and related costs.

As to questions of fact material to our opinion, we have relied upon the representations, covenants and certifications of the Issuer contained in the Resolution, a Tax and Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and the certified

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Huntington, WV • Columbus, OH

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proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the representations, covenants and certifications of the Issuer contained in the Resolution, the Tax Certificate and the certified proceedings and other certifications made in connection with the issuance of the Bonds, we are of the opinion that, under existing law:

1. The Issuer is a school district presently existing under the laws of, and a political subdivision of, the State of West Virginia, with full power and authority to adopt the Resolution and to issue and sell the Bonds under the provisions of the Act and other applicable provisions of law.

2. The Bonds have been duly authorized and validly issued by the Issuer in accordance with the Constitution and statutes of the State of West Virginia and constitute valid and legally binding general obligations of the Issuer, and unless the Bonds are paid from other sources, the Issuer has the power and is obligated to levy ad valorem taxes upon all the taxable property within Berkeley County School District to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from the gross income of the owners thereof for Federal income tax purposes and is not an item of tax preference for purposes of the Federal alternative minimum tax imposed upon individuals and corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply, on a continuing basis, with all representations, covenants and certifications set forth in the Resolution, the Tax Certificate and the certified proceedings and other certifications of the Issuer. Failure to comply with certain of such representations, covenants and certifications could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences with respect to the Bonds.

4. Under the Act, the Bonds are exempt from all taxation by the State of West Virginia or by any political subdivision thereof.

In expressing this opinion, we have considered the litigation instituted in certain states including the State of West Virginia, such as Pauley v. Bailey, 324 S.E.2d 128 (W.Va. 1984), challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes, including certain proceedings commenced in 1994 to enforce the Bailey decision, and in our opinion, such litigation will not modify the rights of the holders of the Bonds to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within Berkeley County, West Virginia, for the payment of the Bonds, if not paid from other sources and does not modify or qualify the conclusions elsewhere stated in this opinion.

Please be advised that the enforcement of remedies with respect to the Bonds is subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights heretofore or hereafter enacted, and that enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

Steptoe & Johnson PLLC

STEPTOE & JOHNSON PLLC

Department of Legal Services

Laura L. Sutton, Esq., Associate Superintendent/General Counsel

OPINION OF LAURA L. SUTTON, GENERAL COUNSEL

February 17, 2010

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

Board Members
Dr. William F. Queen
President

William H. Norris
Vice-President

Todd M. Beckwith
Member

Patrick H. Murphy
Member

Richard A. Pill
Member

The Board of Education of the County of Berkeley
Berkeley, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Merrill Lynch, Pierce, Fenner & Smith Incorporated
New York, New York

Ladies and Gentlemen:

I am the General Counsel to the Board of Education of the City of Berkeley (the "Issuer") in connection with the sale of the above-referenced bonds (the "Bonds"). Any capitalized terms used herein and not defined shall have the meanings set forth in the Resolution and Order Directing Issuance of Bonds, duly adopted by the Issuer on October 19, 2009, as supplemented and amended (the "Resolution").

In this connection, I have reviewed and examined certain proceedings and documents with respect to the Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, including Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act"), the Resolution, the Preliminary Official Statement dated January 19, 2010, and the Official Statement dated February 3, 2010, with respect to the issuance and offering of the Bonds (collectively, the "Official Statement") and a closing certificate of the Issuer. Based on such review and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

1. The Issuer is a duly organized and validly existing school board under and pursuant to the Constitution and laws of the State of West Virginia, with full legal right, power and authority to adopt the Resolution, to pledge the security as set forth in the Resolution, to issue, sell and deliver the Bonds to the purchaser thereof, to own and operate the public school facilities of Berkeley County and conduct the business thereof as set forth in and contemplated by the Official Statement and to carry out, give effect to and consummate the transactions contemplated by the Bonds, the Resolution and the Official Statement.

2. The Bonds have been duly authorized, executed and delivered by, and the Resolution has been duly adopted by, and each constitutes a legal, valid and binding agreement and obligation enforceable in accordance with its terms of; the Issuer, except as enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights from time to time in effect.

3. The Issuer has duly authorized the execution, delivery and distribution of the Preliminary Official Statement and the Official Statement.

4. The Issuer is not in breach of or in default under any constitutional provision, applicable law or administrative rule or regulation of the State of West Virginia, the United States, or of any department, division, agency or instrumentality of either thereof; or any applicable court or administrative decree or order, or any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of the properties or assets of the public school facilities of Berkeley County are otherwise subject or bound, which breach or default, in any material way, directly or indirectly, would affect operation thereof; the issuance, execution or delivery of the Bonds or the validity thereof; the validity or enacting of the Resolution or the execution or delivery of the Official Statement or the other instruments contemplated by any of such documents to which the Issuer is a party; and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default; and the adopting of the Resolution, and the execution and delivery of the Bonds, the Preliminary Official Statement or the Official Statement and the other documents and instruments contemplated by any of such documents, and compliance with the provisions of each thereof; will not conflict with or constitute a breach of or default under any constitutional provision, applicable law or administrative rule or regulation of the State of West Virginia, the United States, or of any department, division, agency or instrumentality of either thereof; or any applicable court or administrative decree or order, or any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of the properties or assets of the Issuer are otherwise subject or bound.

5. All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, legislative body, board, agency or commission having jurisdiction, which would constitute conditions precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Resolution or the Bonds have been duly obtained and are in full force and effect, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any

state in connection with the offering and sale of the Bonds, as to which no opinion is hereby expressed.

6. No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or, to our knowledge, threatened in any way questioning or affecting the existence of the Issuer, or the titles of the officers and members of the Issuer to their respective offices, challenging the validity of the special election held July 1, 2009, whereby the voters of Berkeley County, West Virginia, approved issuance of the Bonds and acquisition and construction of the Project, or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Resolution or the collection or application of the ad valorem taxes of Berkeley County, West Virginia and any other assets pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or any action of the Issuer contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Official Statement or contesting the powers or authority of the Issuer, with respect to the issuance, sale or delivery of the Bonds, the adoption of the Resolution, or the execution and delivery of the Bonds, or any action on the part of the Issuer which would adversely affect the exemption of interest to be paid on the Bonds from federal income taxation, nor to my knowledge is there any basis therefor

7. The Issuer expects to receive grants in aid of construction of the Projects from the School Building Authority of West Virginia, in the amount of $25,000,000.

8. Without having made any independent investigations of the operation or affairs of the Issuer, or any independent verification of the statements of fact contained in the Official Statement including the appendices thereto, the Official Statement (except as to any financial and statistical data contained in the Official Statement, as to which no opinion or belief is hereby expressed) does not contain any untrue statement of a material fact or omit to state a material fact which, in our judgment, is required to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Very truly yours,

LAURA L. SUTTON
GENERAL COUNSEL

BERKELEY COUNTY SCHOOLS
Martinsburg, West Virginia

REGULAR BOARD OF EDUCATION MEETING
Wednesday, July 1, 2009, 7:00 PM

The Board of Education of the County of Berkeley met in Regular Session on Wednesday, July 1, 2009, beginning at 7:00 PM, at the Central Office in the Dr. N. Blaine Groves Board Room with the following persons present:

Dr. William F. Queen, President
Mr. William H. Norris, Vice President
Mr. Todd M. Beckwith, Member
Mr. Richard A. Pill, Member
Mr. Patrick H. Murphy, Member

Mr. Manny P. Arvon, Superintendent
Mr. David R. Deuell, Assistant Superintendent
Mrs. Barbara A. Pitzer, Executive Secretary

Mr. Vincent Collins (via telephone)

*see attached list

President Queen called the meeting to order. The following business was transacted:

I. WELCOME AND INTRODUCTION OF GUESTS

Guests were welcomed by President Queen and asked to sign the guest register.

II. APPROVAL OF AGENDA

Motion was made by Mr. Beckwith, seconded by Mr. Murphy, to approve the agenda as presented. Motion carried unanimously. Att. #1

III. CITIZEN'S FORUM

Mrs. Charlotte Norris updated the Board on West Virginia Achieves and discussed two projects which included a yearend field trip to Pittsburgh and a boot camp at Shepherd University in June.

IV. CONSENT:

(a) Curricular / Extra-Curricular Trip Requests
(b) Use of School Property Request

The Consent Agenda was presented and discussed. Item (b) Use of School Property Request was pulled. Motion was made by Mr. Norris, seconded by Mr. Murphy, to approve the Consent Agenda as amended as follows: (a) Curricular / Extra-Curricular Trip Requests. Motion carried unanimously. Att. #2

V. APPROVAL OF 2009 BOND CALL

The 2009 Bond Call was presented and discussed. Upon Superintendent's recommendation, motion was made by Mr. Pill, seconded by Mr. Norris, to approve the 2009 Bond Call as presented in the amount of Fifty-One Million Five Hundred Thousand Dollars ($51,500,000) to be presented to the voters in Berkeley County in a Special School Bond Election to be held on Saturday, September 26, 2009. Motion carried unanimously. Att. #3

VI. RECOMMENDED CHANGE IN DATE OF THE AUGUST 3RD REGULAR BOARD OF EDUCATION MEETING

The Berkeley County Teacher of the Year will be recognized at the first regular board of education meeting in August. Due to one of the finalists being out of town on that date, motion was made by Mr. Murphy, seconded by Mr. Norris, to change the date of the meeting from Monday, August 3, 2009, to Tuesday, August 4, 2009, to be held at Hedgesville High School in the auditorium beginning at 5:30 PM with the Regular Session to be held at 7:00 PM in the Media Center. Motion carried unanimously.

VII. PERSONNEL ACTIONS

Mr. Deuell presented and discussed the professional and service personnel actions dated July 1, 2009. A change was noted. Upon Superintendent's recommendation, motion was made by Mr. Murphy, seconded by Mr. Pill, to approve the professional and service personnel actions dated July 1, 2009 as amended as follows: under professional personnel actions, Item I. Change of Service, remove the name of Kelly Osborne. Discussion followed. Motion carried unanimously. Att. #4

VIII. BOARD UPDATE

Mr. Murphy praised Superintendent Arvon on his leadership.

IX. SUPERINTENDENT'S UPDATE

Superintendent Arvon announced a Call Board of Education Meeting on Thursday, July 16, 2009, beginning at 12:00 PM, at the Central Office in the Dr. N. Blaine Groves Board Room for the purpose of a student hearing.

X. ADJOURNMENT

There being no further business, motion was made by Mr. Beckwith, seconded by Mr. Murphy, to adjourn at 8:19 PM. Motion carried unanimously.

PRESIDENT _____

SECRETARY _____

APPROVED 7-20-09

July 1, 2009 Statutory Board Meeting &
Regular Board Meeting

Don Zepp
Charlotte Norris
Jim Welton
Ken Marstiller
Larry Domenico
[illegible]
Becky Cline
Emily Rider
GREG WILLIAMSON
JOE EVANS

BERKELEY COUNTY SCHOOLS
Martinsburg, West Virginia

REGULAR BOARD OF EDUCATION MEETING
Wednesday, July 1, 2009, 7:00 PM
Central Office / Dr. N. Blaine Groves Board Room

I. CALL TO ORDER
II. WELCOME AND INTRODUCTION OF GUESTS
III. APPROVAL OF AGENDA
IV. CITIZENS' FORUM
V. CONSENT:
   (a) Curricular / Extra-Curricular Trip Requests – Att. #1
   (b) Use of School Property Request – Att. #2
VI. NEW BUSINESS:
   (a) Approval of 2009 Bond Call
   (b) Recommended Change in Date of the August 3rd Regular Board of Education Meeting
VII. PERSONNEL:
   (a) Personnel Actions
VIII. BOARD UPDATE
IX. SUPERINTENDENT'S UPDATE
X. ADJOURNMENT

BERKELEY COUNTY SCHOOLS
Martinsburg, West Virginia
REGULAR BOARD OF EDUCATION MEETING
Monday, October 19, 2009, 7:00 PM

The Board of Education of the County of Berkeley met in Regular Session on Monday, October 19, 2009, beginning at 7:00 PM, at the Central Office in the Dr. N. Blaine Groves Board Room with the following persons present:

Dr. William F. Queen, President
Mr. William H. Norris, Vice President
Mr. Todd M. Beckwith, Member
Mr. Richard A. Pill, Member
Mr. Patrick H. Murphy, Member

Mr. Manny P. Arvon, Superintendent
Mr. Frank Aliveto, Deputy / Assistant Superintendent
Mr. David R. Deuell, Assistant Superintendent
Mrs. Barbara A. Pitzer, Executive Secretary

*see attached list

President Queen called the meeting to order. The following business was transacted:

I. WELCOME AND INTRODUCTION OF GUESTS

Guests were welcomed by President Queen and asked to sign the guest register.

II. APPROVAL OF AGENDA

Motion was made by Mr. Murphy, seconded by Mr. Pill, to approve the agenda as amended with the addition of a personnel addendum. Motion carried unanimously. Att. #1

III. BUS SAFETY POSTER CONTEST WINNERS

Mr. Terry Forrest and Ms. Melissa Everhart announced the following winners of the Bus Safety Poster Contest: Division 1 – Caden Dibble – first grade – Marlowe Elementary; Division 2 – Karla Arrucha - fifth grade – Eagle School Intermediate; Division 3 – Lucas Nesslerodt – sixth grade – Musselman Middle; and Division 4 – Caitlin Baird – first grade – Gerrardstown Elementary. Lucas Nesslerodt and Caitlin Baird were in attendance. President Queen congratulated them on their accomplishments. Each winner was presented with a copy of their poster plus a ribbon and certificate.

IV. VOLUNTEER OF THE MONTH AWARD

Ms. Autumne Frye introduced Ms. Jodi Westrope, Berkeley Heights Elementary School, as the recipient of the Volunteer of the Month award. President Queen congratulated Ms. Westrope on her years of outstanding service to Berkeley County Schools and presented her with a plaque.

V. DISTINGUISHED SERVICE AWARD

Due to unforeseen circumstances, Ms. Darcie Jordan was unable to attend the board meeting. Motion was made by Mr. Pill, seconded by Mr. Murphy, to table the presentation of the Distinguished Service Award until the next Regular Board of Education Meeting on Monday, November 2, 2009. Motion carried unanimously.

VI. CITIZENS' FORUM

No requests were received to speak at Citizens' Forum.

VII. CONSENT:

(a) Minutes of October 2nd Call & October 5th Regular
(b) Financial Report
(c) Curricular / Extra-Curricular Trip Requests
(d) Use of School Property Requests
(e) Budget Supplements
(f) Student Transfer Request No. OC-09-10-69
(g) Chaperones

Motion was made by Mr. Beckwith, seconded by Mr. Murphy, to approve the Consent Agenda as presented as follows: (a) Minutes of October 2nd Call & October 5th Regular; (b) Financial Report (current financial reports on file in the Finance Department); (c) Curricular / Extra-Curricular Trip Requests – Att. #2; (d) Use of School Property Requests – Att. #3; (e) Budget Supplements – Att. #4; (f) Student Transfer Request No. OC-09-10-69; and (g) Chaperones – Att. #5. Motion carried unanimously.

VIII. CONSIDERATION FOR APPROVAL / THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY RESOLUTION AND ORDER DIRECTING ISSUANCE OF BONDS

The Resolution and Order Directing Issuance of Bonds was presented and discussed by Superintendent Arvon. Motion was made by Mr. Norris, seconded by Mr. Beckwith, to approve The Board of Education of the County of Berkeley Resolution and Order Directing Issuance of Bonds as presented. Discussion followed. Motion carried unanimously. Att. #6

IX. TREASURER'S REPORT

Mr. Marstiller presented and discussed the Treasurer's Report for the month of September. Motion was made by Mr. Murphy, seconded by Mr. Norris, to approve the Treasurer's Report for the month of September as presented. Motion carried unanimously. Att. #7

X. PERSONNEL ACTIONS

Mr. Deuell presented and discussed the professional and service personnel actions and the personnel addendum dated October 19, 2009. Upon Superintendent's recommendation, motion was made by Mr. Pill, seconded by Mr. Murphy, to approve the professional and service personnel actions and the personnel addendum dated October 19, 2009 as presented. Discussion followed. Motion carried unanimously. Att. #8

XI. BOARD UPDATE

Stimulus money for technology was discussed. Also discussed was the building of the new high school.

XII. SUPERINTENDENT'S UPDATE

Superintendent Arvon updated the Board on the building program.

XIII. ADJOURNMENT

There being no further business, motion was made by Mr. Norris, seconded by Mr. Pill, to adjourn at 7:37 PM. Motion carried unanimously.

PRESIDENT _____

SECRETARY _____

APPROVED 11-2-09

Regular Board Meeting 10-19-09

Everyone please sign

1. Elizabeth Greenfield Adams
2. Frances Ganby
3. Amber Boeckmann
4. Dina Perrone
5. Clise Anderson
6. James M. Tucker
7. Larry Domenico
8. Ronda Albright
9. Bill Hope
10. Melissa Everhart
11. Terry L. Forrest
12. ~~Andre~~ Jodi Westrope
13. Autumn C Fuze
14. Alanda Hall
15. Debra J. Pearrell
16- Janet Nesslerodt
17- Lucas Nesslerodt
18. Judy Chambers
19- Angela Thompson
20- Thomas E. Fletcher
21 Susan Coolus
22. David Bateman, BCEA
23 Arthur Thomas II
24 Ken Marstiller
25 Jaimee Borger

BERKELEY COUNTY SCHOOLS
Martinsburg, West Virginia

REGULAR BOARD OF EDUCATION MEETING
Monday, October 19, 2009, 7:00 PM
Central Office / Dr. N. Blaine Groves Board Room

I. CALL TO ORDER
II. WELCOME AND INTRODUCTION OF GUESTS
III. APPROVAL OF AGENDA
IV. BUS SAFETY POSTER CONTEST WINNERS
V. VOLUNTEER OF THE MONTH AWARD
VI. DISTINGUISHED SERVICE AWARD
VII. CITIZENS' FORUM
VIII. CONSENT:
  (a) Minutes of October 2nd Call & October 5th Regular – Att. #1
  (b) Financial Report
  (c) Curricular/Extra-Curricular Trip Requests – Att. #2
  (d) Use of School Property Requests – Att. #3
  (e) Budget Supplements – Att. #4
  (f) Student Transfer Request No. OC-09-10-69 – Att. #5
  (g) Chaperones – Att. #6
IX. NEW BUSINESS:
  (a) Consideration for Approval / The Board of Education of the County of Berkeley <u>Resolution and Order Directing Issuance of Bonds</u>
  (b) Treasurer's Report – Att. #7
X. PERSONNEL:
  (a) Personnel Actions
XI. BOARD UPDATE
XII. SUPERINTENDENT'S UPDATE
XIII. ADJOURNMENT

BERKELEY COUNTY SCHOOLS
Martinsburg, West Virginia

CALL BOARD OF EDUCATION MEETING
Wednesday, February 3, 2010, 12:00 Noon

The Board of Education of the County of Berkeley met in Call Session on Wednesday, February 3, 2010, beginning at 12:00 Noon at the Central Office in the Dr. N. Blaine Groves Board Room with the following persons present:

Dr. William F. Queen, President
Mr. Todd M. Beckwith, Member
Mr. Richard A. Pill, Member

Mr. Manny P. Arvon, Superintendent
Mr. Frank Aliveto, Deputy / Assistant Superintendent
Mrs. Laura Sutton, Assistant Superintendent
Mrs. Barbara A. Pitzer, Executive Secretary

Mr. Ken Marstiller
Ms. Jaimee Borger
Mrs. Frances Canby
Ms. Erienne Greene
Mr. Matt Umstead
Mr. Hans P. Fogle

via telephone conference call:
Mr. James R. Welton, Jr.
Mr. Vincent Collins
Ms. Marie Prezioso

President Queen called the meeting to order. The following business was transacted:

I. WELCOME AND INTRODUCTION OF GUESTS

Guests were welcomed by President Queen and asked to sign the guest register.

II. APPROVAL OF AGENDA

Motion was made by Mr. Pill, seconded by Mr. Beckwith, to approve the agenda as presented. Motion carried unanimously. Att. #1

III. EXECUTIVE SESSION:

Motion was made by Mr. Beckwith, seconded by Dr. Queen, to go into Executive Session at 12:17 PM, as authorized under Section 6-9A-4 of the WV Code, to discuss finance and legal matters. Motion carried unanimously. The Board returned to Regular Session at 12:41 PM. Finance and legal matters were discussed.

IV. TO CONSIDER FOR ADOPTION A SUPPLEMENTAL RESOLUTION AWARDING THE BOARD'S $51,500,000 PUBLIC SCHOOL BONDS, SERIES 2010, TO THE HIGHEST RESPONSIVE BIDDER (LOWEST TRUE INTEREST COST) AND OTHER MATTERS IN CONNECTION WITH THE SALE OF SUCH BONDS

Details of the bond sale were discussed with the Board via a telephone conference call with Mr. James R. Welton, Jr., Financial Consultant for Berkeley County Schools, and the Board's representative in Charleston; Mr. Vincent A. Collins of Steptoe & Johnson, Attorneys at Law, and Bond Counsel for Berkeley County

IV. TO CONSIDER FOR ADOPTION A SUPPLEMENTAL RESOLUTION AWARDING THE BOARD'S $51,500,000 PUBLIC SCHOOL BONDS, SERIES 2010, TO THE HIGHEST RESPONSIVE BIDDER (LOWEST TRUE INTEREST COST) AND OTHER MATTERS IN CONNECTION WITH THE SALE OF SUCH BONDS (continued)

Schools; and Ms. Marie Prezioso, Raymond James & Associates, and Financial Advisor for Berkeley County Schools. A total of nine bids were received. The low bid of 3.220068% was received from Banc of America Merrill Lynch which included a Premium of One Million, Three Hundred Sixty-Two Thousand, Eleven Dollars and Seventeen Cents ($1,362,011.17). Discussion followed.

Motion was made by Mr. Beckwith, seconded by Mr. Pill, to approve the Supplemental Resolution awarding the Berkeley County Board of Education's $51,500,000 Public School Bonds, Series 2010, to Banc of America Merrill Lynch at 3.220068%, and to approve other matters in connection with the sale of such bonds as presented and completed. Motion carried unanimously. Att. #2

V. ADJOURNMENT

There being no further business, motion was made by Mr. Pill, seconded by Mr. Beckwith, to adjourn at 1:27 PM. Motion carried unanimously.

PRESIDENT _____

SECRETARY _____

APPROVED 2-16-10

OFFICIAL BALLOT
BOARD OF EDUCATION OF THE COUNTY OF BERKELEY
SPECIAL SCHOOL BOND ELECTION
Saturday, September 26, 2009

Shall the Board of Education of the County of Berkeley incur debt and issue Bonds in the amount of not more than **FIFTY-ONE MILLION FIVE HUNDRED THOUSAND DOLLARS ($51,500,000)**, maturities on such Bonds to run not more than **15-1/2 years** from the date of such Bonds, with interest not exceeding the rate of **7% per annum**, payable semi-annually, for the purpose of making the following improvements in Berkeley County School District (Estimated Costs to include both Bond proceeds and proceeds of grants expected to be received from the School Building Authority of West Virginia or other source, as shown below) to provide adequate, safe and convenient educational facilities for the School District, and levy taxes sufficient to pay the interest on and the principal of such Bonds?

PROJECT	LOCATION	ESTIMATED COST
1. **NEW SPRING MILLS AREA HIGH SCHOOL** Site preparation and construct, furnish and equip a new high school to house approximately 1,500 students containing approximately 228,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Spring Mills Area Middle School	**$53,500,000***
2. **NEW MOUNTAIN RIDGE AREA MIDDLE SCHOOL** Site preparation and construct, furnish and equip a new middle school to house approximately 600 students containing approximately 84,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Mountain Ridge Intermediate School	**$20,000,000**
3. **EXISTING MUSSELMAN HIGH SCHOOL** Construct new classrooms, new science labs, restrooms, stairwells, and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.	Existing Musselman High School	**$ 7,000,000**
4. **EXISTING NORTH MIDDLE SCHOOL** Construct new classrooms, new science labs, restrooms and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.	Existing North Middle School	**$16,000,000**
APPROXIMATE TOTAL COST TO BE PAID FROM BOND PROCEEDS		**$51,500,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA (OR OTHER) GRANTS		**$45,000,000**
APPROXIMATE TOTAL COST OF ALL PROJECTS		**$96,500,000**

*$25,000,000 of the $53,500,000 would be provided by a grant currently committed by the School Building Authority of West Virginia, which grant is contingent upon passage of this bond issue as submitted to the voters of Berkeley County.

The above amounts include costs of site improvement, construction, erection, renovation, repair, furnishing, equipping and improving of such projects, architectural, engineering and other professional fees and costs, interest during construction of the Project and for up to six months thereafter, expenses of issuance and sale of the Bonds, including bond insurance and rating agency fees, if appropriate, and such other costs as may be necessary for properly carrying out the foregoing projects. The Board may, in its discretion, allocate to and expend for any one or more of the above projects or for additions, renovations or improvements to existing school facilities in the District any sum remaining unused upon completion of any other project or projects, whether any such sum remains unused upon such completion by reason of lower than estimated costs for such project or projects or a grant or grants upon the cost of any such project or projects received by the Board from the State or Federal Government, or any State or Federal Governmental agency, or from any other source.

☐ **YES**

☐ **NO**

INSTRUCTIONS TO VOTERS: To vote in favor of the proposition submitted on this ballot, place an X mark in the square before the word "YES".

To vote against the proposition, place a similar mark in the square before the word "NO".

OFFICIAL BALLOT
BOARD OF EDUCATION OF THE COUNTY OF BERKELEY
SPECIAL SCHOOL BOND ELECTION
Saturday, September 26, 2009

_____

_____
Poll Clerks

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 19, 2010

NEW ISSUE
BOOK-ENTRY ONLY

Rating: Standard & Poor's
(See "Rating" herein)

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, upon the conditions and subject to the limitations set forth under the caption "TAX MATTERS" herein. In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. See "TAX MATTERS" herein

$51,500,000
The Board of Education of the County of Berkeley (West Virginia) Public School Bonds, Series 2010

Dated: Date of Delivery **Due:** May 1, as shown below

The Bonds are general obligations of The Board of Education of the County of Berkeley, West Virginia (the "Board"), which Board has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Berkeley County School District to pay the Bonds and the interest thereon, without limitation as to rate or amount.

The Bonds will be issued in fully registered form only, without coupons, and, when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only in the principal amount of $5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds.

Pursuant to Chapter 13, Article 1 of the Code of West Virginia of 1931, as amended, both the principal of and interest on the Bonds are payable at the office of the West Virginia State Treasurer. The State Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for payment of the Bonds and United Bank Inc., Charleston, West Virginia, as Registrar.

Interest on the Bonds will be payable November 1, 2010 and semiannually thereafter (each May 1 and November 1) in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

The Bonds are subject to redemption prior to maturity as described herein.

MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIPS

Maturing (May 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP Base #:	Maturing (May 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP Base #:
2011	2,025,000				2019	3,560,000			
2012	2,660,000				2020	3,710,000			
2013	2,770,000				2021	3,865,000			
2014	2,890,000				2022	4,030,000			
2015	3,010,000				2023	4,205,000			
2016	3,140,000				2024	4,380,000			
2017	3,275,000				2025	4,565,000			
2018	3,415,000								

The Bonds are offered for delivery when, as and if issued, subject to approval of legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Laura L. Sutton, Esq, Martinsburg, West Virginia, Counsel to the Board. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about February 17, 2010.

Sale Date: February 3, 2010

$51,500,000
The Board of Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

ELECTED OFFICIALS

Dr. William F. Queen, President
Mr. William H. Norris, Vice-President
Mr. Todd M. Beckwith, Board Member
Mr. Patrick Murphy, Board Member
Mr. Richard A. Pill, Board Member

APPOINTED OFFICIALS

Manuel P. Arvon, Superintendent
Frank Aliveto, Deputy Superintendent
David R. Deuell, Assistant Superintendent
Mr. Ken Marstiller, Business Manager and Treasurer

BOARD'S COUNSEL

Laura L. Sutton, Esq.
Martinsburg, West Virginia

BOND COUNSEL

Steptoe & Johnson PLLC
Charleston, West Virginia

FINANCIAL ADVISOR

Raymond James & Associates, Inc.
Charleston, West Virginia

No dealer, broker, salesman or other person has been authorized by The Board of Education of the County of Berkeley, West Virginia, to give any information or to make any representations other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds herein described by any persons in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Board from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof.

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OFFICIAL STATEMENT
RELATING TO

$51,500,000
The Board of Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

INTRODUCTION

This Official Statement provides certain information in connection with the sale of $51,500,000 in aggregate principal amount of The Board of Education of the County of Berkeley (West Virginia) Public School Bonds, Series 2010 (the "Bonds"). A brief description of The Board of Education of the County of Berkeley, West Virginia (the "Board"), the Berkeley County School District (the "School District") and the County of Berkeley, West Virginia (the "County" or "Berkeley County"), with which the School District is coterminous, is provided, together with a description of the Bonds and sources of payment therefore.

The Bonds are general obligations of the Board, and, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount.

In addition to the Series 2010 Bonds, the Board also has outstanding its Public School Bonds, Series 2002 dated February 1, 2002, issued in the original principal amount of $27,800,000 and currently outstanding in the amount of $17,385,000 (the "Series 2002 Bonds"), and its Public School Refunding Bonds, Series 2003, dated July 1, 2003, issued in the original principal amount of $9,600,000 and currently outstanding in the amount of $1,515,000 ("the Series 2003 Bonds.") The final maturity of the Series 2003 Bonds is May 1, 2010. The final maturity of the Series 2002 Bonds is May 1, 2017.

THE BONDS

General

The Bonds will be dated the date of delivery, and will be issued as fully registered bonds in $5,000 denominations, or integral multiples thereof, and are payable on May 1, in the years and amounts as follows:

Maturing (May 1)	Principal Amount ($)
2011	2,025,000
2012	2,660,000
2013	2,770,000
2014	2,890,000
2015	3,010,000
2016	3,140,000
2017	3,275,000
2018	3,415,000
2019	3,560,000
2020	3,710,000
2021	3,865,000
2022	4,030,000
2023	4,205,000
2024	4,380,000
2025	4,565,000

Pursuant to Chapter 13, Article 1 of the Code of West Virginia of 1931, as amended (the "Act"), both the principal of and interest on the Bonds are payable at the office of the West Virginia State Treasurer. The West Virginia State Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as its Paying Agent (the "Paying Agent") for payment of the Bonds and United Bank, Inc., Charleston, West Virginia, as the Registrar.

Interest on the Bonds will be payable November 1, 2010 and semi-annually thereafter (each May 1 and November 1) in each year to maturity. Such interest will be paid by check to the registered owner on each such interest payment date at his address as shown on the registration books kept for that purpose by the Paying Agent as of the 15th day of the month preceding each such interest payment date. In the case of an owner of $500,000 or more of the Bonds, interest may be paid to such owner by wire transfer to a domestic bank account specified in writing to the Paying Agent at least five days prior to an interest payment date.

Redemption

The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at par plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of $5,000 in principal amount and in the minimum principal amount of $50,000.

Notice of any redemption of Bonds shall be given by the Registrar, on behalf of the Board, to registered owners of the Bonds to be redeemed at least thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, by registered or certified mail, at the address appearing in the Bond Register or at such other address as is furnished in writing by the registered owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Bonds and failure to mail such notice shall not affect the validity of any such proceedings for any Bond with respect to which no such failure has occurred. Notice of redemption having been given in the manner described herein, and moneys necessary for their redemption of the Bonds having been deposited, the Bonds specified in such notice shall, on the date fixed for redemption, become due and payable and from and after such date (unless the Board shall default in the payment of the redemption price), such Bonds shall cease to bear interest.

Authority and Purpose

Purpose

To provide funds for making certain improvements in the School District defined in "Proposed Projects" in Appendix D.

Authority

The issuance of the Bonds and the levy of taxes sufficient to pay the interest on the principal of such Bonds were authorized and approved at the countywide special election held on September 26, 2009 pursuant to the Act, and to orders and resolutions duly entered and adopted by the Board. The ballot questions also included a maximum term of 15 and ½ years from the date of issuance of the Bonds and an interest rate not exceeding 7% per annum. The canvass of said special election showed 4,595"Yes" votes and 2,629 "No" votes, a 63.6% voter approval of those who participated.

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and the Act, county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Article X, Section 8, of the Constitution, and Sections 20 and 34 of the Act, require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds.

Nature of Obligation, Security and Source of Payments

The Bonds will constitute valid and legally binding general obligations of the Board, and, unless paid from other sources, the principal of and interest on the Bonds will be payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount. Pursuant to the Better Schools Amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law.

Debt Administration

The West Virginia Municipal Bond Commission (the "Bond Commission") is charged with the administration of the interest and sinking funds created to service the debt of the State and its subdivisions. The proceeds of taxes levied for debt service by the Board are collected by the Sheriff, who remits the proceeds to the Board Treasurer, who forwards the proceeds thereof to the Bond Commission. The Bond Commission is required by law to render annually to each political subdivision having outstanding bonds a statement showing the levy required to pay the interest on and create a sinking fund for the retirement of the outstanding bonds. The Bond Commission customarily sets the levy rates at 110% of the annual principal and interest required so as to provide a margin to cover the statutory 2 1/2% discount for early payment of taxes and any attrition occasioned by delinquencies, improper assessments and exonerations. There has not been a default on the payment of principal or interest of any general obligation bond in the State of West Virginia since the Bond Commission commenced centralized supervision and administration in 1921.

Since 1933, the annual State of West Virginia Budget Bill has embodied a protective provision for certain State agency and taxing district obligations, if deficiencies should arise. The following excerpt from the 2009 Budget Bill is indicative:

> Section 13: There is hereby appropriated to the governor a sufficient amount to meet any deficiencies that may arise in the mortgage finance bond insurance fund of the West Virginia housing development fund which is under the supervision and control of the state municipal bond commission as provided by Chapter 31, Article 18, Section 20-b, of the code of West Virginia, or in the funds of the state municipal bond commission because of the failure of any state agency for either general obligation or revenue bonds or any local taxing district for general obligation bonds to remit funds necessary for the payment of interest and sinking fund requirements. The Governor is authorized to transfer from time to time such amounts to the state municipal bond commission as may be necessary for these purposes.

No representation is made that subsequent Budget Bills will have such provisions or that sufficient funds will be available to satisfy any such deficiencies. There has never been a default in payment of the principal of or interest on any general obligation bonds issued by The Board of Education of the County of Berkeley. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

BERKELEY COUNTY SCHOOL DISTRICT

General

All school districts in West Virginia are organized under the terms of legislation enacted in 1933. There is one school district in each county, the boundaries of which district are coterminous with those of the county. The Board is responsible for and is vested with the supervision and control of the School District and with the control and management of all public schools in the School District from kindergarten through the secondary school level. The Board is composed of five members elected by the voters of the County without reference to political party affiliation. The terms of the members are for four years and are staggered. In 2010, the terms of 3 members will expire. The process will be repeated every two years thereafter.

Board Members' duties are established by State statute with the West Virginia Board of Education having regulatory powers. The Board appoints a superintendent who acts as the chief executive officer and secretary of the Board and who administers affairs of the School District in accordance with applicable laws, regulations, and local policies. The Board is a public corporation and as such may sue, plead and be impleaded, and enter into contracts. The School District is fiscally independent of the County and all other political subdivisions.

During the fiscal year 2009-2010, the Berkeley County school system has an administrative staff of 22 with the overall responsibility to coordinate and supervise the activities of 78 school administrators, 1350 instructional staff (teachers and other professionals), and 891 service personnel. Total Full Time Equivalent positions are 2,374. The estimated pupil-teacher ratio for the 2009-2010 school year was 12.62 to 1 (combined elementary, middle and secondary schools). The total student enrollment (head count) was 17,642 students K-12.

Historical School Enrollment (School Year – Enrollments are October of each year.)

Grades	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
PK-EC	268	294	472	590	607	641
K	1167	1315	1312	1385	1345	1444
1	1162	1193	1324	1338	1390	1302
2	1129	1188	1179	1275	1336	1391
3	1053	1185	1225	1222	1263	1331
4	1193	1109	1228	1232	1238	1303
5	1147	1210	1152	1247	1255	1273
6	1226	1240	1262	1198	1338	1299
7	1199	1222	1285	1337	1229	1331
8	1189	1213	1229	1260	1331	1211
9	1447	1530	1537	1540	1533	1567
10	968	1068	1136	1142	1176	1220
11	984	963	1090	1157	1147	1117
12	851	893	891	945	1027	1032
Total	**14983**	**15623**	**16322**	**16868**	**17215**	**17462**

Rate of Increase (Decrease) in Enrollment	
2004-2009	16.55%
Average Annual	3.31%

Source: Berkeley County Board of Education

Projected Enrollment (School Year)

Year (October)	Enrollment
2010	17986
2011	18526
2012	19082
2013	19654
2014	20244

Source: Berkeley County Board of Education

Facilities

School	Grades	Type of Construction	Date of Construction	Renovations or Additions
Back Creek Valley Elementary	K – 3	Masonry/Frame	1955	1968/1975/1981/1984/1989/2002
Bedingtom Elementary	K – 2	Masonry	1929	1971/1975/1989
Berkeley Heights Elementary	K – 3	Masonry	1971	1975
Bunker Hill Elementary	K – 3	Masonry	1962	1971/1995/2006
Burke St. Elementary	K – 3	Masonry	1929	1951
Eagle School Inter.	4 - 5	Masonry	2001	---
Gerrardstown Elementary	K – 3	Masonry	1961	1971/1976/1989
Hedgesville Elementary	K – 2	Masonry	1949	1955/1976/2004/2007
Inwood Primary	K – 3	Masonry	1924	1951/1960
Marlowe Elementary	K – 2	Masonry	1922	1971/1975/1989
Mill Creek Inter.	4 - 5	Masonry	1987	1989/2005
Mt. Ridge Elementary	3 -5	Masonry	2005	---
Opequon Elementary	K – 3	Masonry	1971	1975
Orchard View Inter	4 - 5	Masonry	2002	---
Potomack Inter.	3 - 5	Masonry	1998	---
Rosemont Elementary	K – 3	Masonry	1960	1970/1975
Tuscarora Elementary	K – 3	Masonry	1976	2004/2009
Valley View Elementary	K – 3	Masonry	1970	1975
Winchester Ave. Elementary	K – 3	Masonry	1921	1999
Tomahawk Elementary	K – 5	Masonry	1990	---
Hedgesville Middle	6 - 8	Masonry	1926	1962/1969/1989/1995
Musselman Middle	6 - 8	Masonry	1999	2004
North Middle	6 - 8	Masonry	1962	1975/1982
South Middle	6 - 8	Masonry/Metal	1955	1971/1985/2006/2007
Spring Mills Middle	6 - 8	Masonry	2004	---
Hedgesville High	9 - 12	Masonry	1977	1981/1983/1989/1995/2004/2006
Martinsburg High	9 - 12	Masonry	1927	1958/1960/1964/1971/1976/1991/1993/2006
Musselman High	9 - 12	Masonry	1998	2004
Pikeside Pre-Voc Learning Ctr.	Ungraded	Masonry	1925	1975

Source: Berkeley County Board of Education

Tax Collection Procedures

All taxes for real estate and personal property are collected by the Berkeley County Sheriff (the "Sheriff") and are remitted by him to the State and other local levying bodies. Public utility taxes are collected directly by the State Auditor (the "Auditor") and are remitted by him to the Sheriff for distribution. Tax statements are mailed by the Sheriff's office in July, and they may be paid in two installments. The first half of the tax is subject to a 2 ½% discount if paid by September; thereafter, the amount payable is net until October 1, after which a 9% penalty is added. Likewise, the second half is subject to a 2 ½% discount if paid by March 1, net to April 1, and 9% penalty thereafter. The Sheriff, after ascertaining which taxes are delinquent, shall on or before May 1 next succeeding the year for which taxes are assessed, prepare delinquent lists, which shall be posted at the front door of the courthouse and published as a legal advertisement at least two weeks prior to the presentation to the County Commission for examination. After examination and correction, the Commissioners shall certify such lists pertaining to real property to the Auditor not later than July 1. On or before September 10, the Sheriff shall prepare a second list of delinquent taxes, as of September 1, together with a notice of sale for properties upon which such taxes are due. If not redeemed before, such properties shall be sold at public auction at the courthouse on any Monday after October 14, and before November 23. No such sale shall be made for any sum less than the total amount of taxes, interest charges then due. The former owner of any real or personal property so purchased by the State, or any other person who is entitled to pay the taxes thereon, may redeem such real or personal property from the Auditor at any time within the eighteen months after the date of such purchase. The Auditor reports monthly to the Sheriff, the County Assessor and the Clerk of the County Commission all properties in the County which were redeemed in his office during the preceding month. The Auditor, each month, draws his warrant upon the State treasury payable to the Sheriff of the County for that part of the taxes, interest and charges received by him upon the redemption of the property included in his report which was owing to any of the taxing units in the County. The Sheriff accounts for and pays over such money as if it had been paid to him before sale and redemption.

Tax Levies and Collections**

Year	Projected Gross Tax ($) at 100%	Projected Net Tax Collected ($) at 92-93% Less Assessors Fee	Actual Collected ($)	Actual Collected (%)
2003-2004				
General Current*	28,847,918	26,572,887	28,766,239	108.25
Debt Service	4,322,489	4,017,972	4,474,353	111.36
2004-2005				
General Current*	31,989,070	29,466,319	32,215,655	109.33
Debt Service	4,458,225	4,051,635	4,647,143	114.70
2005-2006				
General Current*	36,611,969	33,760,906	36,858,180	109.17
Debt Service	4,497,701	4,087,529	4,523,752	110.67
2006-2007				
General Current*	46,099,642	42,514,292	45,451,688	106.91
Debt Service	4,528,078	4,119,110	4,649,979	112.89
2007-2008				
General Current*	56,002,400	51,655,426	58,836,737	104.22
Debt Service	4,557,713	4,142,810	4,614,536	111.39
2008-2009				
General Current*	60,564,268	55,863,197	60,328,916	107.99
Debt Service	4,379,708	4,172,090	4,465,997	107.04

*Includes Excess Levy
**Source: Berkeley County Board of Education

Assessment Procedure

State statutes provide that all property must annually be assessed as of the first day of July. Assessment on this day is the basis for the following year's property taxes. The assessor must complete his compilation of the land and personal property books not later than January 30. The county commission, not later than February 1, must meet for the purpose of sitting as a board of equalization and review of such assessment books. After completion of the review and assessment the commission certifies and returns the property books to the assessor. Appeal of any assessment may be made to the circuit court of the county within 30 days after adjournment of the county commission sitting as a board of equalization and review. The assessor annually, not later than March 3, must furnish a certified statement to certain government bodies in the county, including the board of education, showing the aggregate value of all real and personal property. During the month of March the county commissions, the county boards of education and municipal governments prepare their budgets for the fiscal year which begins the following July. After these budgets are approved, these governments officially set the tax rate for the coming year sufficient to pay budgeted expenses not expected to be paid from other sources. For example, the 2009 assessment year valuations are made as of July 1, 2008, with taxes levied and collected during the fiscal year July 1, 2009, through June 30, 2010.

The State Tax Commissioner has the responsibility for preparing tentative valuations for all public utility property in the State and providing these valuations to the Board of Public Works of the State for actual assessment of such property. The Board of Public Works reviews all assessments made, makes such corrections as it deems proper, conducts hearings to entertain protests from the public utilities involved, and fixes the assessments in final form. After such assessments are made, they are allocated by the State Auditor to the various counties in which the utility property is located, such allocation being approved by the Board of Public Works.

Property Classification

Article X, Section 1, of the Constitution of West Virginia and Chapter 11, Article 8, Section 5 of the Code of West Virginia of 1931, as amended, created four classifications of property for which the tax rates, but not the assessed values, are limited. These tax classifications are as follows: Class I - all tangible personal property employed exclusively in agriculture, all products of agriculture while owned by the producer; Class II - owner-occupied residential property and certain farm lands; Article 10, Section 1b of the Constitution of the State of West Virginia and Chapter 11, Article 6B, Section 3 of the West Virginia Code of 1931, as amended, provides that the first twenty thousand dollars of assessed valuation of any real property, or of personal property in the form of a mobile home, used exclusively for residential purposes and occupied by the owner or one of the owners thereof as his residence, who is a citizen of the State and is sixty-five years of age or older or is certified as being permanently disabled, shall be exempt from ad valorem property taxation. Only one exemption shall be allowed for each homestead used and occupied exclusively for residential purposes by the owner thereof, regardless of the number of qualified owners residing therein; Class III - all real and personal property, other than Class I and II property, situate outside of municipalities; Class IV - all real, and personal property, other than Class I and II situate within municipalities. Public utility property falls within Class III or Class IV, as appropriate.

Assessed Valuations

The Berkeley County School District includes all of Berkeley County and has the same assessed valuation of property therein as does the entire county. Chapter 11, Article 1C of the West Virginia Code (the "Property Valuation Act") requires all assessors to appraise all property at fair market value (except for certain farm property), within three years. The State Tax Commissioner is required to monitor the assessors in the performance of their duties, and is required to perform the valuation process on industrial and natural resources property within the aforesaid three year period. The Property Valuation Act limits the increase in property taxes that could result from the new calculations to one percent per year, unless, in the case of school boards, the legislature, after a public hearing, deems a greater increase is necessary. The Property Valuation Act requires that all property except farms and managed timberlands be assessed at 60% of Fair Market Value at the end of the 3 year reappraisal cycle, which became effective July 1, 1994.

Assessed Valuation By Property Class*

Class	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
I	7,020,297	6,714,576	7,160,631	0	0
II	1,861,854,870	2,503,551,771	3,141,631,408	3,368,293,930	3,380,515,434
III	881,956,655	1,093,573,217	1,353,897,890	1,460,494,002	1,509,926,451
IV	314,954,236	361,529,361	414,928,270	468,978,812	493,293,342
Total	3,065,786,058	3,965,368,925	4,917,618,199	5,297,766,744	5,383,735,227

Assessed Valuation By Property Category*

Category	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Real	2,562,345,840	3,422,776,384	4,289,716,040	4,644,792,490	4,724,568,200
Personal	375,075,071	415,481,083	485,094,734	501,201,381	497,200,013
Public Utility	128,365,147	127,111,458	142,807,425	151,772,873	161,670,014
Total	3,065,786,058	3,965,368,925	4,917,618,199	5,297,766,744	5,383,735,227

*Excludes property from ad valorem property taxation pursuant to the Homestead and Taxation Amendment. The amount of Class II property so excluded amounted to:

104,517,416 in 2005-2006
106,792,653 in 2006-2007
110,547,207 in 2007-2008
120,260,634 in 2008-2009
124,706,222 in 2009-2010

Largest Assessed Valuations (2009)*

Property Owner	Assessed Valuation ($)
Martinsburg Mall	19,380,300
Berkeley Business Park Assoc. (old GM Building)	17,391,260
Distribution Center of America (WV) LLC (Orgill)	14,109,940
Guardian Fiberglass, Inc.	12,304,440
Fed Ex Ground	11,858,660
Caperton WV LLC (new GM Building)	11,153,990
Walmart Real Estate Business Trust	10,979,480
Martinsburg IRS OC LLC	9,043,580
Capital Cement Corporation	7,833,330
Lowe's Home Center	7,056,600

*The assessed valuations include real and personal property in Class III or IV.
Non-Taxable Property was not included in this chart.
Source: Berkeley County Assessor

Tax Rate Comparisons*

The following shows Berkeley County property taxes in **cents per $100 assessed valuation** (this includes all state, county and school rates, in comparison with a few select surrounding counties, for tax year 2009; Fiscal Year 2009-2010.

County	Class I	Class II	Class III/IV
Berkeley	56.00	112.00	224.00
Jefferson	53.60	107.20	214.40
Morgan	50.96	101.92	203.84

*Includes the total levy for State, County and schools in each County.
Source: West Virginia State Auditor

County Tax Rates

Except as hereinafter stated, the maximum tax rates allowed by the Constitution of West Virginia for the four classifications of property are as follows: Class I - $.50 per $100 assessed valuation; Class II - $1.00 per $100 assessed valuation; Class III - $1.50 per $100 assessed valuation; Class IV - $2.00 per $100 assessed valuation.

The maximum tax rates described above are divided among the several levying bodies by statute. Under Chapter 11, Article 8 of the Code of West Virginia of 1931, as amended, the maximum levy rates available to the County without approval by the voters is as follows: Class I - 14.3 cents per $100 assessed valuation; Class II - 28.6 cents per $100 assessed valuation; Class III - 57.2 cents per $100 assessed valuation; and Class IV - 57.2 cents per $100 assessed valuation.

These rates of levy may not be exceeded except that a local levying body may provide for an election to increase such rates within the respective taxing unit at either a general or special election. If at least 60% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 50% by municipalities and counties. If at least 50% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 100% by boards of education. The increased levies may not continue for more than three years in the case of municipalities and counties, or for more than five years in the case of boards of education without resubmission to the voters.

School Tax Rates (Source: West Virginia State Auditor)

Taxes for school purposes are uniform throughout the County. In accordance with Chapter 11, Article 8, Section 6c of the Code of West Virginia of 1931, as amended, the tax limit for school current expenses and school permanent improvement purposes combined is $0.2295 per $100 assessed valuation in respect to Class I, $0.4590 per $100 in respect to Class II, and $0.9180 per $100 in respect to Classes III and IV. By favorable vote of at least a simple majority of the voters in an election, the above limitations may be increased by up to 100% for a period of five years, after which an election must again be held. Further, a county board of education is required to levy outside the rates provided by Chapter 11, Article 8, Section 6c, sufficient to pay the principal and interest requirements on bonds issued by the school district not exceeding five percent of the assessed value of all taxable property in the school district, in the manner provided by the Better Schools Amendment.

School Current Levy

Class	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
I	20.48	20.05	19.40	19.40	19.40
II	40.96	40.10	38.80	38.80	38.80
III and IV	81.92	80.20	77.60	77.60	77.60

School Excess Levy

Class	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
I	22.50	22.50	22.50	22.50	22.50
II	45.00	45.00	45.00	45.00	45.00
III and IV	90.00	90.00	90.00	90.00	90.00

School Bonds

Class	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
I	5.28	4.18	3.41	3.03	2.61
II	10.56	8.36	6.82	6.06	5.22
III and IV	21.12	16.72	13.64	12.12	10.44

Rates of Levy

The tax rates for citizens of the County, including those imposed by the Berkeley County Board of Education, but not including those relating to the proposed bond issue, in cents per $100 assessed valuation for the 2009-2010 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	.25	.50	1.00
County Current	11.24	22.84	44.96
School Current	19.40	38.80	77.60
School Bonds	2.61	5.22	10.44
School Excess	22.50	45.00	90.00

In addition to the rates of levy established for State, County and School purposes, the municipalities within the County have additional rates of levy in effect as shown in the following table, in cents per $100 assessed valuation for the 2009-2010 fiscal year.

Municipality	Class I	Class II	Class IV
Hedgesville	5.30	10.60	21.20
Martinsburg	12.44	24.88	49.76

Source: West Virginia State Auditor

As heretofore stated, under Article X, Sections 8 and 10 of the Constitution of the State of West Virginia and the Act, the Board may issue bonds for certain purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the School District as of the date of bond authorization. Under such constitutional and statutory standard the computation of debt limit of the School District and its debt contracting margin are as follows:

Summary of Statistical Debt Information

Population (2007)	99,531
Assessed Valuation*	5,383,755,227
Debt Limit (5% of Assessed Valuation)	269,187,761
Outstanding Debt (Including the Series 2010 Bonds)	70,400,000
Debt Contracting Margin	198,787,610
Per Capita Debt	707.32
Outstanding Debt as percentage of Assessed Valuation	1.31%

*Assessed Value is estimated to be approximately 60% of appraised or market value (Assessment Year 2009, Fiscal Year 2010).

Debt Service Requirements

Upon issuance of the Bonds, based on the interest rates and yields set forth on the cover page, the Board will have the following debt:

Schedule of Bond Indebtedness
Public School Bonds

Year Ending June 30	Series 2003 Principal	Series 2003 Interest	Series 2002 Principal	Series 2002 Interest	Series 2010 Principal	Series 2010 Interest	Series 2002, 2008 and 2009 Total
2010*	1,515,000	23,671.88	1,840,000	401,170.00	0	0	3,779,841.88
2011	---	---	1,925,000	726,440.00	2,025,000		
2012	---	---	2,015,000	643,665.00	2,660,000		
2013	---	---	2,110,000	556,012.50	2,770,000		
2014	---	---	2,210,000	463,700.00	2,890,000		
2015	---	---	2,315,000	364,250.00	3,010,000		
2016	---	---	2,425,000	248,500.00	3,140,000		
2017	---	---	2,545,000	127,250.00	3,275,000		
2018	---	---	---	---	3,415,000		
2019	---	---	---	---	3,560,000		
2020	---	---	---	---	3,710,000		
2021	---	---	---	---	3,865,000		
2022	---	---	---	---	4,030,000		
2023	---	---	---	---	4,205,000		
2024	---	---	---	---	4,380,000		
2025	---	---	---	---	4,565,000		
TOTAL	1,515,000	23,671.88	17,385,000	3,530,987.50	51,500,000.00		

*Debt Service remaining in Fiscal Year 2010

Overlapping Debt

There is no overlapping county or city general obligation debt.

CERTAIN FINANCIAL INFORMATION

Description of Funds

The accounts of the Board are organized on the basis of funds, each of which constitutes a separate entity for accounting procedures. For reporting purposes the various funds are organized into the following major groups:

1. Debt Service Fund

The Debt Service Fund is a separate and distinct fund used only as an "Interest and Sinking Fund" to meet the demands of maturing bonds and bond interest payments.

Taxes levied on real and personal property (other than public utility property), to be used to make Debt Service Fund payments, are collected by the Sheriff, while taxes levied on public utility property to be used to make Debt Service Fund payments are collected by the State Auditor and remitted to the Sheriff. Collections are transferred periodically to the Bond Commission. The Bond Commission, in turn, disburses funds to meet the payment of bonds and bond interest payments as well as paying agency fees. From time to time, the Commission invests amounts in the Debt Service Fund that are in excess of payment schedules and credits the interest income to the Debt Service Fund. (See "Investment of Certain Funds").

2. Bond Construction Fund

The Bond Construction Fund is a separate and distinct fund consisting of proceeds from the sale of bonds authorized by an election, from State School Building funds and from special funds that are categorically identified and authorized to supplement local bond proceeds or State School Building funds. Expenditures are generally restricted to capital outlay purposes by the bond election call, by special funding agreements or by the State Board of Education in approving specific building projects.

3. Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. A separate fund may be established for each specific capital project.

4. General Current Expense Fund

The General Current Expense Fund is a separate and distinct fund and is used for all general operating purposes except for revenues and expenditures that are contained in the Debt Service Fund and the Bond Construction Fund. Revenues generally come from: (1) general and special levy taxes, (2) other local or miscellaneous revenues, (3) State aid to counties for restricted and unrestricted purposes, and (4) Federal aid received directly or through the State, usually categorical or restricted.

5. Special Revenue Fund

Accounts for the financial resources of the Board, which are restricted either legally or by the grantor.

Investment of Certain Funds

Proceeds of tax collections relating to the Bonds which are transferred to the Bond Commission will be invested in the Consolidated Fund managed by the West Virginia State Treasurer's Office. The West Virginia Board of Treasury Investments is governed by a Board of Trustees consisting of the Governor, the State Auditor, the State Treasurer and two members appointed by the Governor. The Bond Commission currently invests its funds in The Consolidated Fund's Government Money Market Pool. Investments are limited to U.S. Government obligations, select U.S. Government Agency-guaranteed obligations or repurchase agreements with average maturities not to exceed 90 days.

Accounting Practices

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and

financial reporting principles. The district-wide statements (Statement of Net Assets and the Statement of Activities) are prepared using the economic resources measurement focus and the full accrual basis of accounting. The governmental fund financial statements (Balance Sheet- Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Fund) were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Annual Audit

An annual audit of accounts is prepared by the State Auditor or an independent certified public accounting firm approved by the State Auditor. The audit is conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Budgetary Procedures

Prior to the beginning of each fiscal year, the Board develops a fiscal plan consisting of contemplated expenditures. The annual budget development process is customarily developed along the following guidelines and in accordance with a budget calendar summarized as follows:

July	Overall goals are revised and established by the Board. Implementation and valuation of Board goals are established by the superintendent.
October	Student enrollment and personnel employee numbers are gathered system wide to determine State aid funding basis for subsequent fiscal year.
November-December	All staffing reviewed. Personnel reductions and additions are determined by local school councils, the public, the administration and the superintendent.
January-February	Preliminary forecasts of revenues and expenditures are determined by administration. Non-salary items reviewed.
March	Assessed valuations and preliminary State aid calculations received on or about March 3. The Board is required to ascertain the fiscal condition of the School District and determine the amount to be raised by the levy of taxes. Proposed levy rates must be submitted to the State Tax Commissioner and State Board of Education by March 28.
April/May	On the third Tuesday in April, the Board officially enters all levies for the coming year by ordering the levy of taxes commencing July 1. The proposed budget must be made available for public inspection for ten days and must be published in local newspapers for two weeks prior to the budget hearing. A public hearing shall be held concerning the operating budget not less than 10 days after such budget has been made available for public inspection. The Board is required to submit a budget to the State Board of Education and State Tax Commissioner no earlier than 10 days after receipt of the final State aid computations.
September	Board advised of ending balances for previous fiscal year. Board and administration evaluate status for current fiscal obligations in relation to ending balances and established budgetary changes necessitated.

Internal Control

The system of internal control includes budgetary control, periodic operating reports and statistical analyses. The system checks the accuracy and reliability of its accounting data, promotes operational efficiency and encourages prescribed managerial policies.

The system provides segregation of functional responsibilities and control over assets, liabilities, revenues and expenses. Responsibilities and delegations of authority are assigned by the superintendent and Board in accordance with State Board of Education policy and advice of the State Auditor.

Statement of Revenues and Expenditures -- Budget and Actual

Revenues, Expenditures and Changes in Fund Balance – Regulatory Basis
Budget and Actual
General Current Expense Fund
Year ended June 30

	2008 Budget	2008 Actual	2009 Budget	2009 Actual	2010 Budget
Revenues Collected:					
Local Sources:					
Property Taxes	54,255,426	53,915,556	56,663,197	60,328,916	61,390,811
Other Local Sources	2,348,667	2,369,680	2,005,570	1,710,098	2,036,360
State Sources	73,908,117	73,938,478	77,100,102	77,185,899	77,966,231
Other Unrestricted					
Federal Sources	2,115,325	2,803,608	2,230,000	2,909,348	1,685,000
Total Revenues Collected	132,627,535	133,027,322	139,998,869	142,134,261	143,078,402
Expenditures Paid:					
Instruction	79,557,140	78,878,609	85,800,379	86,030,264	87,104,110
Supporting Services:					
Students	4,916,299	4,928,625	5,467,630	5,373,686	5,650,668
Instructional Staff	3,789,368	3,666,075	4,413,199	4,315,297	4,155,102
Central Administration	1,833,869	1,749,338	2,062,335	1,876,254	2,198,495
School Administration	8,118,905	7,920,587	8,421,070	8,548,804	8,593,650
Business	3,099,214	2,952,728	3,454,350	3,217,208	3,616,165
Operation & Maintenance of Facilities	15,055,719	14,535,924	13,914,385	13,822,822	14,671,033
Student Transportation	13,523,815	13,152,985	13,540,170	12,670,292	14,139,254
Food Services	1,200	806	1,400	433	1,200
Community Services	853,285	853,285	785,000	780,400	815,000
Capital Outlay	2,546,614	1,026,155	1,985,499	1,021,880	1,830,771
Reserves			2,311,960		2,248,556
Debt Service:	76,930	76,924	76,930	76,924	76,930
Principal Retirement					
Interest & Fiscal Charges					
Total Expenditures	133,372,358	129,742,041	142,234,307	137,734,264	145,100,934
Excess (Deficiency) of Revenues over Expenditures	(744,823)	3,285,281	(2,235,438)	4,399,997	(2,022,532)
Total Other Financing Sources (Uses)	(4,420,000)	(4,507,036)	(4,357,630)	(4,141,627)	(3,870,000)
Net change in Fund Balance	(5,164,823)	(1,221,755)	(6,593,068)	258,370	(5,892,532)
Fund Balance at July 1	5,164,823	8,090,756	6,593,068	6,869,001	7,127,371
Fund Balance at June 30	0	6,869,001	0	7,127,371	

Source: Berkeley County Board of Education

Insurance Coverage (Source: Berkeley County Board of Education)

1. Type		Amount in Force (FY 2010)
Fire, extended coverage/buildings & personal property		$309,097,880
Public official position bond:	Superintendent	$ 10,000
	Board President	$ 10,000
	Treasurer	$ 600,000
Blanket Bond		$- - - - - - - - -
Fidelity Honesty Bond (all employees)		$ 1,000,000
Money & Securities (all employees)		$ 1,000,000
Deductible - $2,500 per occurrence		

Liability Insurance: The Board is insured for the coverage indicated below under a general liability policy and an automobile policy issued to the State of West Virginia by National Union Fire Insurance Co. of Pittsburgh, Pennsylvania. The Board is an Additional Insured under the policies for a coverage period July 1, 2009 to July 1, 2010. The Board is insured for the following coverages:

Comprehensive general liability insurance
Personal injury liability insurance
Professional liability insurance
Stop gap liability insurance
Wrongful act liability insurance
Comprehensive auto liability insurance
Auto physical damage insurance, including comprehensive and collision, and
Garagekeepers insurance.

2. Limits of Liability

EACH OCCURRENCE. $1,000,000 each occurrence for all coverage combined. This limit is not increased if a claim is insured under more than one coverage or if claim is made against more than one insured.

SPECIAL LIMITS. The auto physical damage limit is the actual cash value of each vehicle subject to a deductible of $1,000.00 for private passenger vehicles or $1,000 for other vehicle types including mobile equipment.

DEFENSE COSTS. Defense costs are in addition to each occurrence limit of liability.

Source: Berkeley County Board of Education

Teachers Retirement Systems (Source: West Virginia Consolidated Public Retirement Board)

Teachers Retirement System (Defined Benefit)

The Teacher's Retirement System (TRS), established in 1941, is a multiple employer defined benefit cost sharing public employee retirement plan covering all full-time employees of the 55 county public school system, certain personnel of the 16 state-supported higher education institutions, and employees of the State Department of Education. As of July 1, 2009, there are 35,701 active members and 29,245 retirees. The plan reopened for new members as of July 1, 2005.

Members contribute 6% of annual earnings. Employers contribute 15% or 7.5% of a member's annual earnings. A member who withdraws from service for any cause other than death, retirement or disability, may request the accumulated employee contributions plus interest be refunded. TRS provides retirement benefits, as well as death and disability benefits.

The most recent actuarial valuation of TRS was performed July 1, 2009 by Buck Consultants. The asset valuation method utilizes market value to place a value on assets. The actuarial cost method valuation utilized entry age cost with individually computed accrued liabilities, including an earnings assumption of 7.5% annually,

net after expenses. As of July 1, 2009, the unfunded liability of TRS was $5.053098 billion. The funded percentage was 41.3%. The TRS unfunded accrued liability should be extinguished on or about June 30, 2034.

Teachers' Defined Contribution Retirement System

The Teachers' Defined Contribution Retirement System (TDC) is a multiple employer defined contribution retirement system covering primarily full-time employees of the State's 55 county public school systems, the State Department of Education, and School for the Deaf and Blind hired after June 30, 1991. The system includes former TRS plan members, including higher education employees, who elected to transfer into or participate in TDC. The plan closed for new members as of July 1, 2005.

As of July 1, 2008, there were approximately 5,155 members in the TDC. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. Members may choose from thirteen (13) separate investment options.

Employees contribute 4.5% of their gross compensation and employers contribute 7.5% of covered members' gross compensation from amounts allocated to the employers through the State School Aid formula. Employer contribution for each employee (and interest allocated to the employee's account) become partially vested after six (6) years and fully vested after twelve (12) years of complete service. Employer contributions and earnings thereon forfeited by employees who leave employment prior to becoming fully vested are available, in the event the employee does not return to active participant status within five (5) years, to reduce the employer's current-period contribution requirement. Benefits depend solely on the amounts contributed plus net investment earnings thereon.

TDC Transfer to TRS

In 2008, the West Virginia Legislature enacted legislation authorizing members of the TDC to elect to voluntarily transfer to TRS. For the transfer to occur the legislation required that at least 65% of members of TDC as of December 31, 2007 to elect the transfer. Over 78% of actively contributing TDC members elected to transfer to TRS. Approximately 15,152 TDC members were transferred to TRS on July 1, 2008.

TAX MATTERS

In the opinion of Bond Counsel, (a) under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations upon the conditions and subject to the limitations set forth in this section, and (b) under existing West Virginia Law, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Board has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective purchasers of the Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds

may otherwise affect an owner's federal tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Board, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and unless separately engaged, Bond Counsel is not obligated to defend the Board or the beneficial owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Board and its counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Board or the beneficial owners to incur significant expense.

LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM

The School District may be affected by litigation pending in the courts of the State of West Virginia with potential impact on local taxes for school purposes similar to the litigation which has continued in certain states, such as Serrano v. Priest in California, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes.

On May 11, 1982 in the matter entitled Pauley v. Bailey, a special judge of the Circuit Court for Kanawha County held that the West Virginia school finance system violates the West Virginia Constitution and that inequities in the levels of funding for various counties were attributable to undue reliance on excess levies which favored property-rich counties. By order of March 4, 1983, a master plan prepared by the State Board of Education and State Superintendent of Schools was filed as part of the record in the case. The court expressed its intention that the master plan be viewed as a proposal to the State Legislature for implementing, by statute, a constitutional system of financing public education. No legislation resolving the question was adopted during the 1984 legislative session, and on January 8, 1985, the plaintiffs moved the court to address the excess levy problem. On December 3, 1985, the court ordered that if the legislature did not, by July 1, 1987, replace or equalize excess levy revenues by one of the methods enumerated in such order, the court would direct a more equitable distribution. The legislature then adopted a constitutional amendment authorizing a statewide excess levy. The proposed amendment was to be submitted to the voters in a special election to be held March 5, 1988. The court entered a supplemental order on June 29, 1987, providing that if the statewide excess levy was not approved by the voters, a sum equal to 20% of each county's excess levy revenues in fiscal year 1988-89 (to be increased by an additional 20% in each of the next four fiscal years) would be withheld and distributed "on an equitable basis described by the court." The statewide excess levy amendment was defeated at the special election and the supplemental order became operative. However, on April 8, 1988, the state tax commissioner, the auditor

and 33 county boards of education petitioned the Supreme Court of Appeals of West Virginia for a writ of prohibition to bar enforcement of the supplemental order. On November 23, 1988 in State ex rel. the Boards of Education of the Counties of Upshur et al, the Supreme Court of Appeals issued the writ of prohibition, and noting that the court below had plainly exceeded its legitimate powers by the entry of an unconstitutional order, found the existing excess levy provision not violative of the State Constitution. The Supreme Court of Appeals suggested therein that it would be appropriate for the lower court to consider whether a statewide reappraisal should be ordered to be implemented to remedy the school financing problem.

In May of 1995 a Motion to join the President of the State Senate and the Speaker of the State House of Delegates as defendants in Pauley was granted by the Circuit Court. The Circuit Court later reconsidered this Motion and the President of the State Senate and the Speaker of the House of Delegates are no longer defendants. Additionally, with the motion to join defendants, the plaintiffs moved the Circuit Court for an order enforcing the judgment previously entered including establishment of a timetable for implementation of the Master Plan for Public Education and a timetable for implementation of changes to the system of financing public education in West Virginia. A trial was scheduled for July 3, 2000. However, prior to going to trial, the parties reached a settlement with regard to a number of the issues.

Finally, on January 3, 2003, Pauley was dismissed and dropped from the active docket of the court. The court stated in its Memorandum of Opinion and final Order the following:

1. The plaintiff class's request to compel the West Virginia Legislature to remove the net enrollment caps in Steps 1 and 2 of the Foundation Allowance to provide additional professional and service personnel of the county as embraced within West Virginia Code §18-9A-1, et seq., and the use of a density mileage factor within the Foundation Allowance is hereby DENIED.
2. The decision of the honorable Dan C. Robinson that the School Financing Formula as embraced within West Virginia Code §18-9A-1, et seq., was constitutionally deficient is hereby vacated and held for naught; and
3. West Virginia Code §18-2E-5 is specifically found to satisfy the requirements of W.Va. Const. Art. XII §1 to the extent that the Legislature has provided, by public law, for a thorough and efficient system of free schools.
4. There being no further need to maintain continuing jurisdiction in this matter, this case shall be dismissed and dropped from the active docket of this Court, to all of which action all parties' objection is hereby preserved.

On December 28, 1990, a class action was filed against the State Superintendent of Schools, the West Virginia Board of Education and the School Building Authority of West Virginia in the United States District Court for the Southern District of West Virginia by a group of plaintiffs alleging improper action by defendants in following a policy of approval of segregated outbuildings for special education students and expenditures therefor. (Harris et. al. v. Marockie, et. al.). The action also alleged that defendants have discriminated against the plaintiff class by failure to protect them from improper behavioral control procedures by County Boards of Education, failure to monitor or enforce educational standards and failure to provide adequately trained instructors.

Plaintiffs requested relief in the form of various declaratory and injunctive measures to remedy the alleged improprieties, including submission of a plan to alleviate alleged constitutional and legal deficiencies in special education in the State. No monetary damages were stated in the complaint. On July 10, 1991 a Settlement Agreement was approved by the District Court. The Settlement Agreement, as approved by the District Court, provided inter alia that the State School Building Authority would, in the application process and before disbursement of monies to local boards of education, obtain sufficient information to assure that no projects approved or funded would permit segregated outbuildings, segregated schools or inappropriately located self-contained classrooms in regular buildings in which classrooms are not contiguous to or in proximity with classrooms of age-appropriate, non-handicapped children or that permits a county to continue the existence of such an outbuilding, school or classroom.

In the opinion of Bond Counsel, the final resolution of the Pauley and Harris decisions by the courts of the State will not affect the validity or binding obligation, nature of the Bonds or modify the right of the holders thereof to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within the School District for the payment of the Bonds if not paid from other sources.

LITIGATION

In the ordinary conduct of its affairs, the Board is party to litigation pending in the courts of the State. The Board engages counsel to represent the Board on various matters. The Secretary of the Board has reviewed the current status of all pending and threatened litigation with such counsel, and expresses the opinion of the Board that while the outcome of litigation cannot be predicted, it is nevertheless not probable that Board liability in any such matters is likely to have a material adverse affect on the financial condition of the Board.

At the time of payment for and delivery of the Bonds, the purchasers will be furnished with a certificate of the Secretary of the Board that there is no litigation pending or threatened affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the levy or collection of any taxes to pay the principal of or interest on the Bonds. Such certificate shall also state that there is no litigation pending or threatened against the Board which materially adversely affects the financial condition of the Board.

CONTINUING DISCLOSURE

The Board has covenanted for the benefit of the Owners of the Series 2010 Bonds, to provide, in accordance with the Continuing Disclosure Agreement, which shall be delivered in substantially the form attached hereto as Exhibit G. Certain financial information not later than two hundred seventy (270) days following the end of the Board's fiscal year, commencing with the report for the fiscal year ending June 30, 2010 (which is due no later than March 31, 2011), and to provide notice of the occurrence of the enumerated events listed herein, if material. The Annual Information and each notice of material events will be filed electronically by United Bank, Inc, Charleston, WV, as dissemination agent, on behalf of the Board with the Electronic Municipal Markets Access system ("EMMA").

This continuing disclosure obligation is being undertaken to comply with Rule 15c2-12 (the "Rule") promulgated by the Securities Exchange Commission. The Board, has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any such failure will not constitute a default under the terms of the Series 2010 Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. SEE "APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT."

The Board failed to comply with the Rule in filing annual financial information for Fiscal Year 2005 and has since filed such information on January 13, 2010.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel, whose approving legal opinion will be delivered with such Bonds.

SALE AT COMPETITIVE BIDDING

The Bonds will be offered by the Board at competitive bidding on February 3, 2010 in accordance with the Official Notice of Sale.

RATINGS

Standard & Poor's Corporation, 55 Waters Street, New York, New York, 10041, has assigned the Bonds its rating of '__'. The Board did not apply for any other ratings. Such rating reflects only the views of such organization and reference is made to such organization for the meaning of such rating. There is no assurance that such rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by the assigning rating agency, if in the judgment of such rating agency, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect upon the market price or value of the Bonds.

FINANCIAL ADVISOR

Raymond James & Associates, Inc., Charleston, West Virginia, Financial Advisor to the Board, or its directors or employees, may hold, own or dispose of bonds, including the Bonds, issued by the Board. Raymond James & Associates, Inc., may wish to bid alone or as a member of a syndicate for the purchase of the bonds.

CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the $51,500,000 in aggregate principal amount of The Board of Education of the County of Berkeley Public School Bonds, Series 2010. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Berkeley by Raymond James & Associates, Inc. in its capacity as Financial Advisor.

All statements, estimates, assumptions and summaries of documents in this Official Statement have been made on the basis of the best information available and are believed to be correct and reliable, but no representations whatsoever are made that such statements, estimates, assumptions and summaries of documents are correct or will be realized.

So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are set forth as such and not as representation of fact. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of any of the Bonds.

THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY

By: /s/_____, President

APPENDIX A

Audit Report of
Berkeley County Board of Education for the
Fiscal Year Ended June 30, 2009

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Independent Auditors' Report

and Related Financial Statements

For the Year Ended June 30, 2009

BERKELEY COUNTY BOARD OF EDUCATION

Martinsburg, West Virginia

Teed & Associates, PLLC
3624 MacCorkle Avenue SE
Charleston, West Virginia 25304
304-925-8752

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

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BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Required Supplementary Information

Management's Discussion and Analysis

June 30, 2009

Our discussion and analysis of the Berkeley County Board of Education's financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2009. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

- The Board's net assets exceeded liabilities by $108,710,049 at the close of the most recent fiscal year.
- The Board's total net assets increased by $564,560. This increase is primarily attributable to the reduction of long term debt. However, other factors were involved in the increase.
- As of the close of the current fiscal year, the Board governmental funds reported combined ending fund balances of $11,778,026, a decrease of $75,059 in comparison with the prior year. Approximately $5.9 million of this total amount is available for spending at the Board's discretion, although $1,650,000 of this total is designated for specific uses.
- At the end of the current fiscal year, unreserved fund balance for the general fund was $5,892,632, or 4.2 percent of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements comprise three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements - The district-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Board's assets and liabilities, with the difference between the two reported as net assets. Over time,

increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing or related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The district-wide financial statements can be found on pages 5-6 of this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. - Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Board maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, the debt service fund, the bond construction fund, and the capital projects fund, all of which are considered major funds.

Fiduciary funds. - Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the Board cannot use these funds to finance its operations.

The Board uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 11 of this report.

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 13 to 36 of this report.

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets exceeded liabilities by $108,710,049 at the close of the most recent fiscal year.

	2009 Governmental Activities	2008 Governmental Activities
ASSETS		
Cash and other current assets	$ 34,198,934	$ 31,714,795
Capital assets, net	116,293,151	116,349,895
Total assets	150,492,085	148,064,690
LIABILITIES		
Current and other liabilities	22,497,416	17,347,657
Noncurrent liabilities:		
Long-term liabilities outstanding	19,284,620	22,571,544
Total liabilities	41,782,036	39,919,201
NET ASSETS		
Invested in capital assets, net of related debt	96,811,196	93,778,351
Restricted	3,597,044	4,114,800
Unrestricted	8,301,809	10,252,338
Total net assets	108,710,049	108,145,489
Total liabilities and net assets	$ 150,492,085	$ 148,064,690

- The largest portion of the Board's net assets, (89%) reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, vehicles), less any related debt used to acquire those assets that is still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

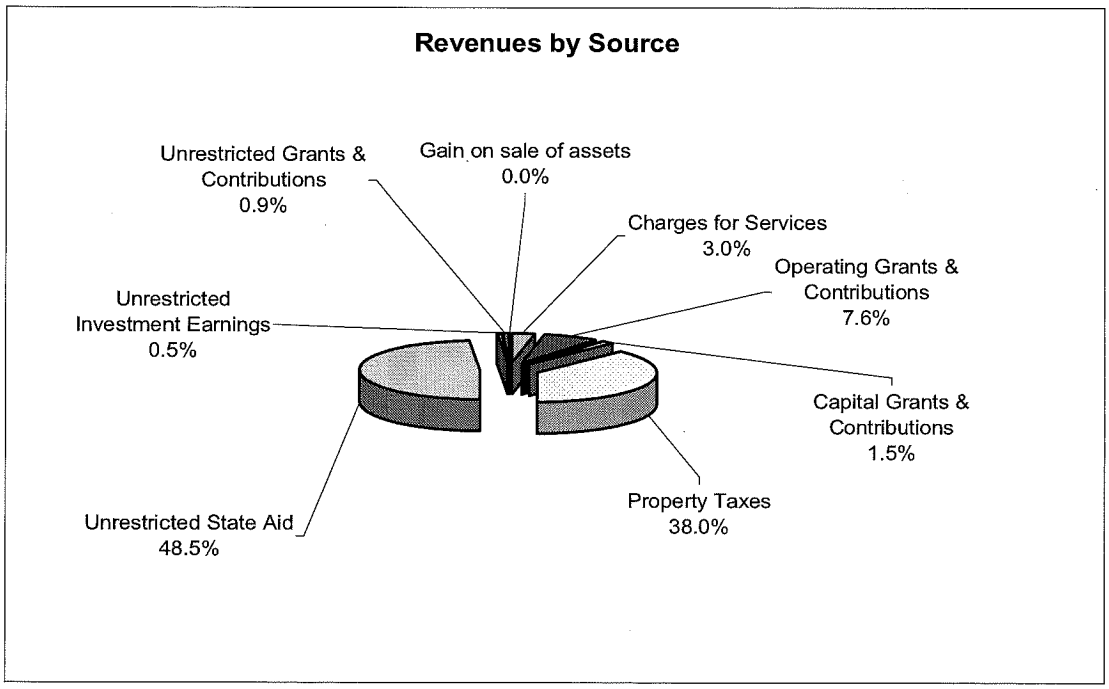
- An additional portion of the Board's net assets (3%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for repayment of debt.

Restricted net assets decreased by $518 thousand during the year ended June 30, 2009. This decrease resulted primarily from reducing the funds obligated for building purposes.

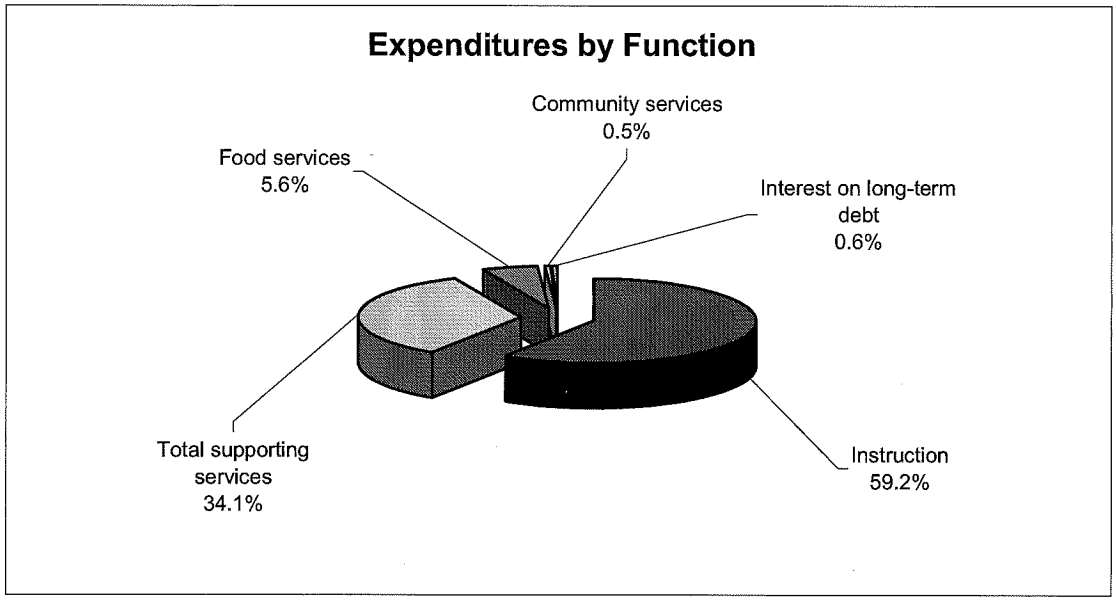
The Board's net assets increased by $564 thousand during the current year. The following discussion and analysis on governmental activities focuses on this increase:

	2009 Governmental Activities	2008 Governmental Activities
Revenues:		
Program revenues		
Charges for services	$ 5,079,598	$ 4,952,914
Operating grants and contributions	13,005,934	13,905,405
Capital grants and contributions	2,598,624	2,203,315
General revenues		
Property taxes	64,854,210	60,049,232
Unrestricted state aid	82,748,974	75,056,300
Unrestricted investment earnings	775,262	1,310,684
Unrestricted grants and contributions	1,555,435	177,996
Gain on sale of assets	53,263	-
Total revenues	170,671,300	157,655,846
Expenses:		
Instruction	98,546,216	88,632,748
Supporting services:		
Students	6,347,963	5,720,042
Instructional staff	6,158,188	5,383,905
District administration	2,424,175	2,257,064
School administration	8,905,177	8,056,985
Business services	3,275,039	2,983,360
Operation and Maintenance	14,413,748	15,054,580
Transportation	15,209,601	13,250,522
Total supporting services	56,733,891	52,706,458
Food services	9,329,232	8,824,682
Community services	780,400	853,285
Interest on long-term debt	966,090	1,066,810
Total expenses	166,355,829	152,083,983
Change in net assets	4,315,471	5,571,863
Beginning net assets, as restated	104,394,578	102,573,626
Ending net assets	$ 108,710,049	$ 108,145,489

The following chart shows the Board's revenues for fiscal year ended June 30, 2009, by source:



The following chart shows the Board's expenditures for fiscal year ended June 30, 2009, by function:



Property tax increased $6.2 million. State revenues increased by $8.4 million and federal revenues increased by $688 thousand from the prior year. The following is a comparison of revenue sources:

	2009 Governmental Activities	2008 Governmental Activities
Revenues:		
Property taxes	$ 64,794,913	$ 58,530,092
Other Local sources	4,117,518	4,857,965
State sources	87,376,379	78,940,717
Federal sources	14,323,193	13,635,122
Total revenues	$ 170,612,003	$ 155,963,896

Financial Analysis of the Board's Funds

As noted earlier, the School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the Board completed the year, its governmental funds reported a combined fund balance of $ 11.8 million.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the Board's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the Board's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. The $1.65 million fund balance of the general fund is primarily designated for the following purpose:

- Capital improvements in the near future, including purchase of land for future school building sites.

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of $2.6 million or 1.8% in total general fund expenditures. The most significant difference may be summarized as follows:

Budgeting of prior year (2008) balances.

Capital Asset and Debt Administration

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2009, amounts to $116.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and vehicles.

Major capital asset events during the current fiscal year included the following:

Land	$ 8,494,517
Contruction in process	688,790
Buildings and improvements	98,948,443
Furniture and equipment	1,198,960
Vehicles	6,962,441
Total capital assets	$ 116,293,151

Additional information on the Board's capital assets can be found in Note 7 to the basic financial statements.

Long-term debt. At the end of the current fiscal year, the Board had total bonded debt outstanding of $18.9 million and capital lease obligations of $384,620. The obligation for compensated absences for vacations was $197,335 at June 30, 2009.

General obligation bonds	$ 18,900,000
Capital lease obligations	384,620
Compensated absences	197,335
Total debt outstanding	$ 19,481,955

Additional information on the Board's long-term debt can be found in Note 8 to the basic financial statements.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board Office, 401 S. Queen Street, Martinsburg, WV 25401.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Board Officials

For the Year Ended June 30, 2009

Office	Elective	Term
Board Members	Todd M. Beckwith	07/01/06 – 06/30/10
	Patrick H. Murphy	07/01/06 – 06/30/10
	William H. Norris	07/01/08 – 06/30/12
	Richard A. Pill	07/01/06 – 06/30/10
	Dr. William F. Queen	07/01/08 – 06/30/12

Office	Appointive	Term
Board President	Dr. William F. Queen	07/01/08 – 06/30/10
Treasurer	Kenneth Marstiller	

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Schedule of Funds

For the Year Ended June 30, 2009

GOVERNMENTAL FUND TYPES

General Current Expense Fund

Special Revenue Fund

Debt Service Fund

Capital Projects Fund

Agency Funds

Teed & Associates, PLLC

Certified Public Accountants

Established 1992

Member, American Institute of Certified Public Accountants
Member, West Virginia Society of Certified Public Accountants
Member, Tennessee Society of Certified Public Accountants

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Independent Auditors' Report

The Honorable Members of the
Berkeley County Board of Education, West Virginia
Martinsburg, West Virginia

We have audited the accompanying financial statements of the governmental activities, and each major fund, of the Berkeley County Board of Education, West Virginia (the Board), as of and for the year ended June 30, 2009, which collectively comprise the Board's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Berkeley County Board of Education as of June 30, 2009, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis information is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

3624 MacCorkle Avenue, SE - P. O. Box 4576 - Charleston, West Virginia 25364 - (304) 925-8752 - Fax (304) 925-2895 - www.teedandassociates.com

In accordance with *Government Auditing Standards*, we have also issued a report dated December 10, 2009, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Budgetary Comparison Schedules on pages 38 to 41 are not a required part of the basic financial statements, but supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Board taken as a whole. The accompanying schedule of expenditures of federal awards on page 43 are presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Teed & Associates, PLLC

Charleston, West Virginia
December 10, 2009

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Statement of Net Assets

June 30, 2009

	Governmental Activities
ASSETS:	
Cash and cash equivalents	$ 24,079,008
Investments	4,967,488
Taxes receivable, net of allowance for uncollectible taxes	801,808
Food service receivable	447,122
Other receivables	59,360
Due from other governments:	
State aid receivable	
PEIA allocation receivable	1,943,024
Reimbursements receivable	1,901,124
Capital assets not being depreciated	8,494,517
Capital assets depreciable, net	107,798,634
Total assets	150,492,085
LIABILITIES:	
Salaries payable and related payroll liabilities	15,484,576
PEIA premiums payable	2,596,691
Compensated absences	197,335
Accounts payable	1,223,825
Other post employment benefit liability	2,314,880
Deferred revenue	680,109
Noncurrent liabilities:	
Due within one year	3,431,924
Due in more than one year	15,852,696
Total liabilities	41,782,036
NET ASSETS:	
Invested in capital assets, net of related debt service	96,811,196
Restricted for debt service	3,257,417
Restricted for special projects	63,281
Restricted for captial projects	276,346
Unrestricted	8,301,809
Total net assets	$ 108,710,049

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Statement of Activities

For the Year Ended June 30, 2009

		Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets Governmental Activities
Functions / Programs:					
Governmental activities:					
Instruction	$ 98,546,216	$ 130,048	$ 6,194,639	$ 583,574	$ (91,637,955)
Support services:					
Students	6,347,963	2,814,948	817,097	-	(2,715,918)
Instructional staff	6,158,188	-	1,097,975	-	(5,060,213)
District administration	2,424,175	-	262,241	62,525	(2,099,409)
School administration	8,905,177	-	-	20,840	(8,884,337)
Business services	3,275,039	-	3,000	100,043	(3,171,996)
Operation and maintenance of facilities	14,413,748	52,817	751,359	66,695	(13,542,877)
Student transportation	15,209,601	98,090	14,425	1,764,947	(13,332,139)
Food services	9,329,232	1,983,695	3,865,198	-	(3,480,339)
Community services	780,400	-	-	-	(780,400)
Interest on long-term debt	966,090	-	-	-	(966,090)
Total governmental activities	$ 166,355,829	$ 5,079,598	$ 13,005,934	$ 2,598,624	(145,671,673)

General revenues:	
Property taxes	64,854,210
Unrestricted state aid	82,748,974
Unrestricted investment earnings	775,262
Unrestricted grants and contributions	1,555,435
Gain on sale of assets	53,263
Total general revenues	149,987,144
Changes in net assets	4,315,471
Net assets at beginning of year, as restated	104,394,578
Net assets at end of year	$ 108,710,049

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Balance Sheet – Governmental Funds

For the Year Ended June 30, 2009

	General Current Expense	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Government
ASSETS:					
Cash and cash equivalents	$ 20,933,294	$ 1,435,256	$ -	$ 1,710,458	$ 24,079,008
Investments	745,116	-	4,222,372	-	4,967,488
Taxes receivable, net	742,511	-	59,297	-	801,808
Food service receivable, net	-	447,122	-	-	447,122
Other receivables	59,360	-	-		59,360
Due from other governments:					
State aid receivable	-	-	-	-	-
PEIA allocation receivable	1,943,024	-	-	-	1,943,024
Reimbursement receivable	1,313,146	362,332	-	225,646	1,901,124
Total assets	$ 25,736,451	$ 2,244,710	$ 4,281,669	$ 1,936,104	$ 34,198,934
LIABILITIES:					
Salaries payable and related payroll liabilities	$ 14,028,236	$ 1,456,340	$ -	$ -	$ 15,484,576
OPEB Payable	2,314,880	-	-	-	2,314,880
PEIA premiums payable	2,298,044	298,647	-	-	2,596,691
Accounts payable	802,659	84,803	-	336,363	1,223,825
Deferred revenue	400,000	341,639	59,297	-	800,936
Total liabilities	19,843,819	2,181,429	59,297	336,363	22,420,908
FUND BALANCES:					
Reserved for					
Encumbrances	1,324,053	156,373	-	2,071,638	3,552,064
Debt service	-	-	3,257,417	-	3,257,417
Capital Projects	-	-	-	276,346	276,346
Unreserved					
Designated	1,650,000	-	-	-	1,650,000
Undesignated	2,918,579	(93,092)	964,955	(748,243)	3,042,199
Total fund balances	$ 5,892,632	$ 63,281	$ 4,222,372	$ 1,599,741	$ 11,778,026

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Reconciliation of Balance Sheet Fund Balances of Governmental Funds to Statement of Net Assets

June 30, 2009

Total governmental fund balances	$ 11,778,026
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	116,293,151
Property taxes receivable and food service billings receivable will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the funds	120,825
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable, due within one year	(3,355,000)
Bonds payable, due beyond one year	(15,545,000)
Capital leases payable	(384,620)
Compensated absences	(197,335)
Net assets of governmental activities	$ 108,710,049

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Year Ended June 30, 2009

	General Current Expense	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Government
REVENUES:					
Property taxes	$ 60,328,916	$ -	$ 4,465,997	$ -	$ 64,794,913
Other local sources	1,710,098	2,347,415	60,005	-	4,117,518
State sources	80,796,371	4,898,306	-	1,681,702	87,376,379
Federal sources	2,909,348	11,413,845	-	-	14,323,193
Total revenues	145,744,733	18,659,566	4,526,002	1,681,702	170,612,003
EXPENDITURES:					
Instruction	88,468,059	7,831,524	-	-	96,299,583
Support services:					
Students	5,493,192	854,771	-	-	6,347,963
Instructional staff	4,406,280	1,747,828	-	-	6,154,108
Central administration	1,915,969	262,241	-	-	2,178,210
School administration	8,796,482	15,732	-	-	8,812,214
Business	3,267,754	3,205	-	-	3,270,959
Operation and maintenance of facilities	14,036,200	146,350	-	-	14,182,550
Student transportation	13,081,163	1,826,174	-	-	14,907,337
Food services	433	9,286,181	-	-	9,286,614
Community services	780,400	-	-	-	780,400
Capital outlay	1,021,880	-	-	2,111,898	3,133,778
Debt service:					
Principal retirement	76,924	-	3,210,000	-	3,286,924
Interest and fiscal charges	-	-	966,090	-	966,090
Total expenditures	141,344,736	21,974,006	4,176,090	2,111,898	169,606,730
Excess (deficiency) of revenues over (under) expenditures	4,399,997	(3,314,440)	349,912	(430,196)	1,005,273
Other financing sources (uses):					
Transfers in	91,003	3,545,570	-	807,631	4,444,204
Trandfers (out)	(4,232,630)	(211,574)	-	-	(4,444,204)
Total other financing sources	(4,141,627)	3,333,996	-	807,631	-
Change in fund balance	258,370	19,556	349,912	377,435	1,005,273
Fund balances at beginning of year as restated	5,634,262	43,725	3,872,460	1,222,306	10,772,753
Fund balances at end of year	$ 5,892,632	$ 63,281	$ 4,222,372	$ 1,599,741	$ 11,778,026

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2009

Net changes in fund balances -- total governmental funds	$ 1,005,273
Capital assets are expensed in the governmental funds	4,444,523
The net effect of revenues in the statement of activities that do not provide current financial financial resources are not reported as revenues in the finds	120,827
Long-term debt principal payments are included in the governmental funds as expense	3,286,924
Cost of assets disposed	(1,426,166)
Accumulated depreciation of assets disposed	708,371
Accrued vacation payable (change from prior year)	(40,809)
Depreciation expense not included in governmental funds	(3,783,472)
Change in net assets of governmental activities	$ 4,315,471

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Statement of Fiduciary Net Assets – Agency Funds -- Unaudited

For the Year Ended June 30, 2009

	School Activity Funds	RESA VIII General Fund	Multi-County Vocational Center
ASSETS:			
Cash and cash equivalents	$ 2,200,315	$ 1,077,587	$ 563,973
Receivables	-	394,347	102,411
Total assets	$ 2,200,315	$ 1,471,934	$ 666,384
LIABILITIES:			
Accounts payable and accrued liabilities	$ -	$ 1,052,695	$ 556,213
Due to other funds	2,200,315	419,239	110,171
Total liabilities	$ 2,200,315	$ 1,471,934	$ 666,384

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Schedule of Changes in School Activity Funds -- Unaudited

For the Year Ended June 30, 2009

	Beginning Cash Balance	Revenues Received	Expenditures Paid	Ending Cash Balance
Hedgesville High School - General Fund	$ 361,400	$ 551,178	$ 546,576	$ 366,001
Martinsburg High School - General Fund	160,417	730,272	753,018	137,671
Martinsburg High School - Faculty Senate Fund	1,712	24,565	25,450	827
Musselman High School - General Fund	351,262	631,157	584,491	397,928
Musselman High School - Faculty Senate Fund	6,318	20,064	17,323	9,058
Hedgesville Middle School - General Fund	62,522	206,262	191,521	77,263
Musselman Middle School - General Fund	236,791	299,120	279,910	256,000
North Middle School - General Fund	64,680	105,249	134,428	35,501
North Middle School - Faculty Senate Fund	4,598	10,660	7,783	7,474
South Middle School - General Fund	103,118	172,270	187,168	88,220
South Middle School - Faculty Senate Fund	15,309	13,568	13,753	15,123
Spring Mills Middle School - General Fund	93,362	194,940	176,627	111,675
Back Creek Valley Elementary School - General Fund	11,835	33,527	33,735	11,627
Bedington Elementary School - General Fund	21,854	111,838	113,755	19,937
Bedington Elementary School - Faculty Senate Fund	1,079	3,620	3,231	1,468
Berkeley Heights Elementary School - General Fund	55,506	130,457	134,155	51,808
Bunker Hill Elementary School - General Fund	19,205	94,101	91,296	22,011
Burke Street Elementary School - General Fund	21,210	34,086	32,286	23,009
Burke Street Elementary School - Faculty Senate Fund	1,208	2,216	2,434	990
Eagle School Intermediate School - General Fund	13,710	123,270	119,178	17,802
Gerrardstown Elementary School - General Fund	26,139	46,261	46,618	25,782
Hedgesville Elementary School - General Fund	31,665	110,454	115,030	27,089
Inwood Primary School - General Fund	11,084	35,078	38,788	7,374
Inwood Primary School - Faculty Senate Fund	4,796	2,200	4,834	2,162
Marlowe Elementary School - General Fund	44,973	95,702	96,337	44,339
Marlowe Elementary School - Faculty Senate Fund	192	5,201	3,984	1,409
Mill Creek Intermediate School - General Fund	49,752	98,083	79,144	68,691
Mill Creek Intermediate School - Faculty Senate Fund	4,945	6,414	7,215	4,144
Mountain Ridge Intermediate School - General Fund	11,734	106,031	104,106	13,659
Opequon Elementary School - General Fund	49,359	115,277	100,487	64,149
Orchard View Intermediate School - General Fund	37,314	93,200	95,559	34,956
Potomack Intermediate School - General Fund	14,697	147,398	124,166	37,929
Potomack Intermediate School - Faculty Senate Fund	2,639	7,401	8,375	1,665
Rosemont Elementary School - General Fund	42,560	88,595	66,526	64,629
Rosemont Elementary School - Faculty Senate Fund	3,228	6,000	5,424	3,804
Tomahawk Elementary School - General Fund	20,195	161,927	136,128	45,994
Tuscarora Elementary School - General Fund	28,163	79,720	64,901	42,982
Tuscarora Elementary School - Faculty Senate Fund	3,084	5,800	2,930	5,954
Valley View Elementary School - General Fund	13,568	85,549	78,065	21,052
Valley View Elementary School - Faculty Senate Fund	3,073	8,008	8,017	3,064
Winchester Avenue Elementary School - General Fund	19,220	57,797	50,300	26,716
Winchester Avenue Elementary School - Faculty Senate Fund	1,066	4,600	4,291	1,375
Total	$ 2,030,541	$ 4,859,117	$ 4,689,343	$ 2,200,315

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Notes to the Financial Statements

For the Year Ended June 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

The Berkeley County Board of Education, West Virginia (Board) is a corporation created under the authority of West Virginia Code Section 18-5-1 et. seq. and is composed of five members nominated and elected by the voters of the County for four-year terms. The Board is responsible for the supervision and control of the County school district and has authority, subject to State statutes and the rules and regulations of the State Board, to control and manage all of the pubic schools and school interests in the County.

GASB Statement 14 establishes the criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. Under provisions of this statement, the School Board is considered to be a primary government, since it is a separate legal entity, has its own elected governing body, and is fiscally independent of other local governments. The School Board has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected board members are financially accountable

B. District-wide and fund financial statements

The ***district-wide financial statements*** (the statement of net assets and the statement of activities) display information about the School Board as a whole. These statements include the financial activities of the overall government, except for fiduciary fund activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the school district's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function.

Depreciation expenses for capital assets that can be specifically identified with a function are included in its direct expenses. Depreciation expense for "shared"

capital assets (such as a school building that may be used for instructional services, student and instructional staff support services, school administration, and child nutrition services) is distributed proportionally among the various functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, restricted state aid, tuition, and other fees and charges paid by students. Revenues that are not program revenues are classified as general revenue. Revenues that are general revenue are property taxes, unrestricted state aid, unrestricted investment earnings, gain on sale of capital assets, and federal and state grants not restricted to a specific purpose.

The ***fund financial statements*** provide information about the individual funds maintained by the School Board. All funds maintained by the school district are considered major funds for reporting purposes and are discretely presented in the accompanying financial statements.

The funds maintained by the Board are:

General Current Expense Fund: The General Current Expense Fund is the operating fund of the Board and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Current Expense Fund.

Special Revenue Fund: The Special Revenue Fund is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditure for specific purposes.

Debt Service Fund: The Debt Service Fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on general obligation bonds issued by the Board for the acquisition of capital assets.

Capital Projects Funds: Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by the Board. These funds can include: a bond construction fund, used to account for the proceeds from the issuance of general obligation bonds; a permanent improvement fund established under the authority of West Virginia Code 18-9B-14 to account for the proceeds of resources used for the support of various building and permanent improvement projects; and one or more capital projects funds used to account for the resources used in the construction of a specific capital facility.

Agency Funds: Agency funds are used to account for assets that the Board holds for others in an agency capacity. These include: Regional education service agencies (RESA's) and multi-county vocational centers (MCVC's) for the purpose of providing high quality, cost effective educational programs and to provide vocational training, respectively, in which the county board of education serves as the fiscal agent; school activity funds to account for the assets of the individual schools of the district, the student clubs, and school support organizations; and may include a scholarship fund to account for contributions and donations made to the school district by a benefactor for the purpose of providing scholarships for graduates of the school district.

C. Measurement Focus and Basis of Accounting

The ***district-wide statements*** (Statement of Net Assets and the Statement of Activities) were prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows are received. Revenues and expenses resulting from exchange and exchange-like transactions are recognized when the exchange takes place; revenues and expenses resulting from non-exchange transactions, such as property taxes, federal and state grants, and state aid to schools, and donations, are recognized in accordance with the requirements of GASB Statement 33. Property taxes are recognized in the fiscal year for which the taxes are levied; state aid to schools is recognized in the year for which the legislative appropriation is made; and grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The ***governmental fund financial statements*** were prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible during the current period or soon enough thereafter to pay liabilities of the current period. The Board considers all revenues available if they are collected within 60 days after year-end. Expenditures are generally recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing resources.

Fiduciary funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the cash basis of accounting. These funds are used to account for assets that the School Board holds for others in an agency capacity.

D. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash and Cash Equivalents and Investments

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2009, were entirely covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Board's name.

Boards of Education are authorized by statute to provide excess funds to either the State Consolidated Investment Pool or the Municipal Bond Commission for investment purposes, or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit and repurchase agreements. Funds of the Board are temporarily invested by the West Virginia Municipal Bond Commission specifically on behalf of the Board as part of the Commission's consolidated investment pool. These investments are considered cash and cash equivalents due to their liquid nature.

Cash and Investments of the Board at June 30, 2009, consisted of the following:

	Carrying Amount	Estimated Fair Value	Bank Balance
Cash and cash equivalents	$ 24,079,008	$ -	$ 24,079,008
State Investment Pool	$ 745,116	$ -	$ 745,116
Municipal Bond Commission	4,222,372	-	4,222,372
Total investments	$ 4,967,488	$ -	$ 4,967,488

Money market/sweep accounts with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the board's name. Custodian credit risk is the risk that in event of a bank failure the Board's deposits may not be returned. The Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

Interest rate risk is the risk that changes in interest rates demanded by the market will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Board manages its exposure to interest rate risk for investments is by purchasing short-term investments that are less affected by changes in market rates as compared to long-term investments.

At June 30, 2009, the Board had $4,222,372 invested with the West Virginia Municipal Bond Commission. Pool investments of the Municipal Bond Commission are held in a Government Money Market with the WV Board of Treasury Investments Consolidated Fund.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Exposure to credit risk in the Government Money Market Pool is limited to U.S. Treasury issues and U.S. government agency issues and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues.

The Board's investments in the Consolidated Fund pool and related accounts have not been rated for credit risk by any organization.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. West Virginia statutes prohibit the Consolidated Fund Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2009, the Pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The overall weighted average maturity of the investments of the Government Money Market Pool within the Consolidated Fund Pool cannot exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

F. Food Service receivables

The accounts receivable for the Food Service Program has been reduced by $307,701 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

G. Interfund receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a reserved fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

H. Inventories

Inventories are valued at cost or, if donated, at fair value when received. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Prepaid Items

Certain payments to vendors are costs applicable to future accounting periods are recorded as prepaid items in both government-wide, and fund financial statements.

J. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, and vehicles are reported in the district-wide financial statements. The board defines capital assets as assets with an initial cost of $5,000 or more for land, furniture, vehicles, and equipment and $100,000 for buildings and an estimated useful life in excess of two years. Purchased and constructed capital assets are reported at cost or at estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is not capitalized.

Buildings and improvements, furniture and equipment, and vehicles of the Board are depreciated using the straight-line method over the following estimated useful lives:

Assets	Straight-line Years
Buildings	50 years
Site improvement	20 to 35 years
Furniture and equipment	5 to 20 years
Vehicles	8 to 12 years

K. Compensated Absences and Special Termination Benefits

Compensated Absences

It is the Board's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick benefits can be accumulated up

to twenty and unlimited days, respectively, and five vacation days and unlimited sick days may be carried forward to the subsequent fiscal year. All vacation pay is accrued when incurred. In lieu of a cash payment at retirement, an employee can elect to use accumulated annual leave toward their postemployment health care insurance premium. Employees also earn sick leave benefits which accumulate but do not vest.

Special Termination Benefits

When separated from employment, employees' sick leave benefits are considered ended and no reimbursement is provided. However, upon retirement, an employee's accumulated annual sick leave may be converted to a greater retirement benefit or payment of the retired employee's health insurance premiums. The cost of the increased retirement option is the liability of the West Virginia Consolidated Public Retirement Board.

The payment of health insurance premiums must be absorbed by the last agency employing the retiree. Historically, the West Virginia State Legislature appropriates funds that are used by the Board to pay for its obligations for this special termination benefit. Because such appropriations are at the discretion of the Legislature and not guaranteed, the liability for sick leave convertible to health insurance premiums using the vesting method is recorded in the Board's financial statements. The liability for accrued personal leave was reported using the guidance of GASB Statement 16 for the previous year, but the State Auditor has subsequently determined that accrued personal leave should not be considered a termination benefit, therefore, this liability is not included in compensated absences in the accompanying financial statements. It will be reported as an "other postemployment benefits" expense and liability in accordance with the guidance of GASB Statement 45 when this statement is implemented for the fiscal year ended June 30, 2009.

L. Other Post Employment Benefits (OPEB):

The Governmental Accounting Standards Board (GASB) issued Statement 45 in 2004 to establish standards for the measurement, recognition, and reporting of other post employment benefits (OPEB) expenses/expenditures and related liabilities.

Other post employment benefits in West Virginia consist mainly of: Allowing employees hired prior to July 1, 2001 to convert unused annual, sick and/or personal leave to paid-up PEIA premiums, and allowing retirees to purchase PEIA health insurance at a deeply discounted premium rate.

As a result, the West Virginia Legislature passed HB 4654 in 2006 adding a new article to the State Code, WVC §5-16D-1 et seq. The article, among other things: Created the West Virginia Retiree Health Benefit Trust Fund (RHBT) for the purpose of administering retiree post-employment health care benefits; vested the responsibility for operation of the fund with the PEIA Board of Finance; required the Board of Finance to adopt actuarial assumptions and determine the annual required

contribution (ARC) rates sufficient to maintain the fund in accordance with the state plan for other post-employment benefits; required the Board to have an actuarial valuation conducted at least biannually; required the Board of Finance to set the total ARC sufficient to maintain the fund in an actuarially sound manner in accordance with generally accepted accounting principles; required the Board of Finance to bill all participating employers their share of the ARC, and; required participating employers to make annual contributions to the fund in, at least, the amount of the minimum annual employer premium payment rates established by the board.

Upon retirement, the public employees who elected to participate in the PEIA insurance plan are eligible to credit unused sick or annual leave towards insurance coverage, according to the following formulas:

Retired employees who elected to participate in the PEIA insurance plan prior to July 1, 1988: Those without dependents may credit two days of unused sick or annual leave towards one month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one month of insurance coverage.

Retired employees who elected to participate in the PEIA insurance plan between July 1, 1988 and June 30, 2001: those without dependents may credit two days of unused sick or annual leave towards one-half month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one-half month of insurance coverage.

Employees hired on or after July 1, 2001 may not apply any unused sick or annual leave towards the cost of health insurance premiums.

In the alternative to applying unused sick and annual leave to health insurance, all employees participating in the PEIA insurance plan, and who are members of the State Teachers' Defined Benefit Retirement System, may apply unused sick and annual leave towards an increase in the employee's retirement benefits with those days constituting additional credited service. The cost for the employees who elect this option is reflected as a liability of the State Teachers' Retirement System and not included as an OPEB obligation.

All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee's premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees' premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB actuarial liability.

Based on the latest actuarial evaluation of the RHBT, the annual required contribution (ARC) for the State and the boards of education for fiscal year ended June 30, 2009 was determined to be:

	Total	Amount/ Policy Holder
Total Annual Required Contribution	$ 388,166,000	$ 4,658.58
Pay as you go – Retiree Subsidy	(143,448,760)	(1,976.15)
Appropriation:		
Excess Lottery Funds	(46,600,000)	(743.97)
State General Revenue Transfer	(30,730,000)	(490.60)
State Debt Reduction Fund (Table Games)	(13,800,000)	(220.32)
Remaining ARC	$ 117,387,240	$ 1,227.54

The following summarizes the School Board's OPEB activity:

Total OPEB expense	$ 8,459,484
Less:	
State appropriation allocation	3,610,472
Pay as you go payments and other credits	3,768,871
2009 OPEB liability	$ 1,080,141
Portion attributable to personnel funded through the PSSP	$ 1,080,141

It is the opinion of the School Board that the State is constitutionally required to appropriate sufficient funds to cover the cost of the ARC for personnel funded through the Public School Support Program (PSSP), however, no additional funds have been appropriated for this purpose as of the date of this report. Furthermore, the School Board has elected, pursuant to the provisions of WVC 5-16D-6, not to remit to the RHBT any amount in excess of the minimum annual required premium payment.

M. Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance cost during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Capital lease payments are reported in the general current expense or special revenue fund.

N. Restricted Net Assets

For the district-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

O. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent that portion of fund equity committed by official Board action prior to June 30 of each year for specific purposes. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2009.

P. Elimination and Reclassifications

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Q. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

R. Restricted Resources

Restricted resources should be applied first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are presented on the modified accrual basis of accounting for all governmental funds, but do not include amounts for other post employment benefits billed by PEIA beyond the retiree subsidy amount because only the retiree subsidy amounts are required to be remitted according to WVC 5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State statute, the Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.

2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

Revisions to the budget are authorized only with the prior written approval of the State Board of Education.

B. Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances

The following funds had deficiencies in net changes in fund balances for the year ended June 30, 2009:

Fund	Amount
Special Revenue	$ 93,092
Bond Construction	$ 748,243

Grant funds are available to provide for the deficiency in both the Special Revenue Fund and the Bond Construction Fund. The deficiencies have no impact on the financial results of the Funds.

NOTE 3. CHANGE IN ACCOUNTING POLICY

The Board changed its method of accounting for the following items in order to comply with accounting principles generally accepted in the United States of America:

GASB 16 - For the fiscal year ended June 30, 2009, the Board included in compensated absences an estimated amount for accrued vacation leave using the guidance provided in GASB Statement 16. The State Auditor determined that accrued personal leave should not be considered a termination benefit; therefore the liability associated with accrued personal leave is not included as compensated absences for the fiscal year ended June 30, 2009. This liability is included as a part of other post employment benefits (OPEB).

GASB 45 – The Board implemented GASB 45 reporting requirements Accounting and Financial Reporting by employers for post employment benefits other than Pensions for the year ended June 30, 2009. In addition to pensions, many states and local governments provide other postemployment benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes postemployment healthcare, as well as other forms of post employment benefits when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

As a cost-sharing employer, the Board is required to recognize OPEB expenditures for the contractually required contributions to the plan on a modified accrual basis. Therefore, the unpaid OPEB at June 30 will be reported on the Balance Sheet as "Other post employment benefit payable.

In the prior year, the Board was billed for other postemployment benefits that were not paid. This current liability was not reported in the prior year because GASB 45 implementation was not required for the Board until June 30, 2009. An adjustment was made to the beginning fund balance and the beginning net assets to add that balance to the figures previously reported.

Restatement of net assets:

Net assets – July 1, 2008 as previously reported	$108,145,489
OPEB liability attributed to fiscal year 2008	(1,234,739)
Net assets – July 1, 2008, adjusted due to adoption Of accounting policy	$106,910,750

Restatement of fund balance:

Fund Balance General Fund July 1, 2008	$ 6,869,001
OPEB liability attributed to fiscal year 2008	(1,234,739)
Fund Balance as restated	$ 5,634,262

NOTE 4. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omission, injuries to employees, and natural disasters. The Board, pursuant to the provisions of State law, participates in the following risk management programs administered by the State.

Board of Risk and Insurance Management (BRIM): The Board participates in the West Virginia Board of Risk and Insurance Management, a common risk insurance pool for all State agencies, component units, boards of education, and other local governmental agencies who wish to participate. The Board pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage, as determined by BRIM, shall be paid by the participants. The BRIM risk pool retains the risk of the first $2 million per property event and purchases excess insurance on losses above that level. BRIM has $1 million per occurrence coverage maximum on all third party liability claims.

Public Employees' Insurance Agency : The Board provides employee health and basic life insurance benefits through Public Employees Insurance Agency (PIEA). PEIA was established by the State of West Virginia to provide a program of health and life insurance for employees of State agencies, institutions of higher learning, boards of education, and component units of the State. In addition, local governmental agencies and certain charitable and public service organizations may request to be covered. PEIA provides a general employee benefit insurance program, which includes hospital, surgical, major medical, prescription drug, and basic life and accidental death. Fund underwriting and rate setting policies are established by the PEIA Finance Board. The cost of all coverage, as determined by the PEIA Finance Board, is paid by the participants.

Coverage under these programs is limited to $1 million lifetime for health and $10,000 of life insurance coverage. Insured's may purchase up to an additional $500,000 of life insurance coverage. Premiums are established by PEIA and are paid monthly. The PEIA risk pool retains the risk for the health and prescription features of its indemnity plan, has fully transferred the risks of coverage of the Managed Care Organization Plan to the plan provider, and has transferred the risk of life insurance coverage to a third party insurer.

Workers' Compensation Fund (WCF): West Virginia has a single private insurance company, BrickStreet Insurance, which provides workers' compensation coverage to all employers in the State. Other private insurance companies can begin to offer coverage to private sector employers starting July 1, 2009, and to government employers July 1, 2012. The cost of all coverage, as determined by BrickStreet, is paid by the employers.

The WCF risk pool retains the risk related to the compensation of injured employees under the program.

NOTE 5. PROPERTY TAXES

All property in the State is classified as follows for ad valorem tax purposes:

Class I All tangible personal property employed exclusively in agriculture, including horticulture and grazing; all products of agriculture, including livestock, while owned by the producer; all notes, bonds and accounts receivable, stocks and any other evidences of indebtedness.

Class II All property owned, used and occupied by the owner exclusively for residential purposes; all farms, including land used for horticulture and grazing, occupied and cultivated by their owners or bona fide tenants.

Class III All real and personal property situated outside of municipalities, exclusive of Class I and II property.

Class IV All real and personal property situated inside of municipalities, exclusive of Class I and II property.

According to West Virginia Code Section 11-8-6c, the maximum rates that county boards of education may impose on the various classes of property are: Class I – 22.95 cents per $100 of assessed valuation; Class II – 45.90 cents per $100 of assessed valuation; Class III – 91.80 center per $100 of assessed valuation; and Class IV – 91.80 cents per $100 of assessed valuation.

Pursuant to West Virginia Code Section 11-8-6f, the rates of levy for county boards are to be reduced uniformly statewide and proportionately for all classes of property, so that the total statewide property tax revenues to be realized from the regular levy tax collections for the forthcoming year will not increase by more than one percent of the current year's projected property tax revenues, exclusive of increases due to new construction, improvements to existing real property, or newly acquired personal property, unless the State Legislature holds a public hearing. The amounts to be paid to the Assessor's Valuation Fund are also to be excluded from the calculation.

County boards of education are also authorized to impose an additional (excess) levy not to extend beyond five years if approved by at least a majority of the voters. The rates of levy cannot exceed the maximum rates specified above and must be proportional for all classes of property.

The assessed valuations and levy rated levied by the Board per $100 of assessed valuation for each class of property for the fiscal year ended June 30, 2009, were:

Carrying Amount	Assessed Vaulations For Tax Purposes	Current Expense Fair Value	Excess Levy	Bond Purposes
Class I	$ -	19.4 cents	22.50 cents	3.03 cents
Class II	$ 3,368,293,930	38.8 cents	45.00 cents	6.06 cents
Class III	$ 1,460,494,002	77.6 cents	90.00 cents	12.12 cents
Class IV	$ 468,978,812	77.6 cents	90.00 cents	12.12 cents

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July each year. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments. The first installment is payable on September 1st of the year for which the assessment is made, and becomes delinquent on October 1st, and the second installment is payable on the first day of the following March and becomes delinquent on April 1st.

Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

NOTE 6. EXCESS LEVY

The Board had an excess levy in effect during the fiscal year ended June 30, 2009. The levy was authorized by the voters of the county at an election held on May 9, 2006, for the fiscal years ended June 30, 2009, through June 30, 2011, to provide funds for the following purposes:

1. To continue the present local salary supplements and benefits of all school personnel (excluding the Superintendent) at an approximate total annual cost of the salary supplements, related fixed costs, and benefits of $13,150,000. Such funding will allow Berkeley County to employ and retain highly qualified personnel who have contributed to the county's instructional progress.

2. To continue to provide instructional materials, textbooks, and instructional equipment at an approximate total annual cost of $2,500,000.

3. To continue to provide financial support of the following community organizations and agencies: Berkeley County Health Department at $25,000; Berkeley County Parks and Recreation at $100,000; West Virginia University 4-H Extension Office at $60,000; and the PASS (Providing Academic and Self-Esteem Support) Program at $40,000 for an approximate total cost of all programs at $225,000.

4. To continue to address increased enrollment in Berkeley County by providing additional staff where necessary and by providing additional equipment and property at an approximate annual cost of $3,820,000.

5. To continue to provide for the upkeep and maintenance of existing facilities by providing the necessary supplies, services, or equipment at an approximate annual cost of $3,000,000.

A total of $32,405,119 was received by the Board from the excess levy during the fiscal year ended June 30, 2009.

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2009, is as follows:

	Restated Totals @ June 30, 2008	Additions	(Deletions) Transfers	Totals @ June 30, 2009
Capital assets not being depreciated:				
Land	$ 8,098,022	$ 396,495	$ -	$ 8,494,517
Construction in progress	661,171	688,790	661,171	688,790
Total capital assets not being depreciated	8,759,193	1,085,285	661,171	9,183,307
Capital assets being depreciated:				
Buildings & Improvements	128,292,579	1,374,880	30,000	129,637,459
Furniture & Equipment	3,837,522	204,459	134,002	3,907,979
Vehicles	10,954,454	1,779,899	600,993	12,133,360
Total capital assets being depreciated	143,084,555	3,359,238	764,995	145,678,798
Less accumulated depreciation for:				
Buildings & Improvements	28,074,127	2,627,489	12,600	30,689,016
Furniture & Equipment	2,631,965	175,117	98,063	2,709,019
Vehicles	4,787,761	980,866	597,708	5,170,919
Total accumulated depreciation	35,493,853	3,783,472	708,371	38,568,954
Total capital assets being depreciated, net	107,590,702	(424,234)	56,624	107,109,844
Governmental activities capital assets, net	$ 116,349,895	$ 661,051	$ 717,795	$ 116,293,151

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Instruction	$ 2,131,212
Supporting Services:	
Central administration	241,885
School administration	88,883
Operation and maintenance of facilities	210,789
Transportation	298,184
Food services	104,148
Total Depreciation expense - governmental activities	$ 3,075,101

NOTE 8. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2009, is as follows:

	Balance June 30, 2008	Additions	Payments	Balance June 30, 2009	Due Within One Year
General obligation debt	$ 22,110,000	$ -	$ 3,210,000	$ 18,900,000	$ 3,355,000
Compensated absences	156,526	40,809	-	197,335	-
Capital lease payable	461,544	-	76,924	384,620	76,924
Totals	$ 22,728,070	$ 40,809	$ 3,286,924	$ 19,481,955	$ 3,431,924

General Obligation Bonds – General obligation bonds payable at June 30, 2009, with their outstanding balance are comprised of the following individual issues:

On February 8, 2002, the Board issued $27,800,000 in general obligation bonds to provide funds for cost of site acquisition where applicable, improvement, construction, erection, removal, furnishings, equipment and improvement and adding to existing school buildings in Berkeley County School District. The bonds mature in varying annual increments through June 30, 2017, and interest is payable semiannually at 5%. Payments on the general obligation bonds payable during the year were made from the debt service fund.

The annual debt service requirements for the 2002 bond debt, as of June 30, 2009, including interest payments is:

Year Ending	Principal	Interest	Total
2010	1,840,000	802,340	2,642,340
2011	1,925,000	726,440	2,651,440
2012	2,015,000	643,665	2,658,665
2013	2,110,000	556,013	2,666,013
2014	2,210,000	463,700	2,673,700
2015 to 2017	7,285,000	740,000	8,025,000
Total	$ 17,385,000	$ 3,932,158	$ 21,317,158

On July 29, 2003, the Board issued general obligation bonds of $9,600,000 (par value) with an interest rate of 2-3% to advance refund bonds with an interest rate of 5% and a par value of $9,150,000. The refunded bonds mature on June 30, 2010. The amount outstanding on the refunded bonds at June 30, 2009, was $2,970,000.

The net proceeds of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds mature. The advanced refunding met the requirements of an in-substance debt defeasance and the refunded bonds were removed from the District's financial statements.

Total annual debt service requirement for the 2003 bond debt, as of at June 30, 2009, including interest payment is:

Year Ending	Principal	Interest	Total
2010	1,515,000	47,344	1,562,344
Total	$ 1,515,000	$ 47,344	$ 1,562,344

The Board's future debt service requirement for 2002 and 2003 bond debt is as follows:

Year Ending	Interest Rate	Principal	Interest	Total
2010	2%-5%	$ 3,355,000	$ 849,684	$ 4,204,684
2011	5.00%	1,925,000	726,440	2,651,440
2012	5.00%	2,015,000	643,665	2,658,665
2013	5.00%	2,110,000	556,013	2,666,013
2014	5.00%	2,210,000	463,700	2,673,700
2015 to 2017	5.00%	7,285,000	740,000	8,025,000
Total		$ 18,900,000	$ 3,979,502	$ 22,879,502

NOTE 9. LEASES

The Board has entered into various lease/purchase agreements with the private sector, primarily for equipment. These agreements, accounted for as capital leases, are for various terms. While these agreements contain clauses indicating that their continuation is subject to continuing appropriation by the Legislature, these leases are accounted for as capital leases and are considered non cancelable for financial reporting purposes. Other leases, principally for equipment, are classified as operating leases with the lease payments recorded as expenditures during the life of the lease. Operating lease expenditures for the year ended June 30, 2009, were $513,283.

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for HVAC and Food Service Equipment at Eagle School and those assets are leased from Summit Community Bank for a period of thirteen years beginning January 2002. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year if funding for the lease payments for the next fiscal year is not available.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments, for the Board's capital leases as of June 30, 2009:

Future minimum payments:

Year Ending	Amount
2010	76,924
2011	76,924
2012	76,924
2013	76,924
2014	76,924
Total minimum lease payments	$ 384,620

NOTE 10. EMPLOYEES' RETIREMENT SYSTEM

All full-time board of education employees are required to participate in one of two statewide, cost sharing, multiple-employer retirement benefit plans: the Teachers' Defined Benefit Retirement System or the Teachers' Defined Contribution Retirement System. For the year ended June 30, 2009, the Board's total payroll for all employees was $98,852,623 and the payroll was $87,947,073 for employees covered by the two retirement programs.

Of the total amount appropriated by the State for retirement, the portion equal to this employers' average required contribution rate for both the defined benefit and the defined contribution plans is considered to be the employers' contribution for the current cash flow requirements for personnel funded under the Public School Support Program and is reflected as revenue (Contributions For/On Behalf of the LEA) in the Board's financial statements. The balance is considered the State's contribution toward the past service unfunded liability and is not included either as revenue or expenditure in the Board's financial statements.

Trend Information: Ten-year historical trend information relating to the accumulation of assets and the unfunded liability of both plans is available from the Consolidated Public Retirement Board.

Conversion of Leave for Post-retirement: Upon retirement, an employee's vacation and sick leave may be converted to a greater retirement benefit or payment of health insurance premiums. The cost of the increased retirement benefit or payment of health insurance premiums must be absorbed by the last agency employing the retiree.

Teachers' Defined Contribution Retirement System

Plan Description: The Teachers' Defined Benefit Retirement System is a cost-sharing, multiple-employer public employee defined benefit retirement system which was established on July 1, 1941 and was closed for new members on July 1, 1991. Beginning July 1, 2005, all new employees become members of this plan. To qualify for full benefits, a member must be age 60 with at least five years of credited service, or be age 55 with at least 30 years of credited service or any age with at least 35 years of credited service. A member may receive a disability benefit after completing ten years of service, if the member is disabled for six months, unable to perform his or her regular occupation, and the Retirement Board expects the disability to be permanent.

Upon retirement, members select one of five benefit payment options. If a member terminates employment with at least five years of credited service, he may freeze his membership until he qualifies for retirement or he may withdraw his contributions from the plan. The employers' contributions remain with the plan. Retirement benefits are based on two percent of the average member's five highest fiscal years of total earnings from covered employment during the member's last 15 years of service.

The normal form of benefit is a single life annuity paid monthly, in an amount equal to 2 percent of the final average salary times years of credited service Other forms of benefits may be elected subject to actuarial reduction: Cash Refund Annuity, 50 percent or 100 percent Contingent Joint and Survivor Annuities, and ten year Certain and Life Annuities. Pre-retirement death benefits are paid to the spouse of a deceased member who had attained the age of 50 and completed 25 years of credited service. The annuity payment is computed as if the member had retired on the date of death with 100 percent Joint and Survivor pension. If the member's age and service are less than that required, the sum of the accumulated member's and employer contributions with interest is paid to the member's beneficiary or estate.

Funding Status: According to the 2008 Actuarial Valuation Report of the Teachers' Retirement System, the plan's Unfunded Actuarial Accrued Liability (UAAL) was $4.1 billion as of July 1, 2008.

Contribution Requirements and Payments Made: This is a fully qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants are required to contribute 6 percent of their gross compensation and the Board of Education contributes 15 percent of the covered member's gross compensation to the retirement plan, for a total of 21% percent annually for those who became members prior to July 1, 1991. Participants who became members after July 1, 2005, contribute 6% of their gross compensation and the board contributes 7.5% percent to the retirement plan, for 13.5% annually.

The employers' contributions are derived from state appropriations and county funds. Federally funded grant programs provide the funding for the employer contributions for salaries paid from federal grants.

The required contributions for the year ended June 30, 2009, and the two previous years are as follows:

Year Ended June 30	2007	2008	2009
Required contributions	$ 327,068,000	$ 345,412,000	$ 404,547,000
As a % of current year covered payroll	23.50%	23.30%	25.89%

Total payments reflected in the Board's financial statements to the defined benefit plan for fiscal year 2009 were:

Employees' contributions (6%)	$ 4,327,140
Employer's contributions (15% or 7.5%)	7,210,771
Total contributions	$ 11,537,911

Teachers' Defined Benefit Contribution System

Plan Description: All Board of Education employees hired after July 1, 1991, but before July 1, 2005, participated in the Teachers' Defined Contribution Retirement System. Employees in the Teachers' Defined Benefit System may, now or in the future, freeze their benefits in the old plan and become a member of this plan. Members with less than five years of service in the old defined plan may change to this plan and transfer the funds that were deposited in the old plan to this plan. Once a member has transferred to the Defined Contribution Plan, the member is not allowed to rejoin the Defined Benefit Plan.

Effective July 1, 2005, the Teachers' Defined Contribution Plan was closes to new membership. All employees hired after that date became members of the Teachers' Defined Benefit Retirement System, which was reopened for participation on July 1, 2005. In addition al of July 1, 2009, members of the defined contribution plan who elected to transfer to the defined benefit plan as prescribed by HB 101 past during the 2009 legislative session were able to transfer from the teachers' defined contribution retirement system to the teachers' defined benefit retirement system.

A unique feature about the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at the beginning of each calendar quarter. Seven investment options are provided from which a participant may choose in multiples of five percent. The investment options are; Vanguard Money Market Fund, Bond Fund of America, Franklin Income Fund, Fidelity Growth Opportunities, Washington Mutual investors, Federated Max-Cap, and Valic Individually Allocated Fixed Annuity.

Employees are eligible to participate from the date of employment. Employee contributions are fully vested, and employer contributions and earnings vest with the member as follows: One-third after six years, two-thirds after nine years, and 100 percent after 12 years. The member is fully vested at death or disability. As of June 30, 2009, this plan had approximately $907.8 million in net assets for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement or disability. The administration of the Plan is the responsibility of Great West, an independent third party administrator.

Funding Status: There is no unfunded liability for a Defined Contribution Plan A member's total maximum lifetime benefit is limited to that which has accumulated in the member's account from employee and employer contributions and all investment earnings thereon. Any forfeited, unvested employer contributions are, by statute, to be transferred to the Teacher's Defined Benefit System.

Contribution Requirements and Payments Made: This is a fully qualified Plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 4.5 percent of their gross salary and the Board of Education contributes 7.5 percent of the covered member's gross compensation to the retirement plan, for 12% percent annually.

Total payments reflected in the Board's financial statements to the Defined Contribution Plan for the year ended June 30, 2009, were:

Employees' contributions (4.5%)	$ 712,250
Employer's contributions (7.5%)	1,187,083
Total contributions	$ 1,899,333

NOTE 11. PENDING LITIGATION

The Board is involved in a number of legal proceedings and claims, primarily involving students, employees and citizens who have sued the Board for damages. While it is not possible to determine the ultimate outcome of any lawsuits with certainty, management believes that the ultimate outcome will not have a material adverse effect on the financial position of the Board. The Board's insurance through the State Board of Risk and Insurance Management appears adequate to fully cover any potential liability.

NOTE 12. RESTATEMENT OF NET ASSETS BEGINNING

Net Assets as Previously Stated	$ 108,145,489
Total Adjustments (see below)	(3,750,911)
Net Assets, Restated	$ 104,394,578

As discussed in Note 3, Changes to Accounting Policy, the Board included the liability associated with OPEB liability related to fiscal year 2008, using the guidance of GASB Statement 45. This adjustment was $1,234,738. Additionally, the financial report for the year ended June 30, 2008 had other long term assets used in governmental activities that were not financial resources in the amount of $2,516,172. This amount was reduced from the net asset total and is not reported in fiscal year 2009. The net effect of both adjustments reduced beginning net assets by $3,750,911.

NOTE 13 . UNRESERVED FUND BALANCE - DESIGNATED

The Board has designated a portion of the unreserved balance of the General Current Expense Fund at June 30, 2009, to be expended for the following purposes:

Purpose	Amount
Purchase of Land	$ 1,000,000
Matching funds for SBA roof project	125,000
Paving at transportation department and schools	205,000
Installation of walls at Tuscadora and a walk-in freezer at warehouse	320,000
Total Unreserved Fund Balance - Designated	$ 1,650,000

NOTE 14. COMMITMENTS, CONTENGENCIES AND SUBSEQUENT EVENTS

During the fiscal year ended June 30, 2009, the Board was awarded a grant of $10,000,000 from the School Building Authority (SBA) to finance the construction of a new elementary school. A required match of $1 million dollars was transferred by the board during the fiscal year from the General Fund to the Capital Projects Fund for this purpose. An additional $300,000 in matching funds was transferred during the current year for this project.

During the fiscal year ending June 30, 2009, the Board was awarded a grant of $1,000,000 from the School Building Authority (SBA) for the construction of an addition to Eagle School Intermediate School and the Board transferred $500,000 from the General Fund to the Capital Projects Fund as matching funds for this project.

Additionally, the School Building Authority awarded a planning grant for a new high school in the northern end of the county that would guarantee a $25 million construction grant if a successful bond election was passed in the county prior to November 1, 2009. Accordingly, an election has been scheduled for September 26, 2009 that would provide $51.5 million for four projects (including the new high school). An additional $20 million is expected in funds from the SBA if the bond election passes toward the cost of the other three projects. The total funding between bond proceeds and the SBA would be $96.5 million.

NOTE 15. INTERFUND BALANCES AND TRANSFERS:

The composition of interfund balances as of June 30, 2009, is as follows:

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
Capital Projects	General Fund	$ 807,630
Special Revenue	General Fund	3,425,000
General Fund	Special Revenue	91,003
		$ 4,323,633

Interfund Transfers

Transfers were for the following reasons:

1. $3,425,000 from General Fund to Food Service project.
2. $91,003 from Special Revenue for indirect costs.
3. $300,000 for new Elementary school.
4. $500,000 for Eagle School Intermediate addition
5. $7,630 for School Safety Access grant.
6. $120,571 were intrafund transfers (not listed above but in total transfers on revenue and expense).

NOTE 16. MAJOR SOURCES OF REVENUE:

The largest single source of revenue received by the Board is state aid funds through the Public School Support Program. In addition, the Board receives financial assistance from federal and state governments in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the Board's independent auditor and state and federal regulatory agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, the Board believes such disallowance, if any, would be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property taxes	$ 58,663,197	$ 58,663,197	$ 60,328,916	$ 1,665,719
Other local sources	1,845,570	2,005,570	1,710,098	(295,472)
State sources	77,100,102	77,100,102	77,185,899	85,797
Federal sources	2,230,000	2,230,000	2,909,348	679,348
Total revenues	139,838,869	139,998,869	142,134,261	2,135,392
EXPENDITURES:				
Instruction	86,165,335	85,800,379	86,030,264	(229,885)
Support services:				
Students	5,467,630	5,467,630	5,373,686	93,944
Instructional staff	4,005,234	4,413,199	4,315,297	97,902
Central administration	1,901,240	2,062,335	1,876,254	186,081
School administration	8,415,320	8,421,070	8,548,804	(127,734)
Business	3,097,680	3,454,350	3,217,208	237,142
Operation and maintenance of facilities	12,723,260	13,914,385	13,822,822	91,563
Student transportation	13,057,100	13,540,170	12,670,292	869,878
Food services	1,200	1,400	433	967
Community services	785,000	785,000	780,400	4,600
Debt service	76,930	76,930	76,924	6
Capital outlay	1,917,940	1,985,499	1,021,880	963,619
Reserves	2,000,000	2,311,960	-	2,311,960
Total expenditures	139,613,869	142,234,307	137,734,264	4,500,043
Excess (deficiency) of revenues over (under) expenditures	225,000	(2,235,438)	4,399,997	6,635,435
Other financing sources (uses):				
Transfers (in)	-	-	91,003	91,003
Transfers (out)	(3,225,000)	(4,357,630)	(4,232,630)	125,000
Total other financing sources	(3,225,000)	(4,357,630)	(4,141,627)	216,003
Change in fund balance	(3,000,000)	(6,593,068)	258,370	6,851,438
Fund balance at beginning of year	3,000,000	6,593,068	6,869,001	275,933
Fund balance at end of year	$ -	$ -	$ 7,127,371	$ 7,127,371

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Budgetary Comparison Schedule – Special Revenue Fund

For the Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local sources	$ 2,396,861	$ 2,657,096	$ 2,347,415	$ (309,681)
State sources	4,106,682	5,046,342	4,898,306	(148,036)
Federal sources	9,974,929	13,021,199	11,413,845	(1,607,354)
Total revenues	16,478,472	20,724,637	18,659,566	(2,065,071)
EXPENDITURES:				
Instruction	5,042,405	9,092,790	7,831,524	1,261,266
Support services:				
Students	575,490	829,957	854,771	(24,814)
Instructional staff	331,567	2,650,419	1,747,828	902,591
Central administration	257,310	270,887	262,241	8,646
School administration	-	19,700	15,732	3,968
Business	-	3,000	3,205	(205)
Operation and maintenance of facilities		289,195	146,350	142,845
Student transportation	1,789,331	1,825,772	1,826,174	(402)
Food services	8,170,220	8,978,586	9,286,181	(307,595)
Reserves	3,537,149	222,972	-	222,972
Total expenditures	19,703,472	24,183,278	21,974,006	2,209,272
Excess (deficiency) of revenues over (under) expenditures	(3,225,000)	(3,458,641)	(3,314,440)	144,201
Other financing sources (uses):				
Transfers in	3,225,000	3,545,570	3,545,570	-
Transfers (out)	-	(252,180)	(211,574)	40,606
Total other financing sources	3,225,000	3,293,390	3,333,996	40,606
Change in fund balance	-	(165,251)	19,556	184,807
Fund balance at beginning of year	-	165,251	43,725	(121,526)
Fund balance at end of year	$ -	$ -	$ 63,281	$ 63,281

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Budgetary Comparison Schedule – Debt Service Fund
For the Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property Taxes	$ 4,172,090	$ 4,172,090	$ 4,465,997	$ 293,907
Interest	-	-	60,005	60,005
Total revenues	4,172,090	4,172,090	4,526,002	353,912
EXPENDITURES:				
Debt service:				
Principal retirement	3,210,000	5,210,000	3,210,000	2,000,000
Interest and fiscal charges	962,090	1,878,241	966,090	912,151
Total expenditures	4,172,090	7,088,241	4,176,090	2,912,151
Excess (deficiency) of revenues over (under) expenditures	-	(2,916,151)	349,912	3,266,063
Other financing sources (uses):				
Transfers (out)	-	(956,309)	-	956,309
Total other financing sources	-	(956,309)	-	956,309
Change in fund balance	-	(3,872,460)	349,912	4,222,372
Fund balance at beginning of year	-	3,872,460	3,872,460	-
Fund balance at end of year	$ -	$ -	$ 4,222,372	$ 4,222,372

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Budgetary Comparison Schedule – Capital Projects Fund

For the Year Ended June 30, 2009

	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
State sources	$ 12,292,079	$ 1,681,702	$ (10,610,377)
Total revenues	12,292,079	1,681,702	(10,610,377)
EXPENDITURES:			
Capital outlay	13,715,639	2,111,898	11,603,741
Operation and Maintenance of Facilities	688,546	-	688,546
Total expenditures	14,404,185	2,111,898	12,292,287
Excess (deficiency) of revenues over (under) expenditures	(2,112,106)	(430,196)	1,681,910
Other financing sources (uses):			
Transfers in	889,800	807,631	(82,169)
Total other financing sources	889,800	807,631	(82,169)
Change in fund balance	(1,222,306)	377,435	1,599,741
Fund balance at beginning of year	1,222,306	1,222,306	-
Fund balance at end of year	$ -	$ 1,599,741	$ 1,599,741

The notes to the financial statements are an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/ Progam Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education:			
Passed-Through West Virginia Department of Education:			
Special Education Cluster			
Special Education -- Grants to States	84.027	43	$ 3,094,116
Special Education -- Preschool Grants	84.173	43	55,904
Adult Education -- Basic Grants to States	84.002	61	39,579
Title I Grants to Local Educational Agencies	84.010	41	3,210,861
Migrant Education -- State Grant Program	84.011	41	17,433
Vocational Education -- Basic Grants	84.048	50	159,812
Safe and Drug-Free Schools and Communities State Grants	84.186	48	84,172
Education for Homeless Children and Youth	84.196	54	6,645
Tech-Prep Education	84.243	76	90,309
Title V -- State Grants for Innovative Programs	84.298	42	12,182
Education Technology State Grants	84.318	58	16,706
Special Education -- State Grants	84.323	48	9,784
Title III -- English Language Acquisition Grants	84.365	28/45	64,589
Title II -- Improving Teacher Quality State Grants	84.367	40	555,173
Total U.S. Department of Education			7,417,265
U.S. Department of Agriculture:			
Passed-Through West Virginia Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	88	642,000
National School Lunch Program	10.555	88/49	2,208,000
Summer Food Service Program for Children	10.559	88	14,345
Passed-Through West Virginia Department of Agriculture:			
Donated Foods Program (non-cash assistance)	10.550	88	388,301
Total U.S. Department of Agriculture			3,252,646
U.S. Department of Labor			
Adult Basic Education	17.267	N/A	13,612
Total Federal Expenditures			$ 10,683,523

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2009

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Berkeley County Board of Education, West Virginia, and is prepared based on accounting prescribed or permitted by the West Virginia Department of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting is described in detail in Note 1 to the financial statements of the Berkeley County Board of Education, West Virginia, for the year ended June 30, 2009. The information in Schedule is presented in accordance with the requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

REPORTS ON INTERNAL CONTROL AND ON COMPLIANCE AND OTHER MATTERS

Teed & Associates, PLLC

Certified Public Accountants

Established 1992
Member, American Institute of Certified Public Accountants
Member, West Virginia Society of Certified Public Accountants
Member, Tennessee Society of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Members of the
Berkeley County Board of Education
Martinsburg, West Virginia

We have audited the financial statements of the Berkeley County Board of Education, West Virginia (the Board), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 10, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control.

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any significant deficiencies in internal control.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.*

This report is intended solely for the information and use of the audit committee, management, County Board of Education and other federal and state agencies and is not intended to be used and should not be used by anyone other than these specified parties. However in accordance with *West Virginia Code* 6-9-9a, this report is a matter of public record and its distribution is not limited.

Teed & Associates, PLLC

Charleston, West Virginia
December 10, 2009

Teed & Associates, PLLC

Certified Public Accountants

Established 1992
Member, American Institute of Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

The Honorable Members of the
Berkeley County Board of Education
Charleston, West Virginia

Compliance

We have audited the compliance of the Berkeley County Board of Education (Board) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Board's major federal programs are identified in the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of the major federal programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board's compliance with those requirements.

In our opinion, Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that a noncompliance with a type of compliance requirement of a federal program is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as described above.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Teed & Associates, PLLC

Charleston, West Virginia
December 10, 2009

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2009

Section I – Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued; *Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified? _____Yes __x__No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____Yes __x__No

Non compliance material to the financial statements noted? _____Yes __x__No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____Yes __x__No
- Significant deficiency(ies) identified that is/are not considered to be material weakness(es)? _____Yes __x__None Reported

Type of auditors' report issued on compliance for major programs; Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 _____Yes __x__No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	Special Education – Grants to States
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children

Dollar threshold used to distinguish between Type A and Type B Program: $ 320,506

Auditee qualified as a low-risk auditee? _____Yes __x__No

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2009

Section II – Financial Statement Findings

There are no findings reported.

Section III – Federal Award Findings and Questioned Costs

There are no findings or questioned costs reported.

Section IV – Corrective Action Plan

A corrective action plan is not required since there are no findings of questioned costs.

Section V – Prior Audit Findings

There are no prior audit year findings.

ECONOMIC AND DEMOGRAPHIC DATA
COUNTY OF BERKELEY (WEST VIRGINIA)

Introduction

Location: Berkeley County is located in the Eastern Panhandle section of West Virginia. The county is located 80 miles from Washington DC; 90 miles from Baltimore, Maryland and 93 miles from Harrisburg, Pennsylvania.

County Seat: Martinsburg

Commissioners: Ronald K. Collins, Commissioner
Tony Petrucci, Commissioner
William L. Stubblefield, Commissioner

Population

Year	Berkeley County	West Virginia	United States
2000	76,413	1,806,977	282,171,936
2001	78,573	1,798,540	285,039,803
2002	81,086	1,799,392	287,726,647
2003	84,808	1,802,287	290,210,914
2004	88,619	1,803,312	292,892,127
2005	92,538	1,804,020	295,560,549
2006	96,723	1,806,760	298,362,973
2007	99,531	1,809,836	301,290,332

Source: U.S. Bureau of Economic Analysis

Economy

The ten (10) largest employers for the year 2008 in the County are:

1. Berkeley County Board of Education
2. Veterans Administration Center
3. City Hospital, Inc.
4. U. S. Department of Treasury
5. Quad/Graphics, Inc.
6. Wal-Mart Stores, Inc.
7. Department of Defense
8. Orgill, Inc.
9. Berkeley County Commission
10. Food Lion, LLC

Source: WORKFORCE West Virginia

Average Annual Unemployment Rates (%)

Year	Berkeley County	West Virginia
2004	4.2	5.3
2005	3.8	4.9
2006	3.9	4.6
2007	3.9	4.3
2008	4.7	4.3
2009 (Oct.)	8.4	7.7

Source: WORKFORCE West Virginia – Based on civilian labor force

Average Employment by Industry

Industry	2006	2007	2008	2009 (1st Quarter)
Natural Resources & Mining	264	247	264	178
Construction	1,772	1,615	1,551	1,180
Manufacturing	2,634	2,413	1,893	1,517
Trade, Transportation & Utilities	5,668	5,654	5,571	5,080
Information	1,658	1,636	1,525	1,430
Financial Activities	1,048	1,070	1,043	1,023
Professional & Business Services	2,981	2,857	2,740	2,537
Education & Health Services	3,504	3,468	3,554	3,611
Leisure and Hospitality	2,840	2,888	2,864	2,679
Other Services	618	630	631	568
Government	6,977	7,470	8,012	8,253
TOTAL	29,981	29,956	29,649	28,057

Source: WORKFORCE West Virginia

Average Employment and Average Weekly Wage

	Average Employment		Average Weekly Wage	
	2005	2008	2005	2008
Berkeley County	28,733	29,649	$ 639.71	$727.85
West Virginia	695,300	729,575	$602.77	$692.02

Source: WORKFORCE West Virginia

Per Capita Personal Income

County	2000	2005	2007	2007 Rank in State
United States	$29,847	$34,690	$38,615	---
West Virginia	$21,905	$26,366	$29,385	---
Berkeley County	$23,258	$26,876	$29,146	13

Source: U.S. Bureau of Economic Analysis

Wages Per Industry (2008) ($)

Industry	Total Wages	Average Weekly Wage
Natural Resources & Mining	5,812,445	423.40
Construction	59,598,257	738.96
Manufacturing	79,671,927	809.38
Trade, Transportation & Utilities	156,121,166	538.92
Information	59,465,629	749.88
Financial Activities	37,100,343	684.06
Professional & Business Services	108,438,239	761.08
Education & Health Services	129,192,570	699.06
Leisure and Hospitality	38,828,208	260.71
Other Services	15,212,623	463.63
Government	432,678,516	1,038.54
TOTAL	1,122,163,693	727.85

Source: WORKFORCE West Virginia

Total Wages ($)

Year	Berkeley County	West Virginia
2004	900,967,347	20,868,401,449
2005	955,807,886	21,793,516,080
2006	1,039,977,919	23,079,570,075
2007	1,071,564,564	24,083,126,318
2008	1,122,163,693	25,534,204,980

Source: WORKFORCE West Virginia

Community Data

Education Facilities	
Elementary	20
Middle or Jr. High	5
High Schools	3
Vocational Schools	1
Colleges (within 50 miles):	2
Shepherd College	
Community and Technical College of Shepherd	

Recreational Facilities	
State Forests	0
State Parks	0
Wildlife Management Areas	1
Public Hiking Trails (miles)	14.4
Public Fishing & Boating Lakes	2
Recreational Rivers (boating/rafting)	1
Museums/Art Galleries	5
Golf Courses – Private/Public	5/0
National Forests	1
National Park & Recreational Areas	0
Amphitheaters/Performing Arts Centers	2
Pro/Semi-pro Sports Teams	0
Regional Shopping Centers/Malls/ outlets within 25 miles	3
Major Private Recreation/Resort Areas	1
Civic/Convention Centers	2

Medical	
Hospitals	1
Beds	260
Doctors	120
Dentists	37
Licensed Nursing Homes	3
Beds	207

Transportation	
Highways:	
Interstates	I-81
WV Routes	9, 45, 51, 901
US Routes	11
Motor freight carriers	12
River, nearest navigable	Potomac (92 miles)
Industrial Parks	0
Industrial Sites	0
Airports:	Eastern West Virginia Regional Hagerstown Regional Airport Dulles International
Railroads:	Freight/Passenger
Motor Freight Carriers	12
Bus Service	1

Media	
Newspapers:	1
Telephone:	1
TV Station	2
Radio Stations	0

Utilities	
Electricity:	3
Sewer:	4
Telephone Service:	2
Natural Gas:	1
Water	8

Other Data	
Licensed Day Care Centers	26
Banks (including branches)	29
Libraries	4

Sources: West Virginia, Bureau of Employment Programs, Research, Information and Analysis, except as otherwise noted.

APPENDIX C

[PROPOSED FORM OF BOND COUNSEL OPINION]

[DATE OF CLOSING]

$51,500,000
The Board of Education of the County of Berkeley
Public School Bonds, Series 2010

The Board of Education of the
County of Berkeley
Martinsburg, West Virginia

[PURCHASER]

_____

Ladies and Gentlemen:

We have examined a record of proceedings relative to the issuance and sale of $51,500,000 Public School Bonds, Series 2010 (the "Bonds"), of Berkeley County School District, by and through The Board of Education of the County of Berkeley, West Virginia (the "Issuer"). The Bonds are issued in fully registered form, are dated _____, 2010, upon original issuance, are numbered in order of maturity from R-1 consecutively upward, are of the denominations of $5,000 or integral multiples thereof, mature on May 1 in years and amounts, bear interest payable each May 1 and November 1, commencing November 1, 2010, at the rates and are subject to redemption prior to maturity, as set forth in the Official Statement of the Issuer, dated _____, 2010.

The Bonds were authorized at an election held in Berkeley County School District on September 26, 2009, and by a resolution and order adopted by the Issuer on October 19, 2009, as supplemented (such resolution and order, as supplemented, herein called the "Resolution"), and are issued pursuant to Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of providing funds for the acquisition, construction, renovation and repair of certain public school buildings, together with the sites thereof and all necessary appurtenances, in Berkeley County School District, and paying costs of issuance of the Bonds and related costs.

As to questions of fact material to our opinion, we have relied upon the representations, covenants and certifications of the Issuer contained in the Resolution, a Tax and Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the representations, covenants and certifications of the Issuer contained in the Resolution, the Tax Certificate and the certified proceedings and other certifications made in connection with the issuance of the Bonds, we are of the opinion that, under existing law:

1. The Issuer is a school district presently existing under the laws of, and a political subdivision of, the State of West Virginia, with full power and authority to adopt the Resolution and to issue and sell the Bonds under the provisions of the Act and other applicable provisions of law.

2. The Bonds have been duly authorized and validly issued by the Issuer in accordance with the Constitution and statutes of the State of West Virginia and constitute valid and legally binding general obligations of the Issuer, and unless the Bonds are paid from other sources, the Issuer has the power and is obligated to levy ad valorem taxes upon all the taxable property within Berkeley County School District to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply, on a continuing basis, with all representations, covenants and certifications set forth in the Resolution, the Tax Certificate and the certified proceedings and other certifications of the Issuer. Failure to comply with certain of such representations, covenants and certifications could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences with respect to the Bonds.

4. Under the Act, the Bonds are exempt from all taxation by the State of West Virginia or by any political subdivision thereof.

In expressing this opinion, we have considered the litigation instituted in certain states including the State of West Virginia, such as Pauley v. Bailey, 324 S.E.2d 128 (W.Va. 1984), challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes, including certain proceedings commenced in 1994 to enforce the Bailey decision, and in our opinion, such litigation will not modify the rights of the holders of the Bonds to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within Berkeley County, West Virginia, for the payment of the Bonds, if not paid from other sources and does not modify or qualify the conclusions elsewhere stated in this opinion.

Please be advised that the enforcement of remedies with respect to the Bonds is subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights heretofore or hereafter enacted, and that enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

5315044.2

PROPOSED PROJECTS

	PROJECT	LOCATION	ESTIMATED COST
1.	**NEW SPRING MILLS AREA HIGH SCHOOL** Site preparation and construct, furnish and equip a new high school to house approximately 1,500 students containing approximately 228,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Spring Mills Area Middle School	**$53,500,000***
2.	**NEW MOUNTAIN RIDGE AREA MIDDLE SCHOOL** Site preparation and construct, furnish and equip a new middle school to house approximately 600 students containing approximately 84,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Mountain Ridge Intermediate School	**$20,000,000**
3.	**EXISTING MUSSELMAN HIGH SCHOOL** Construct new classrooms, new science labs, restrooms, stairwells, and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.	Existing Musselman High School	**$ 7,000,000**
4.	**EXISTING NORTH MIDDLE SCHOOL** Construct new classrooms, new science labs, restrooms and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.	Existing North Middle School	**$16,000,000**

APPROXIMATE TOTAL COST TO BE PAID FROM SBA (OR OTHER) GRANTS	**$51,500,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA (OR OTHER) GRANTS	**$45,000,000**
APPROXIMATE TOTAL COST OF ALL PROJECTS	**$96,500,000**

*$25,000,000 of the $53,500,000 would be provided by a grant currently committed by the School Building Authority of West Virginia, which grant was contingent upon passage of this bond issue as submitted to the voters of Berkeley County.

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APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository ("Securities Depository") for the Bonds. The ownership of one fully registered Bond for each maturity as set forth on the cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee of DTC.

DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" under the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities on behalf of its participants (the "Participants") and to facilitate the clearance and settlement of securities transactions among Participants in such securities through electronic book-entry changes in accounts of the Participants, thereby eliminating the need of physical movement of securities certificates.

Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its participants are on file with the Securities and Exchange Commission.

Purchasers of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds except in the event that use of the book-entry system for Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by participants to Beneficial Owners will be governed by standing instructions and customary

practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the paying agent or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Neither the Board nor the Paying Agent will have any responsibility or obligation to such Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) the payment by DTC to any DTC Participant, or by any DTC Participant owner, in respect of the principal and interest on the Bonds. The Board and the Paying Agent cannot give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payment of the principal of and interest on the Bonds paid to DTC or its nominee as the Registered Owner of the Bonds to the Beneficial Owners, or that they will do so on a timely basis or that they will serve and act in the manner described in this Official Statement.

DTC may charge the Participant a sum sufficient to cover any tax, fee or other governmental charge that may be imposed for every transfer and exchange of a beneficial interest in the Bonds, and the Direct Participants or Indirect Participants may seek reimbursement therefor from the Beneficial Owners.

DTC may discontinue providing its services as Securities Depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository.) In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

ELECTED OFFICIALS OF THE BOARD

Dr. William Queen, President has been a full-time practicing dentist in Martinsburg for the past 32 years. He received his bachelor degree in accounting from West Virginia Institute of Technology in 1968. He earned his doctorate of dental surgery degree from West Virginia University School of dentistry in 1977. He went on to graduate from the University of North Carolina School of Dentistry in 1983 with a specialty in prosthodontics. Dr. Queen has been a member of the Berkeley County School Board of Education since 1996. He has served as the president of the Board since 2000. He has been a resident of Berkeley County for the past 41 years and is a native of West Virginia.

Mr. William Norris, Vice-President is a native of Berkeley County, is owner of Mr. Extravaganza, a marketing and promotions company. He is a member and administrator of Destiny Church, Vice President of the Board of Education, member of the Berkeley County Senior Center in Martinsburg, a lifetime member of the West Virginia P.T.A. and involved in the N.A.A.C.P. A graduate of Georgetown School of Fine Arts in Washington, D.C., Mr. Norris resides in Inwood, West Virginia.

Mr. Richard Pill, Board Member is a 1973 Business Administration graduate of West Virginia University. He received his Juris Doctor Degree in 1977 also from West Virginia University. He is a practicing attorney with the law firm of Pill & Pill. Mr. Pill has been a member of the Berkeley County Board of Education for 7 years. He is a member of Harmony United Methodist Church, and he is an avid member of the Mountaineer Athletic Club.

Mr. Todd Beckwith, Board Member is a 1970 West Virginia University graduate. He is employed as Senior Vice President with City National Bank. He has served as past president of the Berkeley County Board of Education and is currently a member of the board. Mr. Beckwith is an active member of the United Way and Chamber of Commerce. He is a member of Trinity United Methodist Church.

Mr. Patrick Murphy, Board Member is a graduate of Martinsburg High School and a 1974 graduate of Shepherd College. Mr. Murphy is retired with 30 years of service as a West Virginia educator. He is a former West Virginia House Delegate and a former Berkeley County Commissioner. Mr. Murphy is serving his seventh year as a member of Berkeley County Schools' Board of Education.

APPOINTED OFFICIALS OF THE BOARD

Manuel P. Arvon, II Superintendent

- Superintendent since 1997
- Graduated from Shepherd College, S.S. Education in 1973
- Graduated 1979 from West Virginia University, Masters in Education Administration

Frank Aliveto, Deputy Superintendent

- Assistant/Deputy Superintendent of Instruction since 1996
- Graduated from Shepherd College, B.A. Education in 1971
- Graduated 1985 from West Virginia University, Masters in Education Administration

David R. Deuell, Assistant Superintendent

- Assistant Superintendent of Human Resources since April 2001
- Graduated from West Virginia University, B.A. Education in 1973
- Graduated 1981 from West Virginia University, Masters in Education Administration

Mrs. Laura Lilly Sutton, Associate Superintendent & Director of Legal services

- Associate Superintendent/General Counsel since July 2008
- General Counsel since October 1997
- West Virginia University College of Law, Doctor of Jurisprudence, 1995
- West Virginia University, Bachelor of Arts, 1992

Mr. Kenneth W. Marstiller, Treasurer and Business Manager

- Business Manager/Treasurer since July 2004
- West Virginia University, Bachelor of Arts, 1978

Directors of Berkeley County Schools

Mr. Philip Miller	**Director of Vocational and Adult Education**
Ms. Jaimee Borger	**Director of Public Relations**
Dr. Ron Brown	**Director of Special Education**
Mr. Terry Forrest	**Director of Department of Transportation**
Mr. George Michael	**Director of Pupil Services**
Mrs. Christine Edwards	**Director of Federal Programs and Grants**
Mr. Dave Kenney	**Director of Research and Technology**
Mr. Kenneth W. Marstiller	**Business Manager and Treasurer**
Mrs. Donna Miller	**Director of Department of Instruction**
Mr. Don Mitchell	**Director of Facilities**
Ms. Carolyn Barnett	**Director of Food Services**

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY (the "Issuer"), and UNITED BANK, INC., Charleston, West Virginia (the "Dissemination Agent"), in connection with the issuance of $51,500,000, The Board of Education of the County of Berkeley(West Virginia), Public School Bonds, Series 2010 (the "Bonds");

In connection with the foregoing, and in consideration thereof, the Issuer and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) and as the term may be modified by an interpretation of the Rule by the Securities and Exchange Commission (the "SEC").

"Disclosure Representative" shall mean the President of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time.

"EMMA" means the Electronic Municipal Market Access system described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Holders" shall mean (i) the registered owner of any Bond or (ii) the Beneficial Owner of any Bond.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any successor thereto.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

"Underwriter" shall mean any of the underwriters in connection with the sale of the Bonds required to comply with the Rule in connection with the sale of the Bonds

SECTION 3. Provision of Annual Reports.

(a) Within 270 days after the end of the fiscal year, the Dissemination Agent shall make a written request to the Issuer to provide the Annual Report to the Dissemination Agent.

(b) The Issuer shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 2009-2010 Fiscal Year, provide to each Repository an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement and after July 1, 2009, in accordance with the amendment of § 240.15c2-12 of Title 17 of the Code of Federal Regulations as released by the Securities and Exchange Commission on December 8, 2008, effective July 1, 2009, to the MSRB in electronic format and as otherwise required by the MSRB. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted, when and if available, separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give written notice of such change in the same manner as for a Listed Event under Section 5(f).

(c) Not later than thirty (30) Business Days prior to the date specified in subsection (b) for providing the Annual Report to the Repositories, the Issuer shall provide the Annual Report to the Dissemination Agent. If by such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall make a second written request to the Issuer to provide the Annual Report to the Dissemination Agent. The Dissemination Agent shall send a copy of such second request to the Underwriter.

(d) If the Dissemination Agent has not received a copy of the Annual Report by the date required in subsection (b), the Dissemination Agent shall send a notice to each Repository in substantially the form attached as Exhibit A.

(e) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository; and

(ii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Report. The Issuer's Annual Report shall consist of the audited financial statements of the Issuer for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice to the Dissemination Agent of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the security;
7. modifications to rights of security holders;
8. bond calls;
9. defeasances;
10. release, substitution, or sale of property security repayment of the securities; and

11. rating changes.

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event, and request that the Issuer promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Issuer determines that the Listed Event would not be material under applicable federal securities laws, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and each Repository with a copy to the Issuer. Notwithstanding the foregoing, notice of the occurrence of a Listed Event described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate (i) upon the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when the Issuer is not an obligated person with respect to the Bonds, as provided in the Rule. If the Issuer's obligations under the this Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Issuer and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f).

SECTION 7. Dissemination Agent. United Bank, Inc., Charleston, West Virginia, is hereby appointed as the Dissemination Agent. The Issuer may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution or Ordinance, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the Paying Agent or the Paying Agent in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer, to the extent permitted by law, agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expense (including reasonable attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Issuer:	The Board of Education of the County of Berkeley 401 South Queen Street Martinsburg, West Virginia 25401
To the Dissemination Agent:	United Bank, Inc. 500 Virginia Street, East Charleston, West Virginia 25301

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter, the Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Fees. The Issuer agrees to pay all fees and expenses of the Dissemination Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Dissemination Agent's duties.

SECTION 16. Right to Resign. The Dissemination Agent may resign at any time by providing thirty (30) days' written notice to the Issuer.

SECTION 17. Right to Counsel. The Dissemination Agent shall have the right to consult with counsel in carrying out its duties under this Disclosure Agreement and to rely upon an opinion of counsel.

Dated: _____, 2010.

THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY (West Virginia)

By: _____

Title: President

UNITED BANK, INC.
A West Virginia State Banking corporation,

By: _____

Title: _____

EXHIBIT A

NOTICE TO REPOSITORIES

OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Party: The Board of Education of the County of Berkeley (West Virginia)

Name of Bond Issue: $51,500,000 Public School Bonds, Series 2010

Date of Bond Issue: _____, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(b) of this Disclosure Agreement dated _____, to be provided. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____, 2010

_____
on behalf of the Issuer

cc: [Issuer]

OFFICIAL NOTICE OF SALE

$51,500,000
The Board of Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

The Board of Education of the County of Berkeley (West Virginia) (the "Board") is using PARITY® as a communication mechanism to conduct the electronic bidding for sale of its $51,500,000 Public School Bonds, Series 2010 (the "Bonds"), as described herein.

Bid Submission

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until 12:00 noon, local time, on Wednesday, February 3, 2010. Bids for the Bonds may be submitted electronically via PARITY® pursuant to this Notice until 12:00 noon, local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Financial Advisor at (304) 346-1981 or PARITY® at 1359 Broadway, 2nd Floor, New York, NY 10018 telephone (212) 849-5021.

The bids will be publicly announced, and the Board will act upon the bids by 2:00 p.m., Local Time.

In the event of a malfunction of the Electronic Bidding System at 12:00 p.m., Local Time, on the Date of Sale, an attempt will be made to reschedule the bidding for 1:00 p.m., Local Time, on the Date of Sale. Should the Electronic Bidding System malfunction a second time, facsimile transmission bids will be accepted at the discretion of the Board in coordination with its Financial Advisor, Raymond James & Associates, Inc (the "Financial Advisor"). To the extent possible, the rescheduled bid time will be communicated to the bidders. Bidders choosing to submit bids in case of a malfunction by facsimile transmission shall use the following telecopier number for such transmission: (304) 346-1985. Transmissions receive after the deadline shall be rejected. It is the responsibility of the bidder to ensure that the bid is legible, that the bid is received not later than the deadline as communicated to bidders and that the bid is sent to the telecopier number set forth above. Illegible transmissions shall be rejected. The Financial Advisor, will, on behalf of the Board, verify receipt of each bid submitted through facsimile transmission by contacting each bidder by telephone once the bid has been received. The Financial Advisor will in no instance correct, alter or in any way change bids submitted through facsimile transmission. The Board and the Financial Advisor will not be responsible for bids submitted by facsimile transmission not received in accordance with the provisions of the Official Notice of Sale. Bidders submitting bids via facsimile transmission will bare full and complete responsibility for the transmission of such bids.

Each bid must be unconditional.

The Board expects to take the bids on the Bonds on Wednesday, February 3, 2010. However, the Board reserves the right to postpone the date and time established for the receipt of the bids. Any such postponement will be announced by Thomson Municipal Newswire, or any other such service. If the receipt of bids is postponed, any alternative date for receipt of bids will be announced. Any bidder must submit a sealed bid for the purchase of the Bonds on such alternative sale date in conformity with the provisions of the Official Notice of Sale, except for any changes announced via Thomson Municipal Newswire or any other such service, as described therein.

Preliminary Official Statement

Copies of the Preliminary Official Statement concerning the Bonds and the Official Form of Proposal relating to the Bonds may be secured from Mr. Manny Arvon, Superintendent, Berkeley County Board of Education, 401 South Queen Street, Martinsburg, West Virginia, 25401, (telephone 304/267-3500) or from Raymond James & Associates, Inc., 500 Lee Street, East, Suite 530, Laidley Tower, Charleston, West Virginia, 25301 (telephone 304/346-1981).

The Bonds

The Bonds will be dated the date of their delivery (the "Dated Date") and will mature on May 1 in the years and in the amounts as follows:

Maturing (May 1)	Principal Amount ($)	Maturing (May 1)	Principal Amount ($)
2011	2,025,000	2019	3,560,000
2012	2,660,000	2020	3,710,000
2013	2,770,000	2021	3,865,000
2014	2,890,000	2022	4,030,000
2015	3,010,000	2023	4,205,000
2016	3,140,000	2024	4,380,000
2017	3,275,000	2025	4,565,000
2018	3,415,000		

The Bonds are general obligations of the Board and the full faith and credit of the Board are pledged for payment of the principal of and interest thereon. All the taxable property in Berkeley County, West Virginia, will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, sufficient to pay the principal of and interest on the Bonds when due.

The Bonds will be dated the Date of Delivery, and will be issued in fully registered form only, without coupons, and, when issued will be registered in the name of CEDE & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds.

Pursuant to Chapter 13, Article 1, of the Code of West Virginia, 1931, as amended, both the principal of and interest on the Bonds are payable at the office of the West Virginia State Treasurer. The State Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for payment of the Bonds and United Bank, Inc., Charleston, West Virginia, as the Registrar.

Interest on the Bonds will be payable November 1, 2010, and semiannually thereafter (each May 1 and November 1) in each year until maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the owners of the Bonds.

Optional Redemption

The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at par plus interest, if any, accrued to the date fixed for redemption.

Terms of Sale

Bidders may only bid to purchase all of the Bonds. Each proposal must state the amount bid for the Bonds, not less than $51,500,000 or greater than 103% of the par value of the bonds, and must state in multiples of 1/20 or 1/8 of 1% the rates of interest per annum which the Bonds are to bear, but must not state:

(a) any interest rate which is in excess of 7% per annum,
(b) more than one interest rate for any Bonds having like maturity, and
(c) any interest rate for Bonds which exceeds the interest rate stated in such proposal for any other Bonds by more than two percent (2%).

The right is reserved to reject any and all proposals not conforming to this Official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any proposal.

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment thereof at the option of the bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

Award

Unless it rejects all proposals for the Bonds (which right is hereby retained), the Board, from among the legally acceptable proposals which comply with this Official Notice of Sale, will select the bidder (herein called the "successful bidder") whose proposal offers to purchase all the Bonds at the lowest true interest cost ("TIC"). The TIC for the bonds shall be determined by doubling the semi-annual interest based on a 360-day year or twelve-30 day months, compounded semiannually, necessary to discount the semi-annual debt service payments from the payment dates to the dated date of the Bonds and to the aggregate purchase price. If there be more than one such proposal making such offer at the same lowest cost, the Bonds will be sold to the bidder whose proposal is selected by the Board by lot from among all such proposals making such offer at the lowest cost.

Good Faith Deposit

Bidders must deliver to the Financial Advisor by 12:00 noon on February 3, 2010, a good faith deposit in the form of a certified or cashier's check or bank draft drawn on a solvent bank or trust company for 2% of the par value of the Bonds ($1,030,000), payable to the order of The Board of Education of Berkeley County. When the successful bidder has been ascertained, the Board will return to the unsuccessful bidders their good faith deposits. The good faith deposit of the successful bidder will be cashed and may be invested with interest accruing to the benefit of the Board. The principal amount of the good faith deposit of the successful bidder will be applied as partial payment for the Bonds or as security for the performance of such proposal and as liquidated damages in the event the successful bidder fails to accept and pay for the Bonds. As an alternative to delivering a good faith check as described above, a bidder may enclose with its bid a Financial Surety Bond in the amount of $1,030,000. It must be issued by an insurance company that is licensed to issue such a bond in the State of West Virginia, naming the Board as beneficiary (a "Surety Bond"). The bond must be submitted to the Board or its Financial Advisor prior to the opening of bids. The Surety Bond will identify the bidder whose deposit is guaranteed by the Surety Bond. If the successful bidder has provided a Surety Bond, such bidder shall wire transfer to the Board $1,030,000 in immediately available funds not later than 12:00 noon (Prevailing Time) on the next business date following the date of award of the Bonds. In the event that the Board has not received such federal funds wire by the time stated, the Board may draw upon the Surety Bond to satisfy the successful bidder's deposit requirement.

As an alternative to the methods set forth above, upon bids being announced and a successful bidder being identified, the successful bidder may wire the sum of $1,030,000 to a depository identified by the issuer, by 3 pm, local time that day.

Delivery of the Bonds

The Bonds will be delivered upon payment of the balance of the purchase price in Federal Funds payable to the order of "The Board of Education of the County of Berkeley, West Virginia". It is expected that the Bonds will be available for delivery to The Depository Trust Company in New York, New York, on or about February 17, 2010, on such business day and at such hour, as the Board may fix on five business days' notice to the successful bidder, or at such other place and time as may be agreed upon with the successful bidder.

It will be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that prior to or contemporaneously with such delivery, the successful bidder will be furnished with the final approving opinion of Steptoe and Johnson PLLC Charleston, West Virginia, Bond Counsel. The opinion of Bond Counsel will include an opinion that under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes and that the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. Said opinion shall also contain further statements to the effect that (a) said Bond Counsel has considered litigation in certain states, including the State of West Virginia, such as Pauley v. Bailey, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes and that, in their opinion, such litigation will not modify the rights of the holders of the Bonds to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within Berkeley County, West Virginia, for payment of the Bonds if not paid from other sources and does not modify or qualify the conclusions elsewhere stated in such approving opinion; and (b) the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

It will be a further condition of delivery of any payment for the Bonds that there also be delivered at such time certificates satisfactory to said Bond Counsel evidencing proper execution and delivery of the Bonds, including (i) a certificate dated the date of delivery of the Bonds, stating that there is no litigation pending or threatened affecting the validity of the Bonds, or wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Board, or adversely affect the power of the Board to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds, (ii) a certificate dated the date of delivery of the Bonds, of the President and Secretary of the Board, to the effect that at the time of the sale of the Bonds and at all times subsequent thereto up to and including the time of delivery of the Bonds, to the best of their knowledge, the Official Statement in final form and as of its date, did 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, and (iii) a tax and arbitrage certificate executed on behalf of the Board which will include, among other things, covenants relating to compliance with the Internal Revenue Code of 1986, as amended (the "Code"), with the owners of the Bonds that the Board, will, among other things, (a) take all actions on its part necessary to cause interest on the Bonds not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a special manner, where appropriate, and (b) refrain from taking any action which would cause interest on the Bonds to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes. The Bonds will also bear the signed approval of the Attorney General of West Virginia to the effect that the Bonds are binding obligations of the Board and are incontestable.

Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the Board a certificate acceptable to Bond Counsel stating (i) the reoffering prices, expressed as a percentage of par, to the public of each maturity of the Bonds (the "Reoffering Prices"); (ii) that the successful bidder has made a bona fide public offering of the Bonds at the Reoffering Prices; and (iii) that a substantial amount of the Bonds was sold to the public (excluding bond houses, brokers and other intermediaries) at such initial Reoffering Prices. Bond Counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in par amount of the Bonds of each maturity at the Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds, and (iii) reliance on other facts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Bonds.

Final Official Statement

Within seven (7) business days after the award of the Bonds to the successful bidder therefore, on the date of the sale, the Board, by its President, will authorize the delivery of its Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. The Preliminary Official Statement is deemed final by the Board for the purpose of Rule 15c2-12 of the Securities and Exchange Commission, subject to revision, amendment and completion in a final Official Statement. The Board will also issue any supplement or amendment to the Official Statement that may be necessary between the date of the Official Statement and the date of delivery of the Bonds. If requested and furnished to the Board in writing by the successful bidder at or before the close of business on the day of sale, the Board will include in the Official Statement such pricing and other information relating to the reoffering of the Bonds, if any, as may be so furnished. If no such information is furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. Whether or not any such information is included in the Official Statement, the successful bidder shall be responsible to the Board and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any reoffering of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. The Board reserves no responsibility or obligation for the distribution of the Official Statement to anyone other than the successful bidder. Within seven (7) business days after the award of the Bonds, the successful bidder will also be furnished, without cost, up to 350 copies of the Official Statement (and any amendment or supplement thereto).

CUSIP

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with terms of this Official Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Board. However, the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY

By: Manuel P. Arvon
Secretary, The Board of Education of the County of Berkeley

DATE: January 19, 2010

OFFICIAL FORM OF PROPOSAL

Mr. Manuel P. Arvon, Superintendent
The Board of Education of the County of Berkeley, West Virginia

Superintendent:

Subject to the provisions and in accordance with the terms of the Official Notice of Sale, dated January 19, 2010 which are hereby made part of this bid, we offer to purchase all of the $51,500,000, the Board of Education of the County of Berkeley (West Virginia), Public School Bonds, Series 2010, described in said Official Notice of Sale, for the price of $51,500,000 plus a premium of $_____ (not to exceed $1,545,000). The Bonds maturing in the years set forth below shall bear interest at the respective rates set opposite such years in the following table:

Maturity (May 1)	Principal Amount ($)	Interest Rate (%)	Maturity (May 1)	Principal Amount ($)	Interest Rate (%)
2011	2,025,000	_____	2019	3,560,000	_____
2012	2,660,000	_____	2020	3,710,000	_____
2013	2,770,000	_____	2021	3,865,000	_____
2014	2,890,000	_____	2022	4,030,000	_____
2015	3,010,000	_____	2023	4,205,000	_____
2016	3,140,000	_____	2024	4,380,000	_____
2017	3,275,000	_____	2025	4,565,000	_____
2018	3,415,000	_____			

Please check one of the following:

- ❑ One or more certified or cashier's checks or bank draft drawn on solvent banks or trust companies and payable unconditionally to the order of The Board of Education of the County of Berkeley for $1,030,000 which check is to be applied in accordance with said Official Notice of Sale.
- ❑ A surety bond in the amount of $1,030,000 in accordance with the Official Notice of Sale.
- ❑ Will wire funds in the amount of $1,030,000 by 3:00 pm, local time, day of bid, if successful.

Name of Bidder: _____

By: _____

Telephone: _____

(No addition or alteration, except as provided above, is to be made to this bid. Please attach a list of syndicate members, as applicable.)

The foregoing proposal is hereby accepted this _____ day of _____, 2010

By: _____, The Board of Education of the County of Berkeley

The following is included for informational purposes only and is not a part of the bid:

True Interest Cost (Computed in accordance with the Official Notice of Sale) _____%

Return of the check mentioned in the above proposal to the above named bidder is hereby acknowledged.

By:_____

NEW ISSUE
BOOK-ENTRY ONLY

Rating: Standard & Poor's
(See "Rating" herein)

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, upon the conditions and subject to the limitations set forth under the caption "TAX MATTERS" herein. In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. See "TAX MATTERS" herein

$51,500,000
The Board of Education of the County of Berkeley (West Virginia) Public School Bonds, Series 2010

Dated: Date of Delivery **Due:** May 1, as shown below

The Bonds are general obligations of The Board of Education of the County of Berkeley, West Virginia (the "Board"), which Board has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Berkeley County School District to pay the Bonds and the interest thereon, without limitation as to rate or amount.

The Bonds will be issued in fully registered form only, without coupons, and, when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only in the principal amount of $5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds.

Pursuant to Chapter 13, Article 1 of the Code of West Virginia of 1931, as amended, both the principal of and interest on the Bonds are payable at the office of the West Virginia State Treasurer. The State Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for payment of the Bonds and United Bank Inc.. Charleston, West Virginia, as Registrar.

Interest on the Bonds will be payable November 1, 2010 and semiannually thereafter (each May 1 and November 1) in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

The Bonds are subject to redemption prior to maturity as described herein.

MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIPS

Maturing (May 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP** Base #: 084239	Maturing (May 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP** Base #: 084239
2011	2,025,000	3.00	0.30	EX6	2019	3,560,000	4.00	3.07	FF4
2012	2,660,000	3.00	0.71	EY4	2020	3,710,000	4.00	3.21	FG2
2013	2,770,000	2.00	1.03	EZ1	2021	3,865,000	3.25	3.37	FH0
2014	2,890,000	4.00	1.44	FA5	2022	4,030,000	3.375	3.51	FJ6
2015	3,010,000	2.00	1.85	FB3	2023	4,205,000	3.50	3.65	FK3
2016	3,140,000	2.50	2.27	FC1	2024	4,380,000	4.00	3.79*	FL1
2017	3,275,000	4.00	2.65	FD9	2025	4,565,000	3.75	3.93	FM9
2018	3,415,000	4.00	2.93	FE7					

The Bonds are offered for delivery when, as and if issued, subject to approval of legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Laura L. Sutton, Esq, Martinsburg, West Virginia, Counsel to the Board. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about February 17, 2010.

BofA Merrill Lynch

*See inside cover for footnote
**See inside cover for footnote

Dated: February 3, 2010

$51,500,000
The Board of Education of the County of Berkeley (West Virginia) Public School Bonds, Series 2010

ELECTED OFFICIALS

Dr. William F. Queen, President
Mr. Todd M. Beckwith, Board Member
Mr. Richard A. Pill, Board Member
(vacant)
(vacant)

APPOINTED OFFICIALS

Manuel P. Arvon, Superintendent
Frank Aliveto, Deputy Superintendent
David R. Deuell, Assistant Superintendent
Mr. Ken Marstiller, Business Manager and Treasurer

BOARD'S COUNSEL

Laura L. Sutton, Esq.
Martinsburg, West Virginia

BOND COUNSEL

Steptoe & Johnson PLLC
Charleston, West Virginia

FINANCIAL ADVISOR

Raymond James & Associates, Inc.
Charleston, West Virginia

* Yield to call for optional redemption on May 1, 2020

** CUSIP numbers have been assigned by an independent company not affiliated with the Board and are included on the cover page solely for the convenience of the Owners of the Series 2010 Bonds only at the time of issuance of the Series 2010 Bonds. Neither the Underwriter nor the Board makes any representation with respect to the accuracy of such CUSIP numbers as indicated on the cover page table or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2010 Bonds.

No dealer, broker, salesman or other person has been authorized by The Board of Education of the County of Berkeley, West Virginia, to give any information or to make any representations other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds herein described by any persons in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Board from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof.

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OFFICIAL STATEMENT
RELATING TO

$51,500,000
The Board of Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

INTRODUCTION

This Official Statement provides certain information in connection with the sale of $51,500,000 in aggregate principal amount of The Board of Education of the County of Berkeley (West Virginia) Public School Bonds, Series 2010 (the "Bonds"). A brief description of The Board of Education of the County of Berkeley, West Virginia (the "Board"), the Berkeley County School District (the "School District") and the County of Berkeley, West Virginia (the "County" or "Berkeley County"), with which the School District is coterminous, is provided, together with a description of the Bonds and sources of payment therefore.

The Bonds are general obligations of the Board, and, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount.

In addition to the Series 2010 Bonds, the Board also has outstanding its Public School Bonds, Series 2002 dated February 1, 2002, issued in the original principal amount of $27,800,000 and currently outstanding in the amount of $17,385,000 (the "Series 2002 Bonds"), and its Public School Refunding Bonds, Series 2003, dated July 1, 2003, issued in the original principal amount of $9,600,000 and currently outstanding in the amount of $1,515,000 ("the Series 2003 Bonds.") The final maturity of the Series 2003 Bonds is May 1, 2010. The final maturity of the Series 2002 Bonds is May 1, 2017.

THE BONDS

General

The Bonds will be dated the date of delivery, and will be issued as fully registered bonds in $5,000 denominations, or integral multiples thereof, and are payable on May 1, in the years and amounts as follows:

Maturing (May 1)	Principal Amount ($)
2011	2,025,000
2012	2,660,000
2013	2,770,000
2014	2,890,000
2015	3,010,000
2016	3,140,000
2017	3,275,000
2018	3,415,000
2019	3,560,000
2020	3,710,000
2021	3,865,000
2022	4,030,000
2023	4,205,000
2024	4,380,000
2025	4,565,000

Pursuant to Chapter 13, Article 1 of the Code of West Virginia of 1931, as amended (the "Act"), both the principal of and interest on the Bonds are payable at the office of the West Virginia State Treasurer. The West Virginia State Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as its Paying Agent (the "Paying Agent") for payment of the Bonds and United Bank, Inc., Charleston, West Virginia, as the Registrar.

Interest on the Bonds will be payable November 1, 2010 and semi-annually thereafter (each May 1 and November 1) in each year to maturity. Such interest will be paid by check to the registered owner on each such interest payment date at his address as shown on the registration books kept for that purpose by the Paying Agent as of the 15th day of the month preceding each such interest payment date. In the case of an owner of $500,000 or more of the Bonds, interest may be paid to such owner by wire transfer to a domestic bank account specified in writing to the Paying Agent at least five days prior to an interest payment date.

Redemption

The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at par plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of $5,000 in principal amount and in the minimum principal amount of $50,000.

Notice of any redemption of Bonds shall be given by the Registrar, on behalf of the Board, to registered owners of the Bonds to be redeemed at least thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, by registered or certified mail, at the address appearing in the Bond Register or at such other address as is furnished in writing by the registered owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Bonds and failure to mail such notice shall not affect the validity of any such proceedings for any Bond with respect to which no such failure has occurred. Notice of redemption having been given in the manner described herein, and moneys necessary for their redemption of the Bonds having been deposited, the Bonds specified in such notice shall, on the date fixed for redemption, become due and payable and from and after such date (unless the Board shall default in the payment of the redemption price), such Bonds shall cease to bear interest.

Authority and Purpose

Purpose

To provide funds for making certain improvements in the School District defined in "Proposed Projects" in Appendix D.

Authority

The issuance of the Bonds and the levy of taxes sufficient to pay the interest on the principal of such Bonds were authorized and approved at the countywide special election held on September 26, 2009 pursuant to the Act, and to orders and resolutions duly entered and adopted by the Board. The ballot questions also included a maximum term of 15 and ½ years from the date of issuance of the Bonds and an interest rate not exceeding 7% per annum. The canvass of said special election showed 4,595"Yes" votes and 2,629 "No" votes, a 63.6% voter approval of those who participated.

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and the Act, county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Article X, Section 8, of the Constitution, and Sections 20 and 34 of the Act, require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds.

Nature of Obligation, Security and Source of Payments

The Bonds will constitute valid and legally binding general obligations of the Board, and, unless paid from other sources, the principal of and interest on the Bonds will be payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount. Pursuant to the Better Schools Amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law.

Debt Administration

The West Virginia Municipal Bond Commission (the "Bond Commission") is charged with the administration of the interest and sinking funds created to service the debt of the State and its subdivisions. The proceeds of taxes levied for debt service by the Board are collected by the Sheriff, who remits the proceeds to the Board Treasurer, who forwards the proceeds thereof to the Bond Commission. The Bond Commission is required by law to render annually to each political subdivision having outstanding bonds a statement showing the levy required to pay the interest on and create a sinking fund for the retirement of the outstanding bonds. The Bond Commission customarily sets the levy rates at 110% of the annual principal and interest required so as to provide a margin to cover the statutory 2 1/2% discount for early payment of taxes and any attrition occasioned by delinquencies, improper assessments and exonerations. There has not been a default on the payment of principal or interest of any general obligation bond in the State of West Virginia since the Bond Commission commenced centralized supervision and administration in 1921.

Since 1933, the annual State of West Virginia Budget Bill has embodied a protective provision for certain State agency and taxing district obligations, if deficiencies should arise. The following excerpt from the 2009 Budget Bill is indicative:

> Section 13: There is hereby appropriated to the governor a sufficient amount to meet any deficiencies that may arise in the mortgage finance bond insurance fund of the West Virginia housing development fund which is under the supervision and control of the state municipal bond commission as provided by Chapter 31, Article 18, Section 20-b, of the code of West Virginia, or in the funds of the state municipal bond commission because of the failure of any state agency for either general obligation or revenue bonds or any local taxing district for general obligation bonds to remit funds necessary for the payment of interest and sinking fund requirements. The Governor is authorized to transfer from time to time such amounts to the state municipal bond commission as may be necessary for these purposes.

No representation is made that subsequent Budget Bills will have such provisions or that sufficient funds will be available to satisfy any such deficiencies. There has never been a default in payment of the principal of or interest on any general obligation bonds issued by The Board of Education of the County of Berkeley. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

BERKELEY COUNTY SCHOOL DISTRICT

General

All school districts in West Virginia are organized under the terms of legislation enacted in 1933. There is one school district in each county, the boundaries of which district are coterminous with those of the county. The Board is responsible for and is vested with the supervision and control of the School District and with the control and management of all public schools in the School District from kindergarten through the secondary school level. The Board is composed of five members elected by the voters of the County without reference to political party affiliation. The terms of the members are for four years and are staggered. In 2010, the terms of 3 members will expire. The process will be repeated every two years thereafter.

Board Members' duties are established by State statute with the West Virginia Board of Education having regulatory powers. The Board appoints a superintendent who acts as the chief executive officer and secretary of the Board and who administers affairs of the School District in accordance with applicable laws, regulations, and local policies. The Board is a public corporation and as such may sue, plead and be impleaded, and enter into contracts. The School District is fiscally independent of the County and all other political subdivisions.

During the fiscal year 2009-2010, the Berkeley County school system has an administrative staff of 22 with the overall responsibility to coordinate and supervise the activities of 78 school administrators, 1350 instructional staff (teachers and other professionals), and 891 service personnel. Total Full Time Equivalent positions are 2,374. The estimated pupil-teacher ratio for the 2009-2010 school year was 12.62 to 1 (combined elementary, middle and secondary schools). The total student enrollment (head count) was 17,642 students K-12.

Historical School Enrollment (School Year – Enrollments are October of each year.)

Grades	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
PK-EC	268	294	472	590	607	641
K	1167	1315	1312	1385	1345	1444
1	1162	1193	1324	1338	1390	1302
2	1129	1188	1179	1275	1336	1391
3	1053	1185	1225	1222	1263	1331
4	1193	1109	1228	1232	1238	1303
5	1147	1210	1152	1247	1255	1273
6	1226	1240	1262	1198	1338	1299
7	1199	1222	1285	1337	1229	1331
8	1189	1213	1229	1260	1331	1211
9	1447	1530	1537	1540	1533	1567
10	968	1068	1136	1142	1176	1220
11	984	963	1090	1157	1147	1117
12	851	893	891	945	1027	1032
Total	**14983**	**15623**	**16322**	**16868**	**17215**	**17462**

Rate of Increase (Decrease) in Enrollment	
2004-2009	16.55%
Average Annual	3.31%

Source: Berkeley County Board of Education

Projected Enrollment (School Year)

Year (October)	Enrollment
2010	17,986
2011	18,526
2012	19,082
2013	19,654
2014	20,244

Source: Berkeley County Board of Education

Facilities

School	Grades	Type of Construction	Date of Construction	Renovations or Additions
Back Creek Valley Elementary	K – 3	Masonry/Frame	1955	1968/1975/1981/1984/1989/2002
Bedingtom Elementary	K – 2	Masonry	1929	1971/1975/1989
Berkeley Heights Elementary	K – 3	Masonry	1971	1975
Bunker Hill Elementary	K – 3	Masonry	1962	1971/1995/2006
Burke St. Elementary	K – 3	Masonry	1929	1951
Eagle School Inter.	4 - 5	Masonry	2001	---
Gerrardstown Elementary	K – 3	Masonry	1961	1971/1976/1989
Hedgesville Elementary	K – 2	Masonry	1949	1955/1976/2004/2007
Inwood Primary	K – 3	Masonry	1924	1951/1960
Marlowe Elementary	K – 2	Masonry	1922	1971/1975/1989
Mill Creek Inter.	4 - 5	Masonry	1987	1989/2005
Mt. Ridge Elementary	3 -5	Masonry	2005	---
Opequon Elementary	K – 3	Masonry	1971	1975
Orchard View Inter	4 - 5	Masonry	2002	---
Potomack Inter.	3 - 5	Masonry	1998	---
Rosemont Elementary	K – 3	Masonry	1960	1970/1975
Tuscarora Elementary	K – 3	Masonry	1976	2004/2009
Valley View Elementary	K – 3	Masonry	1970	1975
Winchester Ave. Elementary	K – 3	Masonry	1921	1999
Tomahawk Elementary	K – 5	Masonry	1990	---
Hedgesville Middle	6 - 8	Masonry	1926	1962/1969/1989/1995
Musselman Middle	6 - 8	Masonry	1999	2004
North Middle	6 - 8	Masonry	1962	1975/1982
South Middle	6 - 8	Masonry/Metal	1955	1971/1985/2006/2007
Spring Mills Middle	6 - 8	Masonry	2004	---
Hedgesville High	9 - 12	Masonry	1977	1981/1983/1989/1995/2004/2006
Martinsburg High	9 - 12	Masonry	1927	1958/1960/1964/1971/1976/1991/1993/2006
Musselman High	9 - 12	Masonry	1998	2004
Pikeside Pre-Voc Learning Ctr.	Ungraded	Masonry	1925	1975

Source: Berkeley County Board of Education

Tax Collection Procedures

All taxes for real estate and personal property are collected by the Berkeley County Sheriff (the "Sheriff") and are remitted by him to the State and other local levying bodies. Public utility taxes are collected directly by the State Auditor (the "Auditor") and are remitted by him to the Sheriff for distribution. Tax statements are mailed by the Sheriff's office in July, and they may be paid in two installments. The first half of the tax is subject to a 2 ½% discount if paid by September; thereafter, the amount payable is net until October 1, after which a 9% penalty is added. Likewise, the second half is subject to a 2 ½% discount if paid by March 1, net to April 1, and 9% penalty thereafter. The Sheriff, after ascertaining which taxes are delinquent, shall on or before May 1 next succeeding the year for which taxes are assessed, prepare delinquent lists, which shall be posted at the front door of the courthouse and published as a legal advertisement at least two weeks prior to the presentation to the County Commission for examination. After examination and correction, the Commissioners shall certify such lists pertaining to real property to the Auditor not later than July 1. On or before September 10, the Sheriff shall prepare a second list of delinquent taxes, as of September 1, together with a notice of sale for properties upon which such taxes are due. If not redeemed before, such properties shall be sold at public auction at the courthouse on any Monday after October 14, and before November 23. No such sale shall be made for any sum less than the total amount of taxes, interest charges then due. The former owner of any real or personal property so purchased by the State, or any other person who is entitled to pay the taxes thereon, may redeem such real or personal property from the Auditor at any time within the eighteen months after the date of such purchase. The Auditor reports monthly to the Sheriff, the County Assessor and the Clerk of the County Commission all properties in the County which were redeemed in his office during the preceding month. The Auditor, each month, draws his warrant upon the State treasury payable to the Sheriff of the County for that part of the taxes, interest and charges received by him upon the redemption of the property included in his report which was owing to any of the taxing units in the County. The Sheriff accounts for and pays over such money as if it had been paid to him before sale and redemption.

Tax Levies and Collections**

Year	Projected Gross Tax ($) at 100%	Projected Net Tax Collected ($) at 92-93% Less Assessors Fee	Actual Collected ($)	Actual Collected (%)
2003-2004				
General Current*	28,847,918	26,572,887	28,766,239	108.25
Debt Service	4,322,489	4,017,972	4,474,353	111.36
2004-2005				
General Current*	31,989,070	29,466,319	32,215,655	109.33
Debt Service	4,458,225	4,051,635	4,647,143	114.70
2005-2006				
General Current*	36,611,969	33,760,906	36,858,180	109.17
Debt Service	4,497,701	4,087,529	4,523,752	110.67
2006-2007				
General Current*	46,099,642	42,514,292	45,451,688	106.91
Debt Service	4,528,078	4,119,110	4,649,979	112.89
2007-2008				
General Current*	56,002,400	51,655,426	58,836,737	104.22
Debt Service	4,557,713	4,142,810	4,614,536	111.39
2008-2009				
General Current*	60,564,268	55,863,197	60,328,916	107.99
Debt Service	4,379,708	4,172,090	4,465,997	107.04

*Includes Excess Levy
**Source: Berkeley County Board of Education

Assessment Procedure

State statutes provide that all property must annually be assessed as of the first day of July. Assessment on this day is the basis for the following year's property taxes. The assessor must complete his compilation of the land and personal property books not later than January 30. The county commission, not later than February 1, must meet for the purpose of sitting as a board of equalization and review of such assessment books. After completion of the review and assessment the commission certifies and returns the property books to the assessor. Appeal of any assessment may be made to the circuit court of the county within 30 days after adjournment of the county commission sitting as a board of equalization and review. The assessor annually, not later than March 3, must furnish a certified statement to certain government bodies in the county, including the board of education, showing the aggregate value of all real and personal property. During the month of March the county commissions, the county boards of education and municipal governments prepare their budgets for the fiscal year which begins the following July. After these budgets are approved, these governments officially set the tax rate for the coming year sufficient to pay budgeted expenses not expected to be paid from other sources. For example, the 2009 assessment year valuations are made as of July 1, 2008, with taxes levied and collected during the fiscal year July 1, 2009, through June 30, 2010.

The State Tax Commissioner has the responsibility for preparing tentative valuations for all public utility property in the State and providing these valuations to the Board of Public Works of the State for actual assessment of such property. The Board of Public Works reviews all assessments made, makes such corrections as it deems proper, conducts hearings to entertain protests from the public utilities involved, and fixes the assessments in final form. After such assessments are made, they are allocated by the State Auditor to the various counties in which the utility property is located, such allocation being approved by the Board of Public Works.

Property Classification

Article X, Section 1, of the Constitution of West Virginia and Chapter 11, Article 8, Section 5 of the Code of West Virginia of 1931, as amended, created four classifications of property for which the tax rates, but not the assessed values, are limited. These tax classifications are as follows: Class I - all tangible personal property employed exclusively in agriculture, all products of agriculture while owned by the producer; Class II - owner-occupied residential property and certain farm lands; Article 10, Section 1b of the Constitution of the State of West Virginia and Chapter 11, Article 6B, Section 3 of the West Virginia Code of 1931, as amended, provides that the first twenty thousand dollars of assessed valuation of any real property, or of personal property in the form of a mobile home, used exclusively for residential purposes and occupied by the owner or one of the owners thereof as his residence, who is a citizen of the State and is sixty-five years of age or older or is certified as being permanently disabled, shall be exempt from ad valorem property taxation. Only one exemption shall be allowed for each homestead used and occupied exclusively for residential purposes by the owner thereof, regardless of the number of qualified owners residing therein; Class III - all real and personal property, other than Class I and II property, situate outside of municipalities; Class IV - all real, and personal property, other than Class I and II situate within municipalities. Public utility property falls within Class III or Class IV, as appropriate.

Assessed Valuations

The Berkeley County School District includes all of Berkeley County and has the same assessed valuation of property therein as does the entire county. Chapter 11, Article 1C of the West Virginia Code (the "Property Valuation Act") requires all assessors to appraise all property at fair market value (except for certain farm property), within three years. The State Tax Commissioner is required to monitor the assessors in the performance of their duties, and is required to perform the valuation process on industrial and natural resources property within the aforesaid three year period. The Property Valuation Act limits the increase in property taxes that could result from the new calculations to one percent per year, unless, in the case of school boards, the legislature, after a public hearing, deems a greater increase is necessary. The Property Valuation Act requires that all property except farms and managed timberlands be assessed at 60% of Fair Market Value at the end of the 3 year reappraisal cycle, which became effective July 1, 1994.

Assessed Valuation By Property Class*

Class	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
I	7,020,297	6,714,576	7,160,631	0	0
II	1,861,854,870	2,503,551,771	3,141,631,408	3,368,293,930	3,380,515,434
III	881,956,655	1,093,573,217	1,353,897,890	1,460,494,002	1,509,926,451
IV	314,954,236	361,529,361	414,928,270	468,978,812	493,293,342
Total	3,065,786,058	3,965,368,925	4,917,618,199	5,297,766,744	5,383,735,227

Assessed Valuation By Property Category*

Category	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Real	2,562,345,840	3,422,776,384	4,289,716,040	4,644,792,490	4,724,568,200
Personal	375,075,071	415,481,083	485,094,734	501,201,381	497,200,013
Public Utility	128,365,147	127,111,458	142,807,425	151,772,873	161,670,014
Total	3,065,786,058	3,965,368,925	4,917,618,199	5,297,766,744	5,383,735,227

*Excludes property from ad valorem property taxation pursuant to the Homestead and Taxation Amendment. The amount of Class II property so excluded amounted to:

104,517,416 in 2005-2006
106,792,653 in 2006-2007
110,547,207 in 2007-2008
120,260,634 in 2008-2009
124,706,222 in 2009-2010

Largest Assessed Valuations (2009)*

Property Owner	Assessed Valuation ($)
Martinsburg Mall	19,380,300
Berkeley Business Park Assoc. (old GM Building)	17,391,260
Distribution Center of America (WV) LLC (Orgill)	14,109,940
Guardian Fiberglass, Inc.	12,304,440
Fed Ex Ground	11,858,660
Caperton WV LLC (new GM Building)	11,153,990
Walmart Real Estate Business Trust	10,979,480
Martinsburg IRS OC LLC	9,043,580
Capital Cement Corporation	7,833,330
Lowe's Home Center	7,056,600

*The assessed valuations include real and personal property in Class III or IV.
Non-Taxable Property was not included in this chart.
Source: Berkeley County Assessor

Tax Rate Comparisons*

The following shows Berkeley County property taxes in **cents per $100 assessed valuation** (this includes all state, county and school rates, in comparison with a few select surrounding counties, for tax year 2009; Fiscal Year 2009-2010.

County	Class I	Class II	Class III/IV
Berkeley	56.00	112.00	224.00
Jefferson	53.60	107.20	214.40
Morgan	50.96	101.92	203.84

*Includes the total levy for State, County and schools in each County.
Source: West Virginia State Auditor

County Tax Rates

Except as hereinafter stated, the maximum tax rates allowed by the Constitution of West Virginia for the four classifications of property are as follows: Class I - $.50 per $100 assessed valuation; Class II - $1.00 per $100 assessed valuation; Class III - $1.50 per $100 assessed valuation; Class IV - $2.00 per $100 assessed valuation.

The maximum tax rates described above are divided among the several levying bodies by statute. Under Chapter 11, Article 8 of the Code of West Virginia of 1931, as amended, the maximum levy rates available to the County without approval by the voters is as follows: Class I - 14.3 cents per $100 assessed valuation; Class II - 28.6 cents per $100 assessed valuation; Class III - 57.2 cents per $100 assessed valuation; and Class IV - 57.2 cents per $100 assessed valuation.

These rates of levy may not be exceeded except that a local levying body may provide for an election to increase such rates within the respective taxing unit at either a general or special election. If at least 60% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 50% by municipalities and counties. If at least 50% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 100% by boards of education. The increased levies may not continue for more than three years in the case of municipalities and counties, or for more than five years in the case of boards of education without resubmission to the voters.

School Tax Rates (Source: West Virginia State Auditor)

Taxes for school purposes are uniform throughout the County. In accordance with Chapter 11, Article 8, Section 6c of the Code of West Virginia of 1931, as amended, the tax limit for school current expenses and school permanent improvement purposes combined is $0.2295 per $100 assessed valuation in respect to Class I, $0.4590 per $100 in respect to Class II, and $0.9180 per $100 in respect to Classes III and IV. By favorable vote of at least a simple majority of the voters in an election, the above limitations may be increased by up to 100% for a period of five years, after which an election must again be held. Further, a county board of education is required to levy outside the rates provided by Chapter 11, Article 8, Section 6c, sufficient to pay the principal and interest requirements on bonds issued by the school district not exceeding five percent of the assessed value of all taxable property in the school district, in the manner provided by the Better Schools Amendment.

School Current Levy

Class	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
I	20.48	20.05	19.40	19.40	19.40
II	40.96	40.10	38.80	38.80	38.80
III and IV	81.92	80.20	77.60	77.60	77.60

School Excess Levy

Class	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
I	22.50	22.50	22.50	22.50	22.50
II	45.00	45.00	45.00	45.00	45.00
III and IV	90.00	90.00	90.00	90.00	90.00

School Bonds

Class	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
I	5.28	4.18	3.41	3.03	2.61
II	10.56	8.36	6.82	6.06	5.22
III and IV	21.12	16.72	13.64	12.12	10.44

Rates of Levy

The tax rates for citizens of the County, including those imposed by the Berkeley County Board of Education, but not including those relating to the proposed bond issue, in cents per $100 assessed valuation for the 2009-2010 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	.25	.50	1.00
County Current	11.24	22.84	44.96
School Current	19.40	38.80	77.60
School Bonds	2.61	5.22	10.44
School Excess	22.50	45.00	90.00

In addition to the rates of levy established for State, County and School purposes, the municipalities within the County have additional rates of levy in effect as shown in the following table, in cents per $100 assessed valuation for the 2009-2010 fiscal year.

Municipality	Class I	Class II	Class IV
Hedgesville	5.30	10.60	21.20
Martinsburg	12.44	24.88	49.76

Source: West Virginia State Auditor

As heretofore stated, under Article X, Sections 8 and 10 of the Constitution of the State of West Virginia and the Act, the Board may issue bonds for certain purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the School District as of the date of bond authorization. Under such constitutional and statutory standard the computation of debt limit of the School District and its debt contracting margin are as follows:

Summary of Statistical Debt Information

Population (2007)	99,531
Assessed Valuation*	5,383,755,227
Debt Limit (5% of Assessed Valuation)	269,187,761
Outstanding Debt (Including the Series 2010 Bonds)	70,400,000
Debt Contracting Margin	198,787,610
Per Capita Debt	707.32
Outstanding Debt as percentage of Assessed Valuation	1.31%

*Assessed Value is estimated to be approximately 60% of appraised or market value (Assessment Year 2009, Fiscal Year 2010).

Debt Service Requirements

Upon issuance of the Bonds, based on the interest rates and yields set forth on the cover page, the Board will have the following debt:

Schedule of Bond Indebtedness
Public School Bonds

Year Ending June 30	Series 2003 Principal	Series 2003 Interest	Series 2002 Principal	Series 2002 Interest	Series 2010 Principal	Series 2010 Interest	Series 2002, 2008 and 2009 Total
2010*	1,515,000	23,671.88	1,840,000	401,170.00	0	0	3,779,841.88
2011	---	---	1,925,000	726,440.00	2,025,000	2,126,404.10	6,802,844.10
2012	---	---	2,015,000	643,665.00	2,660,000	1,703,087.50	7,021,752.50
2013	---	---	2,110,000	556,012.50	2,770,000	1,623,287.50	7,059,300.00
2014	---	---	2,210,000	463,700.00	2,890,000	1,567,887.50	7,131,587.50
2015	---	---	2,315,000	364,250.00	3,010,000	1,452,287.50	7,141,537.50
2016	---	---	2,425,000	248,500.00	3,140,000	1,392,087.50	7,205,587.50
2017	---	---	2,545,000	127,250.00	3,275,000	1,313,587.50	7,260,837.50
2018	---	---	---	---	3,415,000	1,182,587.50	4,597,587.50
2019	---	---	---	---	3,560,000	1,045,987.50	4,605,987.50
2020	---	---	---	---	3,710,000	903,587.50	4,613,587.50
2021	---	---	---	---	3,865,000	755,187.50	4,620,187.50
2022	---	---	---	---	4,030,000	629,575.00	4,659,575.00
2023	---	---	---	---	4,205,000	493,562.50	4,698,562.50
2024	---	---	---	---	4,380,000	346,387.50	4,726,387.50
2025	---	---	---	---	4,565,000	171,187.50	4,736,187.50
TOTAL	1,515,000	23,671.88	17,385,000	3,530,987.50	51,500,000.00	16,706,691.60	90,661,350.98

*Debt Service remaining in Fiscal Year 2010

Overlapping Debt

There is no overlapping county or city general obligation debt.

CERTAIN FINANCIAL INFORMATION

Description of Funds

The accounts of the Board are organized on the basis of funds, each of which constitutes a separate entity for accounting procedures. For reporting purposes the various funds are organized into the following major groups:

1. Debt Service Fund

The Debt Service Fund is a separate and distinct fund used only as an "Interest and Sinking Fund" to meet the demands of maturing bonds and bond interest payments.

Taxes levied on real and personal property (other than public utility property), to be used to make Debt Service Fund payments, are collected by the Sheriff, while taxes levied on public utility property to be used to make Debt Service Fund payments are collected by the State Auditor and remitted to the Sheriff. Collections are transferred periodically to the Bond Commission. The Bond Commission, in turn, disburses funds to meet the payment of bonds and bond interest payments as well as paying agency fees. From time to time, the Commission invests amounts in the Debt Service Fund that are in excess of payment schedules and credits the interest income to the Debt Service Fund. (See "Investment of Certain Funds").

2. Bond Construction Fund

The Bond Construction Fund is a separate and distinct fund consisting of proceeds from the sale of bonds authorized by an election, from State School Building funds and from special funds that are categorically identified and authorized to supplement local bond proceeds or State School Building funds. Expenditures are generally restricted to capital outlay purposes by the bond election call, by special funding agreements or by the State Board of Education in approving specific building projects.

3. Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. A separate fund may be established for each specific capital project.

4. General Current Expense Fund

The General Current Expense Fund is a separate and distinct fund and is used for all general operating purposes except for revenues and expenditures that are contained in the Debt Service Fund and the Bond Construction Fund. Revenues generally come from: (1) general and special levy taxes, (2) other local or miscellaneous revenues, (3) State aid to counties for restricted and unrestricted purposes, and (4) Federal aid received directly or through the State, usually categorical or restricted.

5. Special Revenue Fund

Accounts for the financial resources of the Board, which are restricted either legally or by the grantor.

Investment of Certain Funds

Proceeds of tax collections relating to the Bonds which are transferred to the Bond Commission will be invested in the Consolidated Fund managed by the West Virginia State Treasurer's Office. The West Virginia Board of Treasury Investments is governed by a Board of Trustees consisting of the Governor, the State Auditor, the State Treasurer and two members appointed by the Governor. The Bond Commission currently invests its funds in The Consolidated Fund's Government Money Market Pool. Investments are limited to U.S. Government obligations, select U.S. Government Agency-guaranteed obligations or repurchase agreements with average maturities not to exceed 90 days.

Accounting Practices

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and

financial reporting principles. The district-wide statements (Statement of Net Assets and the Statement of Activities) are prepared using the economic resources measurement focus and the full accrual basis of accounting. The governmental fund financial statements (Balance Sheet- Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Fund) were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Annual Audit

An annual audit of accounts is prepared by the State Auditor or an independent certified public accounting firm approved by the State Auditor. The audit is conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Budgetary Procedures

Prior to the beginning of each fiscal year, the Board develops a fiscal plan consisting of contemplated expenditures. The annual budget development process is customarily developed along the following guidelines and in accordance with a budget calendar summarized as follows:

July	Overall goals are revised and established by the Board. Implementation and valuation of Board goals are established by the superintendent.
October	Student enrollment and personnel employee numbers are gathered system wide to determine State aid funding basis for subsequent fiscal year.
November-December	All staffing reviewed. Personnel reductions and additions are determined by local school councils, the public, the administration and the superintendent.
January-February	Preliminary forecasts of revenues and expenditures are determined by administration. Non-salary items reviewed.
March	Assessed valuations and preliminary State aid calculations received on or about March 3. The Board is required to ascertain the fiscal condition of the School District and determine the amount to be raised by the levy of taxes. Proposed levy rates must be submitted to the State Tax Commissioner and State Board of Education by March 28.
April/May	On the third Tuesday in April, the Board officially enters all levies for the coming year by ordering the levy of taxes commencing July 1. The proposed budget must be made available for public inspection for ten days and must be published in local newspapers for two weeks prior to the budget hearing. A public hearing shall be held concerning the operating budget not less than 10 days after such budget has been made available for public inspection. The Board is required to submit a budget to the State Board of Education and State Tax Commissioner no earlier than 10 days after receipt of the final State aid computations.
September	Board advised of ending balances for previous fiscal year. Board and administration evaluate status for current fiscal obligations in relation to ending balances and established budgetary changes necessitated.

Internal Control

The system of internal control includes budgetary control, periodic operating reports and statistical analyses. The system checks the accuracy and reliability of its accounting data, promotes operational efficiency and encourages prescribed managerial policies.

The system provides segregation of functional responsibilities and control over assets, liabilities, revenues and expenses. Responsibilities and delegations of authority are assigned by the superintendent and Board in accordance with State Board of Education policy and advice of the State Auditor.

Statement of Revenues and Expenditures -- Budget and Actual

Revenues, Expenditures and Changes in Fund Balance – Regulatory Basis
Budget and Actual
General Current Expense Fund
Year ended June 30

	2008 Budget	2008 Actual	2009 Budget	2009 Actual	2010 Budget
Revenues Collected:					
Local Sources:					
Property Taxes	54,255,426	53,915,556	56,663,197	60,328,916	61,390,811
Other Local Sources	2,348,667	2,369,680	2,005,570	1,710,098	2,036,360
State Sources	73,908,117	73,938,478	77,100,102	77,185,899	77,966,231
Other Unrestricted					
Federal Sources	2,115,325	2,803,608	2,230,000	2,909,348	1,685,000
Total Revenues Collected	132,627,535	133,027,322	139,998,869	142,134,261	143,078,402
Expenditures Paid:					
Instruction	79,557,140	78,878,609	85,800,379	86,030,264	87,104,110
Supporting Services:					
Students	4,916,299	4,928,625	5,467,630	5,373,686	5,650,668
Instructional Staff	3,789,368	3,666,075	4,413,199	4,315,297	4,155,102
Central Administration	1,833,869	1,749,338	2,062,335	1,876,254	2,198,495
School Administration	8,118,905	7,920,587	8,421,070	8,548,804	8,593,650
Business	3,099,214	2,952,728	3,454,350	3,217,208	3,616,165
Operation & Maintenance of Facilities	15,055,719	14,535,924	13,914,385	13,822,822	14,671,033
Student Transportation	13,523,815	13,152,985	13,540,170	12,670,292	14,139,254
Food Services	1,200	806	1,400	433	1,200
Community Services	853,285	853,285	785,000	780,400	815,000
Capital Outlay	2,546,614	1,026,155	1,985,499	1,021,880	1,830,771
Reserves			2,311,960		2,248,556
Debt Service:	76,930	76,924	76,930	76,924	76,930
Principal Retirement					
Interest & Fiscal Charges					
Total Expenditures	133,372,358	129,742,041	142,234,307	137,734,264	145,100,934
Excess (Deficiency) of Revenues over Expenditures	(744,823)	3,285,281	(2,235,438)	4,399,997	(2,022,532)
Total Other Financing Sources (Uses)	(4,420,000)	(4,507,036)	(4,357,630)	(4,141,627)	(3,870,000)
Net change in Fund Balance	(5,164,823)	(1,221,755)	(6,593,068)	258,370	(5,892,532)
Fund Balance at July 1	5,164,823	8,090,756	6,593,068	6,869,001	7,127,371
Fund Balance at June 30	0	6,869,001	0	7,127,371	

Source: Berkeley County Board of Education

Insurance Coverage (Source: Berkeley County Board of Education)

1. Type		Amount in Force (FY 2010)
Fire, extended coverage/buildings & personal property		$309,097,880
Public official position bond:	Superintendent	$ 10,000
	Board President	$ 10,000
	Treasurer	$ 600,000
Blanket Bond		$- - - - - - - - -
Fidelity Honesty Bond (all employees)		$ 1,000,000
Money & Securities (all employees)		$ 1,000,000
Deductible - $2,500 per occurrence		

Liability Insurance: The Board is insured for the coverage indicated below under a general liability policy and an automobile policy issued to the State of West Virginia by National Union Fire Insurance Co. of Pittsburgh, Pennsylvania. The Board is an Additional Insured under the policies for a coverage period July 1, 2009 to July 1, 2010. The Board is insured for the following coverages:

Comprehensive general liability insurance
Personal injury liability insurance
Professional liability insurance
Stop gap liability insurance
Wrongful act liability insurance
Comprehensive auto liability insurance
Auto physical damage insurance, including comprehensive and collision, and
Garagekeepers insurance.

2. Limits of Liability

EACH OCCURRENCE. $1,000,000 each occurrence for all coverage combined. This limit is not increased if a claim is insured under more than one coverage or if claim is made against more than one insured.

SPECIAL LIMITS. The auto physical damage limit is the actual cash value of each vehicle subject to a deductible of $1,000.00 for private passenger vehicles or $1,000 for other vehicle types including mobile equipment.

DEFENSE COSTS. Defense costs are in addition to each occurrence limit of liability.

Source: Berkeley County Board of Education

Teachers Retirement Systems (Source: West Virginia Consolidated Public Retirement Board)

Teachers Retirement System (Defined Benefit)

The Teacher's Retirement System (TRS), established in 1941, is a multiple employer defined benefit cost sharing public employee retirement plan covering all full-time employees of the 55 county public school system, certain personnel of the 16 state-supported higher education institutions, and employees of the State Department of Education. As of July 1, 2009, there are 35,701 active members and 29,245 retirees. The plan reopened for new members as of July 1, 2005.

Members contribute 6% of annual earnings. Employers contribute 15% or 7.5% of a member's annual earnings. A member who withdraws from service for any cause other than death, retirement or disability, may request the accumulated employee contributions plus interest be refunded. TRS provides retirement benefits, as well as death and disability benefits.

The most recent actuarial valuation of TRS was performed July 1, 2009 by Buck Consultants. The asset valuation method utilizes market value to place a value on assets. The actuarial cost method valuation utilized entry age cost with individually computed accrued liabilities, including an earnings assumption of 7.5% annually, net after expenses. As of July 1, 2009, the unfunded liability of TRS was $5.053098 billion. The funded percentage was 41.3%. The TRS unfunded accrued liability should be extinguished on or about June 30, 2034.

Teachers' Defined Contribution Retirement System

The Teachers' Defined Contribution Retirement System (TDC) is a multiple employer defined contribution retirement system covering primarily full-time employees of the State's 55 county public school systems, the State Department of Education, and School for the Deaf and Blind hired after June 30, 1991. The system includes former TRS plan members, including higher education employees, who elected to transfer into or participate in TDC. The plan closed for new members as of July 1, 2005.

As of July 1, 2008, there were approximately 5,155 members in the TDC. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. Members may choose from thirteen (13) separate investment options.

Employees contribute 4.5% of their gross compensation and employers contribute 7.5% of covered members' gross compensation from amounts allocated to the employers through the State School Aid formula. Employer contribution for each employee (and interest allocated to the employee's account) become partially vested after six (6) years and fully vested after twelve (12) years of complete service. Employer contributions and earnings thereon forfeited by employees who leave employment prior to becoming fully vested are available, in the event the employee does not return to active participant status within five (5) years, to reduce the employer's current-period contribution requirement. Benefits depend solely on the amounts contributed plus net investment earnings thereon.

TDC Transfer to TRS

In 2008, the West Virginia Legislature enacted legislation authorizing members of the TDC to elect to voluntarily transfer to TRS. For the transfer to occur the legislation required that at least 65% of members of TDC as of December 31, 2007 to elect the transfer. Over 78% of actively contributing TDC members elected to transfer to TRS. Approximately 15,152 TDC members were transferred to TRS on July 1, 2008.

TAX MATTERS

In the opinion of Bond Counsel, (a) under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations upon the conditions and subject to the limitations set forth in this section, and (b) under existing West Virginia Law, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

Original Issue Premium

"Acquisition Premium" is the excess of the cost of a Bond over the stated redemption price of such Bond at maturity or, for Bonds that have one or more earlier call dates, the amount payable at the next earliest call date. The Bonds that mature 2011 through and including 2020 and 2024 (collectively, the "Premium Bonds") are being initially offered and sold to the public at an Acquisition Premium. For Federal income tax purposes, the amount of Acquisition Premium on each Premium Bond the interest on which is excludible from gross income for federal income tax purposes ("tax-exempt bonds") must be amortized and will reduce the Bondholder's adjusted basis in that Bond. However, no amount of amortized Acquisition Premium on tax-exempt Bonds may be deducted in determining Bondholder's taxable income for Federal income tax purposes. The amount of any Acquisition Premium paid on the Premium Bonds that must be amortized during any period will be based on the "constant yield" method, using the original Bondholder's basis in such Bonds and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis.

Holders of any Bonds, including any Premium Bonds, purchased at an Acquisition Premium should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.

Original Issue Discount

The Bonds maturing 2021 through and including 2023 and 2025 (the "Discount Bonds") are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at maturity thereon. OID is the excess of the stated redemption price of a Bond at maturity (the face amount) over the "issue price" of such Bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of Bonds of the same maturity are sold pursuant to that initial offering. For Federal income tax purposes, OID on each Bond will accrue over the term of the bond, and for the Discount Bonds, the amount of accretion will be based on a single rate of interest, compounded semiannually (the "yield to maturity"). The amount of OID that accrues during each semi-annual period will do so ratably over that period on a daily basis. With respect to an initial purchaser of a Discount Bond at its issue price, the portion of OID that accrues during the period that such purchaser owns the Discount Bond is added to such purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond and thus, in practical effect, is treated as stated interest, which is excludable from gross income for federal income tax purposes.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Board has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective purchasers of the Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Board, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and unless separately engaged, Bond Counsel is not obligated to defend the Board or the beneficial owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Board and its counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Board or the beneficial owners to incur significant expense.

LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM

The School District may be affected by litigation pending in the courts of the State of West Virginia with potential impact on local taxes for school purposes similar to the litigation which has continued in certain states, such as Serrano v. Priest in California, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes.

On May 11, 1982 in the matter entitled Pauley v. Bailey, a special judge of the Circuit Court for Kanawha County held that the West Virginia school finance system violates the West Virginia Constitution and that inequities in the levels of funding for various counties were attributable to undue reliance on excess levies which favored property-rich counties. By order of March 4, 1983, a master plan prepared by the State Board of Education and State Superintendent of Schools was filed as part of the record in the case. The court expressed its intention that the master plan be viewed as a proposal to the State Legislature for implementing, by statute, a constitutional system of financing public education. No legislation resolving the question was adopted during the 1984 legislative session, and on January 8, 1985, the plaintiffs moved the court to address the excess levy problem. On December 3, 1985, the court ordered that if the legislature did not, by July 1, 1987, replace or equalize excess levy revenues by one of the methods enumerated in such order, the court would direct a more equitable distribution. The legislature then adopted a constitutional amendment authorizing a statewide excess levy. The proposed amendment was to be submitted to the voters in a special election to be held March 5, 1988. The court entered a supplemental order on June 29, 1987, providing that if the statewide excess levy was not approved by the voters, a sum equal to 20% of each county's excess levy revenues in fiscal year 1988-89 (to be increased by an additional 20% in each of the next four fiscal years) would be withheld and distributed "on an equitable basis described by the court." The statewide excess levy amendment was defeated at the special election and the supplemental order became operative. However, on April 8, 1988, the state tax commissioner, the auditor and 33 county boards of education petitioned the Supreme Court of Appeals of West Virginia for a writ of prohibition to bar enforcement of the supplemental order. On November 23, 1988 in State ex rel. the Boards of Education of the Counties of Upshur et al, the Supreme Court of Appeals issued the writ of prohibition, and noting that the court below had plainly exceeded its legitimate powers by the entry of an unconstitutional order, found the existing excess levy provision not violative of the State Constitution. The Supreme Court of Appeals suggested therein that it would be appropriate for the lower court to consider whether a statewide reappraisal should be ordered to be implemented to remedy the school financing problem.

In May of 1995 a Motion to join the President of the State Senate and the Speaker of the State House of Delegates as defendants in Pauley was granted by the Circuit Court. The Circuit Court later reconsidered this Motion and the President of the State Senate and the Speaker of the House of Delegates are no longer defendants. Additionally, with the motion to join defendants, the plaintiffs moved the Circuit Court for an order enforcing the judgment previously entered including establishment of a timetable for implementation of the Master Plan for Public Education and a timetable for implementation of changes to the system of financing public education in West Virginia. A trial was scheduled for July 3, 2000. However, prior to going to trial, the parties reached a settlement with regard to a number of the issues.

Finally, on January 3, 2003, Pauley was dismissed and dropped from the active docket of the court. The court stated in its Memorandum of Opinion and final Order the following:

1. The plaintiff class's request to compel the West Virginia Legislature to remove the net enrollment caps in Steps 1 and 2 of the Foundation Allowance to provide additional professional and service personnel of the county as embraced within West Virginia Code §18-9A-1, et seq., and the use of a density mileage factor within the Foundation Allowance is hereby DENIED.
2. The decision of the honorable Dan C. Robinson that the School Financing Formula as embraced within West Virginia Code §18-9A-1, et seq., was constitutionally deficient is hereby vacated and held for naught; and
3. West Virginia Code §18-2E-5 is specifically found to satisfy the requirements of W.Va. Const. Art. XII §1 to the extent that the Legislature has provided, by public law, for a thorough and efficient system of free schools.
4. There being no further need to maintain continuing jurisdiction in this matter, this case shall be dismissed and dropped from the active docket of this Court, to all of which action all parties' objection is hereby preserved.

On December 28, 1990, a class action was filed against the State Superintendent of Schools, the West Virginia Board of Education and the School Building Authority of West Virginia in the United States District Court for the Southern District of West Virginia by a group of plaintiffs alleging improper action by defendants in following a policy of approval of segregated outbuildings for special education students and expenditures therefor. (Harris et. al. v. Marockie, et. al.). The action also alleged that defendants have discriminated against the plaintiff class by failure to protect them from improper behavioral control procedures by County Boards of Education, failure to monitor or enforce educational standards and failure to provide adequately trained instructors.

Plaintiffs requested relief in the form of various declaratory and injunctive measures to remedy the alleged improprieties, including submission of a plan to alleviate alleged constitutional and legal deficiencies in special education in the State. No monetary damages were stated in the complaint. On July 10, 1991 a Settlement Agreement was approved by the District Court. The Settlement Agreement, as approved by the District Court, provided inter alia that the State School Building Authority would, in the application process and before disbursement of monies to local boards of education, obtain sufficient information to assure that no projects approved or funded would permit segregated outbuildings, segregated schools or inappropriately located self-contained classrooms in regular buildings in which classrooms are not contiguous to or in proximity with classrooms of age-appropriate, non-handicapped children or that permits a county to continue the existence of such an outbuilding, school or classroom.

In the opinion of Bond Counsel, the final resolution of the Pauley and Harris decisions by the courts of the State will not affect the validity or binding obligation, nature of the Bonds or modify the right of the holders thereof to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within the School District for the payment of the Bonds if not paid from other sources.

LITIGATION

In the ordinary conduct of its affairs, the Board is party to litigation pending in the courts of the State. The Board engages counsel to represent the Board on various matters. The Secretary of the Board has reviewed the current status of all pending and threatened litigation with such counsel, and expresses the opinion of the Board that while the outcome of litigation cannot be predicted, it is nevertheless not probable that Board liability in any such matters is likely to have a material adverse affect on the financial condition of the Board.

At the time of payment for and delivery of the Bonds, the purchasers will be furnished with a certificate of the Secretary of the Board that there is no litigation pending or threatened affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the levy or collection of any taxes to pay the principal of or interest on the Bonds. Such certificate shall also state that there is no litigation pending or threatened against the Board which materially adversely affects the financial condition of the Board.

CONTINUING DISCLOSURE

The Board has covenanted for the benefit of the Owners of the Series 2010 Bonds, to provide, in accordance with the Continuing Disclosure Agreement, which shall be delivered in substantially the form attached hereto as Exhibit G. Certain financial information not later than two hundred seventy (270) days following the end of the Board's fiscal year, commencing with the report for the fiscal year ending June 30, 2010 (which is due no later than March 31, 2011), and to provide notice of the occurrence of the enumerated events listed herein, if material. The Annual Information and each notice of material events will be filed electronically by United Bank, Inc, Charleston, WV, as dissemination agent, on behalf of the Board with the Electronic Municipal Markets Access system ("EMMA").

This continuing disclosure obligation is being undertaken to comply with Rule 15c2-12 (the "Rule") promulgated by the Securities Exchange Commission. The Board, has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any such failure will not constitute a default under the terms of the Series 2010 Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. SEE "APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT."

The Board failed to comply with the Rule in filing annual financial information for Fiscal Year 2005 and has since filed such information on January 13, 2010.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel, whose approving legal opinion will be delivered with such Bonds.

SALE AT COMPETITIVE BIDDING

The Bonds were offered by the Board at competitive bidding on February 3, 2010 in accordance with the Official Notice of Sale.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated (the Underwriter) has agreed to purchase the bonds at an aggregate purchase price of $52,862,011.17 (includes premium of $1,362,011.17 and no accrued interest), pursuant to a proposal submitted on February 3, 2010 in connection with the Issuer's Official Notice of Sale of the Bonds, dated January 19, 2010. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing such Bonds into investment trusts) and others at prices lower than the public offering price on the cover page hereof. The Underwriter will purchase all the Bonds if any are purchased. The Underwriter expects to make a bona fide public offering of the Bonds at the prices set forth on the cover page hereto. However, such public offering prices may be changed after the initial offering by the Underwriter.

RATING

Standard & Poor's Corporation, 55 Waters Street, New York, New York, 10041, has assigned the Bonds its rating of 'AA'. This is based on the Board's eligibility and participation in the State of West Virginia's Municipal Bond Program. The Board did not apply for any other ratings. Such rating reflects only the views of such organization and reference is made to such organization for the meaning of such rating. There is no assurance that such rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by the assigning rating agency, if in the judgment of such rating agency, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect upon the market price or value of the Bonds.

FINANCIAL ADVISOR

Raymond James & Associates, Inc., Charleston, West Virginia, Financial Advisor to the Board, or its directors or employees, may hold, own or dispose of bonds, including the Bonds, issued by the Board. Raymond James & Associates, Inc., may wish to bid alone or as a member of a syndicate for the purchase of the bonds.

CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the $51,500,000 in aggregate principal amount of The Board of Education of the County of Berkeley Public School Bonds, Series 2010. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Berkeley by Raymond James & Associates, Inc. in its capacity as Financial Advisor.

All statements, estimates, assumptions and summaries of documents in this Official Statement have been made on the basis of the best information available and are believed to be correct and reliable, but no representations whatsoever are made that such statements, estimates, assumptions and summaries of documents are correct or will be realized.

So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are set forth as such and not as representation of fact. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of any of the Bonds.

THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY

By: Dr. William F. Queen
President

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APPENDIX A

Audit Report of
Berkeley County Board of Education for the
Fiscal Year Ended June 30, 2009

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Independent Auditors' Report

and Related Financial Statements

For the Year Ended June 30, 2009

BERKELEY COUNTY BOARD OF EDUCATION

Martinsburg, West Virginia

Teed & Associates, PLLC
3624 MacCorkle Avenue SE
Charleston, West Virginia 25304
304-925-8752

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

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BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Required Supplementary Information

Management's Discussion and Analysis

June 30, 2009

Our discussion and analysis of the Berkeley County Board of Education's financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2009. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

- The Board's net assets exceeded liabilities by $108,710,049 at the close of the most recent fiscal year.
- The Board's total net assets increased by $564,560. This increase is primarily attributable to the reduction of long term debt. However, other factors were involved in the increase.
- As of the close of the current fiscal year, the Board governmental funds reported combined ending fund balances of $11,778,026, a decrease of $75,059 in comparison with the prior year. Approximately $5.9 million of this total amount is available for spending at the Board's discretion, although $1,650,000 of this total is designated for specific uses.
- At the end of the current fiscal year, unreserved fund balance for the general fund was $5,892,632, or 4.2 percent of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements comprise three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements - The district-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Board's assets and liabilities, with the difference between the two reported as net assets. Over time,

increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing or related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The district-wide financial statements can be found on pages 5-6 of this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. - Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Board maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, the debt service fund, the bond construction fund, and the capital projects fund, all of which are considered major funds.

Fiduciary funds. - Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the Board cannot use these funds to finance its operations.

The Board uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 11 of this report.

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 13 to 36 of this report.

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets exceeded liabilities by $108,710,049 at the close of the most recent fiscal year.

	2009 Governmental Activities	2008 Governmental Activities
ASSETS		
Cash and other current assets	$ 34,198,934	$ 31,714,795
Capital assets, net	116,293,151	116,349,895
Total assets	150,492,085	148,064,690
LIABILITIES		
Current and other liabilities	22,497,416	17,347,657
Noncurrent liabilities:		
Long-term liabilities outstanding	19,284,620	22,571,544
Total liabilities	41,782,036	39,919,201
NET ASSETS		
Invested in capital assets, net of related debt	96,811,196	93,778,351
Restricted	3,597,044	4,114,800
Unrestricted	8,301,809	10,252,338
Total net assets	108,710,049	108,145,489
Total liabilities and net assets	$ 150,492,085	$ 148,064,690

- The largest portion of the Board's net assets, (89%) reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, vehicles), less any related debt used to acquire those assets that is still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

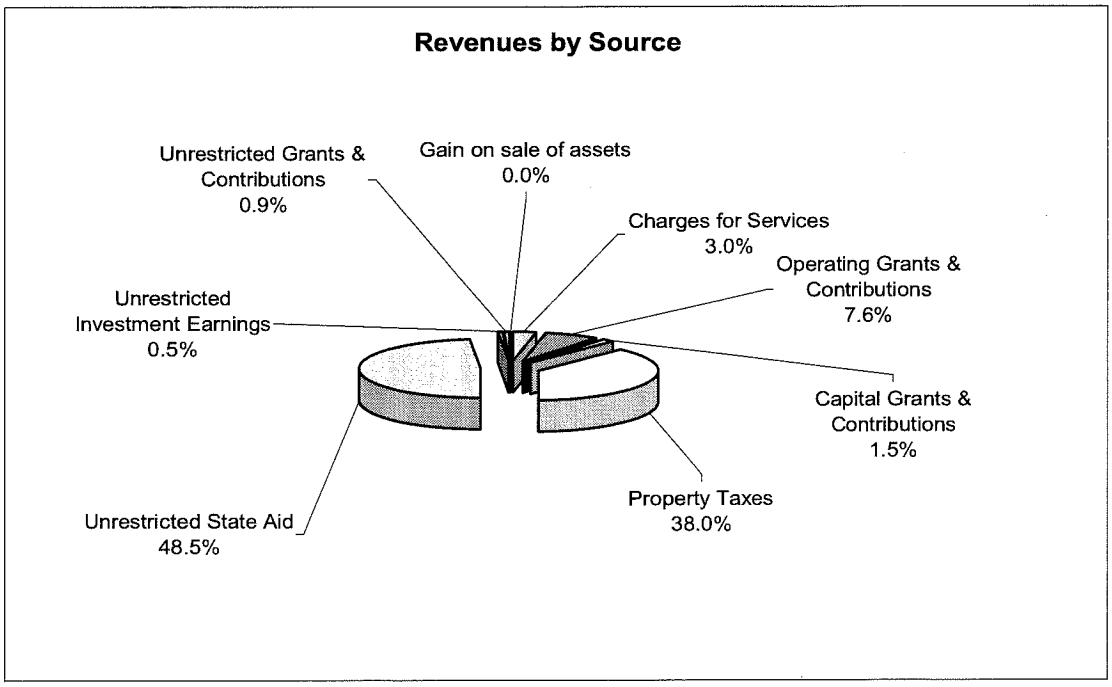
- An additional portion of the Board's net assets (3%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for repayment of debt.

Restricted net assets decreased by $518 thousand during the year ended June 30, 2009. This decrease resulted primarily from reducing the funds obligated for building purposes.

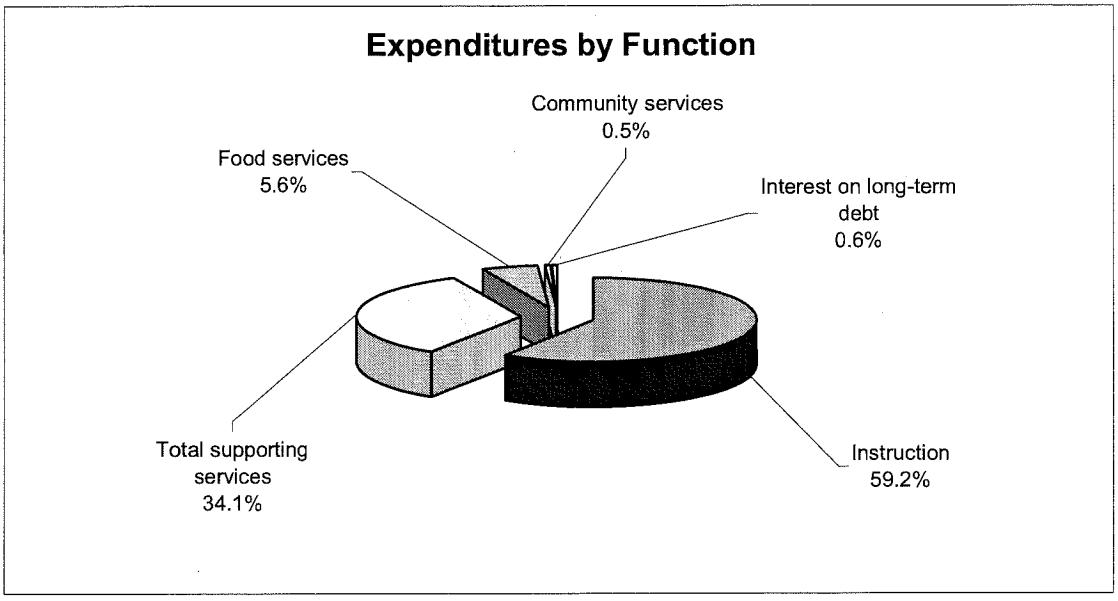
The Board's net assets increased by $564 thousand during the current year. The following discussion and analysis on governmental activities focuses on this increase:

	2009 Governmental Activities	2008 Governmental Activities
Revenues:		
Program revenues		
Charges for services	$ 5,079,598	$ 4,952,914
Operating grants and contributions	13,005,934	13,905,405
Capital grants and contributions	2,598,624	2,203,315
General revenues		
Property taxes	64,854,210	60,049,232
Unrestricted state aid	82,748,974	75,056,300
Unrestricted investment earnings	775,262	1,310,684
Unrestricted grants and contributions	1,555,435	177,996
Gain on sale of assets	53,263	-
Total revenues	170,671,300	157,655,846
Expenses:		
Instruction	98,546,216	88,632,748
Supporting services:		
Students	6,347,963	5,720,042
Instructional staff	6,158,188	5,383,905
District administration	2,424,175	2,257,064
School administration	8,905,177	8,056,985
Business services	3,275,039	2,983,360
Operation and Maintenance	14,413,748	15,054,580
Transportation	15,209,601	13,250,522
Total supporting services	56,733,891	52,706,458
Food services	9,329,232	8,824,682
Community services	780,400	853,285
Interest on long-term debt	966,090	1,066,810
Total expenses	166,355,829	152,083,983
Change in net assets	4,315,471	5,571,863
Beginning net assets, as restated	104,394,578	102,573,626
Ending net assets	$ 108,710,049	$ 108,145,489

The following chart shows the Board's revenues for fiscal year ended June 30, 2009, by source:



The following chart shows the Board's expenditures for fiscal year ended June 30, 2009, by function:



Property tax increased $6.2 million. State revenues increased by $8.4 million and federal revenues increased by $688 thousand from the prior year. The following is a comparison of revenue sources:

	2009 Governmental Activities	2008 Governmental Activities
Revenues:		
Property taxes	$ 64,794,913	$ 58,530,092
Other Local sources	4,117,518	4,857,965
State sources	87,376,379	78,940,717
Federal sources	14,323,193	13,635,122
Total revenues	$ 170,612,003	$ 155,963,896

Financial Analysis of the Board's Funds

As noted earlier, the School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the Board completed the year, its governmental funds reported a combined fund balance of $ 11.8 million.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the Board's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the Board's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. The $1.65 million fund balance of the general fund is primarily designated for the following purpose:

- Capital improvements in the near future, including purchase of land for future school building sites.

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of $2.6 million or 1.8% in total general fund expenditures. The most significant difference may be summarized as follows:

Budgeting of prior year (2008) balances.

Capital Asset and Debt Administration

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2009, amounts to $116.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and vehicles.

Major capital asset events during the current fiscal year included the following:

Land	$ 8,494,517
Contruction in process	688,790
Buildings and improvements	98,948,443
Furniture and equipment	1,198,960
Vehicles	6,962,441
Total capital assets	$ 116,293,151

Additional information on the Board's capital assets can be found in Note 7 to the basic financial statements.

Long-term debt. At the end of the current fiscal year, the Board had total bonded debt outstanding of $18.9 million and capital lease obligations of $384,620. The obligation for compensated absences for vacations was $197,335 at June 30, 2009.

General obligation bonds	$ 18,900,000
Capital lease obligations	384,620
Compensated absences	197,335
Total debt outstanding	$ 19,481,955

Additional information on the Board's long-term debt can be found in Note 8 to the basic financial statements.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board Office, 401 S. Queen Street, Martinsburg, WV 25401.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Board Officials

For the Year Ended June 30, 2009

Office	Elective	Term
Board Members	Todd M. Beckwith	07/01/06 – 06/30/10
	Patrick H. Murphy	07/01/06 – 06/30/10
	William H. Norris	07/01/08 – 06/30/12
	Richard A. Pill	07/01/06 – 06/30/10
	Dr. William F. Queen	07/01/08 – 06/30/12

Office	Appointive	Term
Board President	Dr. William F. Queen	07/01/08 – 06/30/10
Treasurer	Kenneth Marstiller	

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Schedule of Funds

For the Year Ended June 30, 2009

GOVERNMENTAL FUND TYPES

General Current Expense Fund

Special Revenue Fund

Debt Service Fund

Capital Projects Fund

Agency Funds

Teed & Associates, PLLC

Certified Public Accountants

Established 1992

Member American Institute of Certified Public Accountants
Member West Virginia Society of Certified Public Accountants
Member Tennessee Society of Certified Public Accountants

James L. Teed, CPA
Rick Barnett, CPA
Stephen P. Glaser, CPA, MBA
Roy A. Smith, CPA
Richard A. Tully, CPA

Independent Auditors' Report

The Honorable Members of the
Berkeley County Board of Education, West Virginia
Martinsburg, West Virginia

We have audited the accompanying financial statements of the governmental activities, and each major fund, of the Berkeley County Board of Education, West Virginia (the Board), as of and for the year ended June 30, 2009, which collectively comprise the Board's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Berkeley County Board of Education as of June 30, 2009, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis information is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 10, 2009, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Budgetary Comparison Schedules on pages 38 to 41 are not a required part of the basic financial statements, but supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Board taken as a whole. The accompanying schedule of expenditures of federal awards on page 43 are presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Teel & Associates, PLLC

Charleston, West Virginia
December 10, 2009

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Statement of Net Assets

June 30, 2009

	Governmental Activities
ASSETS:	
Cash and cash equivalents	$ 24,079,008
Investments	4,967,488
Taxes receivable, net of allowance for uncollectible taxes	801,808
Food service receivable	447,122
Other receivables	59,360
Due from other governments:	
State aid receivable	
PEIA allocation receivable	1,943,024
Reimbursements receivable	1,901,124
Capital assets not being depreciated	8,494,517
Capital assets depreciable, net	107,798,634
Total assets	150,492,085
LIABILITIES:	
Salaries payable and related payroll liabilities	15,484,576
PEIA premiums payable	2,596,691
Compensated absences	197,335
Accounts payable	1,223,825
Other post employment benefit liability	2,314,880
Deferred revenue	680,109
Noncurrent liabilities:	
Due within one year	3,431,924
Due in more than one year	15,852,696
Total liabilities	41,782,036
NET ASSETS:	
Invested in capital assets, net of related debt service	96,811,196
Restricted for debt service	3,257,417
Restricted for special projects	63,281
Restricted for captial projects	276,346
Unrestricted	8,301,809
Total net assets	$ 108,710,049

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Statement of Activities

For the Year Ended June 30, 2009

		Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets Governmental Activities
Functions / Programs:					
Governmental activities:					
Instruction	$ 98,546,216	$ 130,048	$ 6,194,639	$ 583,574	$ (91,637,955)
Support services:					
Students	6,347,963	2,814,948	817,097	-	(2,715,918)
Instructional staff	6,158,188	-	1,097,975	-	(5,060,213)
District administration	2,424,175	-	262,241	62,525	(2,099,409)
School administration	8,905,177	-	-	20,840	(8,884,337)
Business services	3,275,039	-	3,000	100,043	(3,171,996)
Operation and maintenance of facilities	14,413,748	52,817	751,359	66,695	(13,542,877)
Student transportation	15,209,601	98,090	14,425	1,764,947	(13,332,139)
Food services	9,329,232	1,983,695	3,865,198	-	(3,480,339)
Community services	780,400	-	-	-	(780,400)
Interest on long-term debt	966,090	-	-	-	(966,090)
Total governmental activities	$ 166,355,829	$ 5,079,598	$ 13,005,934	$ 2,598,624	(145,671,673)

General revenues:	
Property taxes	64,854,210
Unrestricted state aid	82,748,974
Unrestricted investment earnings	775,262
Unrestricted grants and contributions	1,555,435
Gain on sale of assets	53,263
Total general revenues	149,987,144
Changes in net assets	4,315,471
Net assets at beginning of year, as restated	104,394,578
Net assets at end of year	$ 108,710,049

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Balance Sheet – Governmental Funds

For the Year Ended June 30, 2009

	General Current Expense	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Government
ASSETS:					
Cash and cash equivalents	$ 20,933,294	$ 1,435,256	$ -	$ 1,710,458	$ 24,079,008
Investments	745,116	-	4,222,372	-	4,967,488
Taxes receivable, net	742,511	-	59,297	-	801,808
Food service receivable, net	-	447,122	-	-	447,122
Other receivables	59,360	-	-		59,360
Due from other governments:					
State aid receivable	-	-	-	-	-
PEIA allocation receivable	1,943,024	-	-	-	1,943,024
Reimbursement receivable	1,313,146	362,332	-	225,646	1,901,124
Total assets	$ 25,736,451	$ 2,244,710	$ 4,281,669	$ 1,936,104	$ 34,198,934
LIABILITIES:					
Salaries payable and related payroll liabilities	$ 14,028,236	$ 1,456,340	$ -	$ -	$ 15,484,576
OPEB Payable	2,314,880	-	-	-	2,314,880
PEIA premiums payable	2,298,044	298,647	-	-	2,596,691
Accounts payable	802,659	84,803	-	336,363	1,223,825
Deferred revenue	400,000	341,639	59,297	-	800,936
Total liabilities	19,843,819	2,181,429	59,297	336,363	22,420,908
FUND BALANCES:					
Reserved for					
Encumbrances	1,324,053	156,373	-	2,071,638	3,552,064
Debt service	-	-	3,257,417	-	3,257,417
Capital Projects	-	-	-	276,346	276,346
Unreserved					
Designated	1,650,000	-	-	-	1,650,000
Undesignated	2,918,579	(93,092)	964,955	(748,243)	3,042,199
Total fund balances	$ 5,892,632	$ 63,281	$ 4,222,372	$ 1,599,741	$ 11,778,026

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Reconciliation of Balance Sheet Fund Balances of Governmental Funds to Statement of Net Assets

June 30, 2009

Total governmental fund balances	$ 11,778,026
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	116,293,151
Property taxes receivable and food service billings receivable will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the funds	120,825
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable, due within one year	(3,355,000)
Bonds payable, due beyond one year	(15,545,000)
Capital leases payable	(384,620)
Compensated absences	(197,335)
Net assets of governmental activities	$ 108,710,049

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Year Ended June 30, 2009

	General Current Expense	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Government
REVENUES:					
Property taxes	$ 60,328,916	$ -	$ 4,465,997	$ -	$ 64,794,913
Other local sources	1,710,098	2,347,415	60,005	-	4,117,518
State sources	80,796,371	4,898,306	-	1,681,702	87,376,379
Federal sources	2,909,348	11,413,845	-	-	14,323,193
Total revenues	145,744,733	18,659,566	4,526,002	1,681,702	170,612,003
EXPENDITURES:					
Instruction	88,468,059	7,831,524	-	-	96,299,583
Support services:					
Students	5,493,192	854,771	-	-	6,347,963
Instructional staff	4,406,280	1,747,828	-	-	6,154,108
Central administration	1,915,969	262,241	-	-	2,178,210
School administration	8,796,482	15,732	-	-	8,812,214
Business	3,267,754	3,205	-	-	3,270,959
Operation and maintenance of facilities	14,036,200	146,350	-	-	14,182,550
Student transportation	13,081,163	1,826,174	-	-	14,907,337
Food services	433	9,286,181	-	-	9,286,614
Community services	780,400	-	-	-	780,400
Capital outlay	1,021,880	-	-	2,111,898	3,133,778
Debt service:					
Principal retirement	76,924	-	3,210,000	-	3,286,924
Interest and fiscal charges	-	-	966,090	-	966,090
Total expenditures	141,344,736	21,974,006	4,176,090	2,111,898	169,606,730
Excess (deficiency) of revenues over (under) expenditures	4,399,997	(3,314,440)	349,912	(430,196)	1,005,273
Other financing sources (uses):					
Transfers in	91,003	3,545,570	-	807,631	4,444,204
Trandfers (out)	(4,232,630)	(211,574)	-	-	(4,444,204)
Total other financing sources	(4,141,627)	3,333,996	-	807,631	-
Change in fund balance	258,370	19,556	349,912	377,435	1,005,273
Fund balances at beginning of year as restated	5,634,262	43,725	3,872,460	1,222,306	10,772,753
Fund balances at end of year	$ 5,892,632	$ 63,281	$ 4,222,372	$ 1,599,741	$ 11,778,026

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2009

Net changes in fund balances -- total governmental funds	$ 1,005,273
Capital assets are expensed in the governmental funds	4,444,523
The net effect of revenues in the statement of activities that do not provide current financial financial resources are not reported as revenues in the finds	120,827
Long-term debt principal payments are included in the governmental funds as expense	3,286,924
Cost of assets disposed	(1,426,166)
Accumulated depreciation of assets disposed	708,371
Accrued vacation payable (change from prior year)	(40,809)
Depreciation expense not included in governmental funds	(3,783,472)
Change in net assets of governmental activities	$ 4,315,471

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Statement of Fiduciary Net Assets – Agency Funds -- Unaudited

For the Year Ended June 30, 2009

	School Activity Funds	RESA VIII General Fund	Multi-County Vocational Center
ASSETS:			
Cash and cash equivalents	$ 2,200,315	$ 1,077,587	$ 563,973
Receivables	-	394,347	102,411
Total assets	$ 2,200,315	$ 1,471,934	$ 666,384
LIABILITIES:			
Accounts payable and accrued liabilities	$ -	$ 1,052,695	$ 556,213
Due to other funds	2,200,315	419,239	110,171
Total liabilities	$ 2,200,315	$ 1,471,934	$ 666,384

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Schedule of Changes in School Activity Funds -- Unaudited

For the Year Ended June 30, 2009

	Beginning Cash Balance	Revenues Received	Expenditures Paid	Ending Cash Balance
Hedgesville High School - General Fund	$ 361,400	$ 551,178	$ 546,576	$ 366,001
Martinsburg High School - General Fund	160,417	730,272	753,018	137,671
Martinsburg High School - Faculty Senate Fund	1,712	24,565	25,450	827
Musselman High School - General Fund	351,262	631,157	584,491	397,928
Musselman High School - Faculty Senate Fund	6,318	20,064	17,323	9,058
Hedgesville Middle School - General Fund	62,522	206,262	191,521	77,263
Musselman Middle School - General Fund	236,791	299,120	279,910	256,000
North Middle School - General Fund	64,680	105,249	134,428	35,501
North Middle School - Faculty Senate Fund	4,598	10,660	7,783	7,474
South Middle School - General Fund	103,118	172,270	187,168	88,220
South Middle School - Faculty Senate Fund	15,309	13,568	13,753	15,123
Spring Mills Middle School - General Fund	93,362	194,940	176,627	111,675
Back Creek Valley Elementary School - General Fund	11,835	33,527	33,735	11,627
Bedington Elementary School - General Fund	21,854	111,838	113,755	19,937
Bedington Elementary School - Faculty Senate Fund	1,079	3,620	3,231	1,468
Berkeley Heights Elementary School - General Fund	55,506	130,457	134,155	51,808
Bunker Hill Elementary School - General Fund	19,205	94,101	91,296	22,011
Burke Street Elementary School - General Fund	21,210	34,086	32,286	23,009
Burke Street Elementary School - Faculty Senate Fund	1,208	2,216	2,434	990
Eagle School Intermediate School - General Fund	13,710	123,270	119,178	17,802
Gerrardstown Elementary School - General Fund	26,139	46,261	46,618	25,782
Hedgesville Elementary School - General Fund	31,665	110,454	115,030	27,089
Inwood Primary School - General Fund	11,084	35,078	38,788	7,374
Inwood Primary School - Faculty Senate Fund	4,796	2,200	4,834	2,162
Marlowe Elementary School - General Fund	44,973	95,702	96,337	44,339
Marlowe Elementary School - Faculty Senate Fund	192	5,201	3,984	1,409
Mill Creek Intermediate School - General Fund	49,752	98,083	79,144	68,691
Mill Creek Intermediate School - Faculty Senate Fund	4,945	6,414	7,215	4,144
Mountain Ridge Intermediate School - General Fund	11,734	106,031	104,106	13,659
Opequon Elementary School - General Fund	49,359	115,277	100,487	64,149
Orchard View Intermediate School - General Fund	37,314	93,200	95,559	34,956
Potomack Intermediate School - General Fund	14,697	147,398	124,166	37,929
Potomack Intermediate School - Faculty Senate Fund	2,639	7,401	8,375	1,665
Rosemont Elementary School - General Fund	42,560	88,595	66,526	64,629
Rosemont Elementary School - Faculty Senate Fund	3,228	6,000	5,424	3,804
Tomahawk Elementary School - General Fund	20,195	161,927	136,128	45,994
Tuscarora Elementary School - General Fund	28,163	79,720	64,901	42,982
Tuscarora Elementary School - Faculty Senate Fund	3,084	5,800	2,930	5,954
Valley View Elementary School - General Fund	13,568	85,549	78,065	21,052
Valley View Elementary School - Faculty Senate Fund	3,073	8,008	8,017	3,064
Winchester Avenue Elementary School - General Fund	19,220	57,797	50,300	26,716
Winchester Avenue Elementary School - Faculty Senate Fund	1,066	4,600	4,291	1,375
Total	$ 2,030,541	$ 4,859,117	$ 4,689,343	$ 2,200,315

The notes to the financial statements are an integral part of this statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

The Berkeley County Board of Education, West Virginia (Board) is a corporation created under the authority of West Virginia Code Section 18-5-1 et. seq. and is composed of five members nominated and elected by the voters of the County for four-year terms. The Board is responsible for the supervision and control of the County school district and has authority, subject to State statutes and the rules and regulations of the State Board, to control and manage all of the pubic schools and school interests in the County.

GASB Statement 14 establishes the criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. Under provisions of this statement, the School Board is considered to be a primary government, since it is a separate legal entity, has its own elected governing body, and is fiscally independent of other local governments. The School Board has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected board members are financially accountable

B. District-wide and fund financial statements

The ***district-wide financial statements*** (the statement of net assets and the statement of activities) display information about the School Board as a whole. These statements include the financial activities of the overall government, except for fiduciary fund activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the school district's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function.

Depreciation expenses for capital assets that can be specifically identified with a function are included in its direct expenses. Depreciation expense for "shared"

capital assets (such as a school building that may be used for instructional services, student and instructional staff support services, school administration, and child nutrition services) is distributed proportionally among the various functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, restricted state aid, tuition, and other fees and charges paid by students. Revenues that are not program revenues are classified as general revenue. Revenues that are general revenue are property taxes, unrestricted state aid, unrestricted investment earnings, gain on sale of capital assets, and federal and state grants not restricted to a specific purpose.

The ***fund financial statements*** provide information about the individual funds maintained by the School Board. All funds maintained by the school district are considered major funds for reporting purposes and are discretely presented in the accompanying financial statements.

The funds maintained by the Board are:

General Current Expense Fund: The General Current Expense Fund is the operating fund of the Board and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Current Expense Fund.

Special Revenue Fund: The Special Revenue Fund is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditure for specific purposes.

Debt Service Fund: The Debt Service Fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on general obligation bonds issued by the Board for the acquisition of capital assets.

Capital Projects Funds: Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by the Board. These funds can include: a bond construction fund, used to account for the proceeds from the issuance of general obligation bonds; a permanent improvement fund established under the authority of West Virginia Code 18-9B-14 to account for the proceeds of resources used for the support of various building and permanent improvement projects; and one or more capital projects funds used to account for the resources used in the construction of a specific capital facility.

Agency Funds: Agency funds are used to account for assets that the Board holds for others in an agency capacity. These include: Regional education service agencies (RESA's) and multi-county vocational centers (MCVC's) for the purpose of providing high quality, cost effective educational programs and to provide vocational training, respectively, in which the county board of education serves as the fiscal agent; school activity funds to account for the assets of the individual schools of the district, the student clubs, and school support organizations; and may include a scholarship fund to account for contributions and donations made to the school district by a benefactor for the purpose of providing scholarships for graduates of the school district.

C. Measurement Focus and Basis of Accounting

The ***district-wide statements*** (Statement of Net Assets and the Statement of Activities) were prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows are received. Revenues and expenses resulting from exchange and exchange-like transactions are recognized when the exchange takes place; revenues and expenses resulting from non-exchange transactions, such as property taxes, federal and state grants, and state aid to schools, and donations, are recognized in accordance with the requirements of GASB Statement 33. Property taxes are recognized in the fiscal year for which the taxes are levied; state aid to schools is recognized in the year for which the legislative appropriation is made; and grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The ***governmental fund financial statements*** were prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible during the current period or soon enough thereafter to pay liabilities of the current period. The Board considers all revenues available if they are collected within 60 days after year-end. Expenditures are generally recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing resources.

Fiduciary funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the cash basis of accounting. These funds are used to account for assets that the School Board holds for others in an agency capacity.

D. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash and Cash Equivalents and Investments

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2009, were entirely covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Board's name.

Boards of Education are authorized by statute to provide excess funds to either the State Consolidated Investment Pool or the Municipal Bond Commission for investment purposes, or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit and repurchase agreements. Funds of the Board are temporarily invested by the West Virginia Municipal Bond Commission specifically on behalf of the Board as part of the Commission's consolidated investment pool. These investments are considered cash and cash equivalents due to their liquid nature.

Cash and Investments of the Board at June 30, 2009, consisted of the following:

	Carrying Amount	Estimated Fair Value	Bank Balance
Cash and cash equivalents	$ 24,079,008	$ -	$ 24,079,008
State Investment Pool	$ 745,116	$ -	$ 745,116
Municipal Bond Commission	4,222,372	-	4,222,372
Total investments	$ 4,967,488	$ -	$ 4,967,488

Money market/sweep accounts with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the board's name. Custodian credit risk is the risk that in event of a bank failure the Board's deposits may not be returned. The Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

Interest rate risk is the risk that changes in interest rates demanded by the market will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Board manages its exposure to interest rate risk for investments is by purchasing short-term investments that are less affected by changes in market rates as compared to long-term investments.

At June 30, 2009, the Board had $4,222,372 invested with the West Virginia Municipal Bond Commission. Pool investments of the Municipal Bond Commission are held in a Government Money Market with the WV Board of Treasury Investments Consolidated Fund.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Exposure to credit risk in the Government Money Market Pool is limited to U.S. Treasury issues and U.S. government agency issues and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues.

The Board's investments in the Consolidated Fund pool and related accounts have not been rated for credit risk by any organization.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. West Virginia statutes prohibit the Consolidated Fund Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2009, the Pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The overall weighted average maturity of the investments of the Government Money Market Pool within the Consolidated Fund Pool cannot exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

F. Food Service receivables

The accounts receivable for the Food Service Program has been reduced by $307,701 for uncollectible accounts. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

G. Interfund receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a reserved fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

H. Inventories

Inventories are valued at cost or, if donated, at fair value when received. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Prepaid Items

Certain payments to vendors are costs applicable to future accounting periods are recorded as prepaid items in both government-wide, and fund financial statements.

J. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, and vehicles are reported in the district-wide financial statements. The board defines capital assets as assets with an initial cost of $5,000 or more for land, furniture, vehicles, and equipment and $100,000 for buildings and an estimated useful life in excess of two years. Purchased and constructed capital assets are reported at cost or at estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is not capitalized.

Buildings and improvements, furniture and equipment, and vehicles of the Board are depreciated using the straight-line method over the following estimated useful lives:

Assets	Straight-line Years
Buildings	50 years
Site improvement	20 to 35 years
Furniture and equipment	5 to 20 years
Vehicles	8 to 12 years

K. Compensated Absences and Special Termination Benefits

Compensated Absences

It is the Board's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick benefits can be accumulated up

to twenty and unlimited days, respectively, and five vacation days and unlimited sick days may be carried forward to the subsequent fiscal year. All vacation pay is accrued when incurred. In lieu of a cash payment at retirement, an employee can elect to use accumulated annual leave toward their postemployment health care insurance premium. Employees also earn sick leave benefits which accumulate but do not vest.

Special Termination Benefits

When separated from employment, employees' sick leave benefits are considered ended and no reimbursement is provided. However, upon retirement, an employee's accumulated annual sick leave may be converted to a greater retirement benefit or payment of the retired employee's health insurance premiums. The cost of the increased retirement option is the liability of the West Virginia Consolidated Public Retirement Board.

The payment of health insurance premiums must be absorbed by the last agency employing the retiree. Historically, the West Virginia State Legislature appropriates funds that are used by the Board to pay for its obligations for this special termination benefit. Because such appropriations are at the discretion of the Legislature and not guaranteed, the liability for sick leave convertible to health insurance premiums using the vesting method is recorded in the Board's financial statements. The liability for accrued personal leave was reported using the guidance of GASB Statement 16 for the previous year, but the State Auditor has subsequently determined that accrued personal leave should not be considered a termination benefit, therefore, this liability is not included in compensated absences in the accompanying financial statements. It will be reported as an "other postemployment benefits" expense and liability in accordance with the guidance of GASB Statement 45 when this statement is implemented for the fiscal year ended June 30, 2009.

L. Other Post Employment Benefits (OPEB):

The Governmental Accounting Standards Board (GASB) issued Statement 45 in 2004 to establish standards for the measurement, recognition, and reporting of other post employment benefits (OPEB) expenses/expenditures and related liabilities.

Other post employment benefits in West Virginia consist mainly of: Allowing employees hired prior to July 1, 2001 to convert unused annual, sick and/or personal leave to paid-up PEIA premiums, and allowing retirees to purchase PEIA health insurance at a deeply discounted premium rate.

As a result, the West Virginia Legislature passed HB 4654 in 2006 adding a new article to the State Code, WVC §5-16D-1 et seq. The article, among other things: Created the West Virginia Retiree Health Benefit Trust Fund (RHBT) for the purpose of administering retiree post-employment health care benefits; vested the responsibility for operation of the fund with the PEIA Board of Finance; required the Board of Finance to adopt actuarial assumptions and determine the annual required

contribution (ARC) rates sufficient to maintain the fund in accordance with the state plan for other post-employment benefits; required the Board to have an actuarial valuation conducted at least biannually; required the Board of Finance to set the total ARC sufficient to maintain the fund in an actuarially sound manner in accordance with generally accepted accounting principles; required the Board of Finance to bill all participating employers their share of the ARC, and; required participating employers to make annual contributions to the fund in, at least, the amount of the minimum annual employer premium payment rates established by the board.

Upon retirement, the public employees who elected to participate in the PEIA insurance plan are eligible to credit unused sick or annual leave towards insurance coverage, according to the following formulas:

Retired employees who elected to participate in the PEIA insurance plan prior to July 1, 1988: Those without dependents may credit two days of unused sick or annual leave towards one month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one month of insurance coverage.

Retired employees who elected to participate in the PEIA insurance plan between July 1, 1988 and June 30, 2001: those without dependents may credit two days of unused sick or annual leave towards one-half month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one-half month of insurance coverage.

Employees hired on or after July 1, 2001 may not apply any unused sick or annual leave towards the cost of health insurance premiums.

In the alternative to applying unused sick and annual leave to health insurance, all employees participating in the PEIA insurance plan, and who are members of the State Teachers' Defined Benefit Retirement System, may apply unused sick and annual leave towards an increase in the employee's retirement benefits with those days constituting additional credited service. The cost for the employees who elect this option is reflected as a liability of the State Teachers' Retirement System and not included as an OPEB obligation.

All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee's premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees' premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB actuarial liability.

Based on the latest actuarial evaluation of the RHBT, the annual required contribution (ARC) for the State and the boards of education for fiscal year ended June 30, 2009 was determined to be:

	Total	Amount/ Policy Holder
Total Annual Required Contribution	$ 388,166,000	$ 4,658.58
Pay as you go – Retiree Subsidy	(143,448,760)	(1,976.15)
Appropriation:		
Excess Lottery Funds	(46,600,000)	(743.97)
State General Revenue Transfer	(30,730,000)	(490.60)
State Debt Reduction Fund (Table Games)	(13,800,000)	(220.32)
Remaining ARC	$ 117,387,240	$ 1,227.54

The following summarizes the School Board's OPEB activity:

Total OPEB expense	$ 8,459,484
Less:	
State appropriation allocation	3,610,472
Pay as you go payments and other credits	3,768,871
2009 OPEB liability	$ 1,080,141
Portion attributable to personnel funded through the PSSP	$ 1,080,141

It is the opinion of the School Board that the State is constitutionally required to appropriate sufficient funds to cover the cost of the ARC for personnel funded through the Public School Support Program (PSSP), however, no additional funds have been appropriated for this purpose as of the date of this report. Furthermore, the School Board has elected, pursuant to the provisions of WVC 5-16D-6, not to remit to the RHBT any amount in excess of the minimum annual required premium payment.

M. Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance cost during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Capital lease payments are reported in the general current expense or special revenue fund.

N. Restricted Net Assets

For the district-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

O. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent that portion of fund equity committed by official Board action prior to June 30 of each year for specific purposes. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2009.

P. Elimination and Reclassifications

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Q. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

R. Restricted Resources

Restricted resources should be applied first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are presented on the modified accrual basis of accounting for all governmental funds, but do not include amounts for other post employment benefits billed by PEIA beyond the retiree subsidy amount because only the retiree subsidy amounts are required to be remitted according to WVC 5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State statute, the Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.

2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

Revisions to the budget are authorized only with the prior written approval of the State Board of Education.

B. Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances

The following funds had deficiencies in net changes in fund balances for the year ended June 30, 2009:

Fund	Amount
Special Revenue	$ 93,092
Bond Construction	$ 748,243

Grant funds are available to provide for the deficiency in both the Special Revenue Fund and the Bond Construction Fund. The deficiencies have no impact on the financial results of the Funds.

NOTE 3. CHANGE IN ACCOUNTING POLICY

The Board changed its method of accounting for the following items in order to comply with accounting principles generally accepted in the United States of America:

GASB 16 - For the fiscal year ended June 30, 2009, the Board included in compensated absences an estimated amount for accrued vacation leave using the guidance provided in GASB Statement 16. The State Auditor determined that accrued personal leave should not be considered a termination benefit; therefore the liability associated with accrued personal leave is not included as compensated absences for the fiscal year ended June 30, 2009. This liability is included as a part of other post employment benefits (OPEB).

GASB 45 – The Board implemented GASB 45 reporting requirements Accounting and Financial Reporting by employers for post employment benefits other than Pensions for the year ended June 30, 2009. In addition to pensions, many states and local governments provide other postemployment benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes postemployment healthcare, as well as other forms of post employment benefits when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

As a cost-sharing employer, the Board is required to recognize OPEB expenditures for the contractually required contributions to the plan on a modified accrual basis. Therefore, the unpaid OPEB at June 30 will be reported on the Balance Sheet as "Other post employment benefit payable.

In the prior year, the Board was billed for other postemployment benefits that were not paid. This current liability was not reported in the prior year because GASB 45 implementation was not required for the Board until June 30, 2009. An adjustment was made to the beginning fund balance and the beginning net assets to add that balance to the figures previously reported.

Restatement of net assets:

Net assets – July 1, 2008 as previously reported	$108,145,489
OPEB liability attributed to fiscal year 2008	(1,234,739)
Net assets – July 1, 2008, adjusted due to adoption Of accounting policy	$106,910,750

Restatement of fund balance:

Fund Balance General Fund July 1, 2008	$ 6,869,001
OPEB liability attributed to fiscal year 2008	(1,234,739)
Fund Balance as restated	$ 5,634,262

NOTE 4. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omission, injuries to employees, and natural disasters. The Board, pursuant to the provisions of State law, participates in the following risk management programs administered by the State.

Board of Risk and Insurance Management (BRIM): The Board participates in the West Virginia Board of Risk and Insurance Management, a common risk insurance pool for all State agencies, component units, boards of education, and other local governmental agencies who wish to participate. The Board pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage, as determined by BRIM, shall be paid by the participants. The BRIM risk pool retains the risk of the first $2 million per property event and purchases excess insurance on losses above that level. BRIM has $1 million per occurrence coverage maximum on all third party liability claims.

Public Employees' Insurance Agency : The Board provides employee health and basic life insurance benefits through Public Employees Insurance Agency (PIEA). PEIA was established by the State of West Virginia to provide a program of health and life insurance for employees of State agencies, institutions of higher learning, boards of education, and component units of the State. In addition, local governmental agencies and certain charitable and public service organizations may request to be covered. PEIA provides a general employee benefit insurance program, which includes hospital, surgical, major medical, prescription drug, and basic life and accidental death. Fund underwriting and rate setting policies are established by the PEIA Finance Board. The cost of all coverage, as determined by the PEIA Finance Board, is paid by the participants.

Coverage under these programs is limited to $1 million lifetime for health and $10,000 of life insurance coverage. Insured's may purchase up to an additional $500,000 of life insurance coverage. Premiums are established by PEIA and are paid monthly. The PEIA risk pool retains the risk for the health and prescription features of its indemnity plan, has fully transferred the risks of coverage of the Managed Care Organization Plan to the plan provider, and has transferred the risk of life insurance coverage to a third party insurer.

Workers' Compensation Fund (WCF): West Virginia has a single private insurance company, BrickStreet Insurance, which provides workers' compensation coverage to all employers in the State. Other private insurance companies can begin to offer coverage to private sector employers starting July 1, 2009, and to government employers July 1, 2012. The cost of all coverage, as determined by BrickStreet, is paid by the employers.

The WCF risk pool retains the risk related to the compensation of injured employees under the program.

NOTE 5. PROPERTY TAXES

All property in the State is classified as follows for ad valorem tax purposes:

Class I All tangible personal property employed exclusively in agriculture, including horticulture and grazing; all products of agriculture, including livestock, while owned by the producer; all notes, bonds and accounts receivable, stocks and any other evidences of indebtedness.

Class II All property owned, used and occupied by the owner exclusively for residential purposes; all farms, including land used for horticulture and grazing, occupied and cultivated by their owners or bona fide tenants.

Class III All real and personal property situated outside of municipalities, exclusive of Class I and II property.

Class IV All real and personal property situated inside of municipalities, exclusive of Class I and II property.

According to West Virginia Code Section 11-8-6c, the maximum rates that county boards of education may impose on the various classes of property are: Class I – 22.95 cents per $100 of assessed valuation; Class II – 45.90 cents per $100 of assessed valuation; Class III – 91.80 center per $100 of assessed valuation; and Class IV – 91.80 cents per $100 of assessed valuation.

Pursuant to West Virginia Code Section 11-8-6f, the rates of levy for county boards are to be reduced uniformly statewide and proportionately for all classes of property, so that the total statewide property tax revenues to be realized from the regular levy tax collections for the forthcoming year will not increase by more than one percent of the current year's projected property tax revenues, exclusive of increases due to new construction, improvements to existing real property, or newly acquired personal property, unless the State Legislature holds a public hearing. The amounts to be paid to the Assessor's Valuation Fund are also to be excluded from the calculation.

County boards of education are also authorized to impose an additional (excess) levy not to extend beyond five years if approved by at least a majority of the voters. The rates of levy cannot exceed the maximum rates specified above and must be proportional for all classes of property.

The assessed valuations and levy rated levied by the Board per $100 of assessed valuation for each class of property for the fiscal year ended June 30, 2009, were:

Carrying Amount	Assessed Vaulations For Tax Purposes	Current Expense Fair Value	Excess Levy	Bond Purposes
Class I	$ -	19.4 cents	22.50 cents	3.03 cents
Class II	$ 3,368,293,930	38.8 cents	45.00 cents	6.06 cents
Class III	$ 1,460,494,002	77.6 cents	90.00 cents	12.12 cents
Class IV	$ 468,978,812	77.6 cents	90.00 cents	12.12 cents

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July each year. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments. The first installment is payable on September 1st of the year for which the assessment is made, and becomes delinquent on October 1st, and the second installment is payable on the first day of the following March and becomes delinquent on April 1st.

Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

NOTE 6. EXCESS LEVY

The Board had an excess levy in effect during the fiscal year ended June 30, 2009. The levy was authorized by the voters of the county at an election held on May 9, 2006, for the fiscal years ended June 30, 2009, through June 30, 2011, to provide funds for the following purposes:

1. To continue the present local salary supplements and benefits of all school personnel (excluding the Superintendent) at an approximate total annual cost of the salary supplements, related fixed costs, and benefits of $13,150,000. Such funding will allow Berkeley County to employ and retain highly qualified personnel who have contributed to the county's instructional progress.

2. To continue to provide instructional materials, textbooks, and instructional equipment at an approximate total annual cost of $2,500,000.

3. To continue to provide financial support of the following community organizations and agencies: Berkeley County Health Department at $25,000; Berkeley County Parks and Recreation at $100,000; West Virginia University 4-H Extension Office at $60,000; and the PASS (Providing Academic and Self-Esteem Support) Program at $40,000 for an approximate total cost of all programs at $225,000.

4. To continue to address increased enrollment in Berkeley County by providing additional staff where necessary and by providing additional equipment and property at an approximate annual cost of $3,820,000.

5. To continue to provide for the upkeep and maintenance of existing facilities by providing the necessary supplies, services, or equipment at an approximate annual cost of $3,000,000.

A total of $32,405,119 was received by the Board from the excess levy during the fiscal year ended June 30, 2009.

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2009, is as follows:

	Restated Totals @ June 30, 2008	Additions	(Deletions) Transfers	Totals @ June 30, 2009
Capital assets not being depreciated:				
Land	$ 8,098,022	$ 396,495	$ -	$ 8,494,517
Construction in progress	661,171	688,790	661,171	688,790
Total capital assets not being depreciated	8,759,193	1,085,285	661,171	9,183,307
Capital assets being depreciated:				
Buildings & Improvements	128,292,579	1,374,880	30,000	129,637,459
Furniture & Equipment	3,837,522	204,459	134,002	3,907,979
Vehicles	10,954,454	1,779,899	600,993	12,133,360
Total capital assets being depreciated	143,084,555	3,359,238	764,995	145,678,798
Less accumulated depreciation for:				
Buildings & Improvements	28,074,127	2,627,489	12,600	30,689,016
Furniture & Equipment	2,631,965	175,117	98,063	2,709,019
Vehicles	4,787,761	980,866	597,708	5,170,919
Total accumulated depreciation	35,493,853	3,783,472	708,371	38,568,954
Total capital assets being depreciated, net	107,590,702	(424,234)	56,624	107,109,844
Governmental activities capital assets, net	$ 116,349,895	$ 661,051	$ 717,795	$ 116,293,151

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Instruction	$ 2,131,212
Supporting Services:	
Central administration	241,885
School administration	88,883
Operation and maintenance of facilities	210,789
Transportation	298,184
Food services	104,148
Total Depreciation expense - governmental activities	$ 3,075,101

NOTE 8. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2009, is as follows:

	Balance June 30, 2008	Additions	Payments	Balance June 30, 2009	Due Within One Year
General obligation debt	$ 22,110,000	$ -	$ 3,210,000	$ 18,900,000	$ 3,355,000
Compensated absences	156,526	40,809	-	197,335	-
Capital lease payable	461,544	-	76,924	384,620	76,924
Totals	$ 22,728,070	$ 40,809	$ 3,286,924	$ 19,481,955	$ 3,431,924

General Obligation Bonds – General obligation bonds payable at June 30, 2009, with their outstanding balance are comprised of the following individual issues:

On February 8, 2002, the Board issued $27,800,000 in general obligation bonds to provide funds for cost of site acquisition where applicable, improvement, construction, erection, removal, furnishings, equipment and improvement and adding to existing school buildings in Berkeley County School District. The bonds mature in varying annual increments through June 30, 2017, and interest is payable semiannually at 5%. Payments on the general obligation bonds payable during the year were made from the debt service fund.

The annual debt service requirements for the 2002 bond debt, as of June 30, 2009, including interest payments is:

Year Ending	Principal	Interest	Total
2010	1,840,000	802,340	2,642,340
2011	1,925,000	726,440	2,651,440
2012	2,015,000	643,665	2,658,665
2013	2,110,000	556,013	2,666,013
2014	2,210,000	463,700	2,673,700
2015 to 2017	7,285,000	740,000	8,025,000
Total	$ 17,385,000	$ 3,932,158	$ 21,317,158

On July 29, 2003, the Board issued general obligation bonds of $9,600,000 (par value) with an interest rate of 2-3% to advance refund bonds with an interest rate of 5% and a par value of $9,150,000. The refunded bonds mature on June 30, 2010. The amount outstanding on the refunded bonds at June 30, 2009, was $2,970,000.

The net proceeds of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds mature. The advanced refunding met the requirements of an in-substance debt defeasance and the refunded bonds were removed from the District's financial statements.

Total annual debt service requirement for the 2003 bond debt, as of at June 30, 2009, including interest payment is:

Year Ending	Principal	Interest	Total
2010	1,515,000	47,344	1,562,344
Total	$ 1,515,000	$ 47,344	$ 1,562,344

The Board's future debt service requirement for 2002 and 2003 bond debt is as follows:

Year Ending	Interest Rate	Principal	Interest	Total
2010	2%-5%	$ 3,355,000	$ 849,684	$ 4,204,684
2011	5.00%	1,925,000	726,440	2,651,440
2012	5.00%	2,015,000	643,665	2,658,665
2013	5.00%	2,110,000	556,013	2,666,013
2014	5.00%	2,210,000	463,700	2,673,700
2015 to 2017	5.00%	7,285,000	740,000	8,025,000
Total		$ 18,900,000	$ 3,979,502	$ 22,879,502

NOTE 9. LEASES

The Board has entered into various lease/purchase agreements with the private sector, primarily for equipment. These agreements, accounted for as capital leases, are for various terms. While these agreements contain clauses indicating that their continuation is subject to continuing appropriation by the Legislature, these leases are accounted for as capital leases and are considered non cancelable for financial reporting purposes. Other leases, principally for equipment, are classified as operating leases with the lease payments recorded as expenditures during the life of the lease. Operating lease expenditures for the year ended June 30, 2009, were $513,283.

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for HVAC and Food Service Equipment at Eagle School and those assets are leased from Summit Community Bank for a period of thirteen years beginning January 2002. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year if funding for the lease payments for the next fiscal year is not available.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments, for the Board's capital leases as of June 30, 2009:

Future minimum payments:

Year Ending	Amount
2010	76,924
2011	76,924
2012	76,924
2013	76,924
2014	76,924
Total minimum lease payments	$ 384,620

NOTE 10. EMPLOYEES' RETIREMENT SYSTEM

All full-time board of education employees are required to participate in one of two statewide, cost sharing, multiple-employer retirement benefit plans: the Teachers' Defined Benefit Retirement System or the Teachers' Defined Contribution Retirement System. For the year ended June 30, 2009, the Board's total payroll for all employees was $98,852,623 and the payroll was $87,947,073 for employees covered by the two retirement programs.

Of the total amount appropriated by the State for retirement, the portion equal to this employers' average required contribution rate for both the defined benefit and the defined contribution plans is considered to be the employers' contribution for the current cash flow requirements for personnel funded under the Public School Support Program and is reflected as revenue (Contributions For/On Behalf of the LEA) in the Board's financial statements. The balance is considered the State's contribution toward the past service unfunded liability and is not included either as revenue or expenditure in the Board's financial statements.

Trend Information: Ten-year historical trend information relating to the accumulation of assets and the unfunded liability of both plans is available from the Consolidated Public Retirement Board.

Conversion of Leave for Post-retirement: Upon retirement, an employee's vacation and sick leave may be converted to a greater retirement benefit or payment of health insurance premiums. The cost of the increased retirement benefit or payment of health insurance premiums must be absorbed by the last agency employing the retiree.

Teachers' Defined Contribution Retirement System

Plan Description: The Teachers' Defined Benefit Retirement System is a cost-sharing, multiple-employer public employee defined benefit retirement system which was established on July 1, 1941 and was closed for new members on July 1, 1991. Beginning July 1, 2005, all new employees become members of this plan. To qualify for full benefits, a member must be age 60 with at least five years of credited service, or be age 55 with at least 30 years of credited service or any age with at least 35 years of credited service. A member may receive a disability benefit after completing ten years of service, if the member is disabled for six months, unable to perform his or her regular occupation, and the Retirement Board expects the disability to be permanent.

Upon retirement, members select one of five benefit payment options. If a member terminates employment with at least five years of credited service, he may freeze his membership until he qualifies for retirement or he may withdraw his contributions from the plan. The employers' contributions remain with the plan. Retirement benefits are based on two percent of the average member's five highest fiscal years of total earnings from covered employment during the member's last 15 years of service.

The normal form of benefit is a single life annuity paid monthly, in an amount equal to 2 percent of the final average salary times years of credited service Other forms of benefits may be elected subject to actuarial reduction: Cash Refund Annuity, 50 percent or 100 percent Contingent Joint and Survivor Annuities, and ten year Certain and Life Annuities. Pre-retirement death benefits are paid to the spouse of a deceased member who had attained the age of 50 and completed 25 years of credited service. The annuity payment is computed as if the member had retired on the date of death with 100 percent Joint and Survivor pension. If the member's age and service are less than that required, the sum of the accumulated member's and employer contributions with interest is paid to the member's beneficiary or estate.

Funding Status: According to the 2008 Actuarial Valuation Report of the Teachers' Retirement System, the plan's Unfunded Actuarial Accrued Liability (UAAL) was $4.1 billion as of July 1, 2008.

Contribution Requirements and Payments Made: This is a fully qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants are required to contribute 6 percent of their gross compensation and the Board of Education contributes 15 percent of the covered member's gross compensation to the retirement plan, for a total of 21% percent annually for those who became members prior to July 1, 1991. Participants who became members after July 1, 2005, contribute 6% of their gross compensation and the board contributes 7.5% percent to the retirement plan, for 13.5% annually.

The employers' contributions are derived from state appropriations and county funds. Federally funded grant programs provide the funding for the employer contributions for salaries paid from federal grants.

The required contributions for the year ended June 30, 2009, and the two previous years are as follows:

Year Ended June 30	2007	2008	2009
Required contributions	$ 327,068,000	$ 345,412,000	$ 404,547,000
As a % of current year covered payroll	23.50%	23.30%	25.89%

Total payments reflected in the Board's financial statements to the defined benefit plan for fiscal year 2009 were:

Employees' contributions (6%)	$ 4,327,140
Employer's contributions (15% or 7.5%)	7,210,771
Total contributions	$ 11,537,911

Teachers' Defined Benefit Contribution System

Plan Description: All Board of Education employees hired after July 1, 1991, but before July 1, 2005, participated in the Teachers' Defined Contribution Retirement System. Employees in the Teachers' Defined Benefit System may, now or in the future, freeze their benefits in the old plan and become a member of this plan. Members with less than five years of service in the old defined plan may change to this plan and transfer the funds that were deposited in the old plan to this plan. Once a member has transferred to the Defined Contribution Plan, the member is not allowed to rejoin the Defined Benefit Plan.

Effective July 1, 2005, the Teachers' Defined Contribution Plan was closes to new membership. All employees hired after that date became members of the Teachers' Defined Benefit Retirement System, which was reopened for participation on July 1, 2005. In addition al of July 1, 2009, members of the defined contribution plan who elected to transfer to the defined benefit plan as prescribed by HB 101 past during the 2009 legislative session were able to transfer from the teachers' defined contribution retirement system to the teachers' defined benefit retirement system.

A unique feature about the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at the beginning of each calendar quarter. Seven investment options are provided from which a participant may choose in multiples of five percent. The investment options are; Vanguard Money Market Fund, Bond Fund of America, Franklin Income Fund, Fidelity Growth Opportunities, Washington Mutual investors, Federated Max-Cap, and Valic Individually Allocated Fixed Annuity.

Employees are eligible to participate from the date of employment. Employee contributions are fully vested, and employer contributions and earnings vest with the member as follows: One-third after six years, two-thirds after nine years, and 100 percent after 12 years. The member is fully vested at death or disability. As of June 30, 2009, this plan had approximately $907.8 million in net assets for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement or disability. The administration of the Plan is the responsibility of Great West, an independent third party administrator.

Funding Status: There is no unfunded liability for a Defined Contribution Plan A member's total maximum lifetime benefit is limited to that which has accumulated in the member's account from employee and employer contributions and all investment earnings thereon. Any forfeited, unvested employer contributions are, by statute, to be transferred to the Teacher's Defined Benefit System.

Contribution Requirements and Payments Made: This is a fully qualified Plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 4.5 percent of their gross salary and the Board of Education contributes 7.5 percent of the covered member's gross compensation to the retirement plan, for 12% percent annually.

Total payments reflected in the Board's financial statements to the Defined Contribution Plan for the year ended June 30, 2009, were:

Employees' contributions (4.5%)	$ 712,250
Employer's contributions (7.5%)	1,187,083
Total contributions	$ 1,899,333

NOTE 11. PENDING LITIGATION

The Board is involved in a number of legal proceedings and claims, primarily involving students, employees and citizens who have sued the Board for damages. While it is not possible to determine the ultimate outcome of any lawsuits with certainty, management believes that the ultimate outcome will not have a material adverse effect on the financial position of the Board. The Board's insurance through the State Board of Risk and Insurance Management appears adequate to fully cover any potential liability.

NOTE 12. RESTATEMENT OF NET ASSETS BEGINNING

Net Assets as Previously Stated	$ 108,145,489
Total Adjustments (see below)	(3,750,911)
Net Assets, Restated	$ 104,394,578

As discussed in Note 3, Changes to Accounting Policy, the Board included the liability associated with OPEB liability related to fiscal year 2008, using the guidance of GASB Statement 45. This adjustment was $1,234,738. Additionally, the financial report for the year ended June 30, 2008 had other long term assets used in governmental activities that were not financial resources in the amount of $2,516,172. This amount was reduced from the net asset total and is not reported in fiscal year 2009. The net effect of both adjustments reduced beginning net assets by $3,750,911.

NOTE 13 . UNRESERVED FUND BALANCE - DESIGNATED

The Board has designated a portion of the unreserved balance of the General Current Expense Fund at June 30, 2009, to be expended for the following purposes:

Purpose	Amount
Purchase of Land	$ 1,000,000
Matching funds for SBA roof project	125,000
Paving at transportation department and schools	205,000
Installation of walls at Tuscadora and a walk-in freezer at warehouse	320,000
Total Unreserved Fund Balance - Designated	$ 1,650,000

NOTE 14. COMMITMENTS, CONTENGENCIES AND SUBSEQUENT EVENTS

During the fiscal year ended June 30, 2009, the Board was awarded a grant of $10,000,000 from the School Building Authority (SBA) to finance the construction of a new elementary school. A required match of $1 million dollars was transferred by the board during the fiscal year from the General Fund to the Capital Projects Fund for this purpose. An additional $300,000 in matching funds was transferred during the current year for this project.

During the fiscal year ending June 30, 2009, the Board was awarded a grant of $1,000,000 from the School Building Authority (SBA) for the construction of an addition to Eagle School Intermediate School and the Board transferred $500,000 from the General Fund to the Capital Projects Fund as matching funds for this project.

Additionally, the School Building Authority awarded a planning grant for a new high school in the northern end of the county that would guarantee a $25 million construction grant if a successful bond election was passed in the county prior to November 1, 2009. Accordingly, an election has been scheduled for September 26, 2009 that would provide $51.5 million for four projects (including the new high school). An additional $20 million is expected in funds from the SBA if the bond election passes toward the cost of the other three projects. The total funding between bond proceeds and the SBA would be $96.5 million.

NOTE 15. INTERFUND BALANCES AND TRANSFERS:

The composition of interfund balances as of June 30, 2009, is as follows:

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
Capital Projects	General Fund	$ 807,630
Special Revenue	General Fund	3,425,000
General Fund	Special Revenue	91,003
		$ 4,323,633

Interfund Transfers

Transfers were for the following reasons:

1. $3,425,000 from General Fund to Food Service project.
2. $91,003 from Special Revenue for indirect costs.
3. $300,000 for new Elementary school.
4. $500,000 for Eagle School Intermediate addition
5. $7,630 for School Safety Access grant.
6. $120,571 were intrafund transfers (not listed above but in total transfers on revenue and expense).

NOTE 16. MAJOR SOURCES OF REVENUE:

The largest single source of revenue received by the Board is state aid funds through the Public School Support Program. In addition, the Board receives financial assistance from federal and state governments in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the Board's independent auditor and state and federal regulatory agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, the Board believes such disallowance, if any, would be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property taxes	$ 58,663,197	$ 58,663,197	$ 60,328,916	$ 1,665,719
Other local sources	1,845,570	2,005,570	1,710,098	(295,472)
State sources	77,100,102	77,100,102	77,185,899	85,797
Federal sources	2,230,000	2,230,000	2,909,348	679,348
Total revenues	139,838,869	139,998,869	142,134,261	2,135,392
EXPENDITURES:				
Instruction	86,165,335	85,800,379	86,030,264	(229,885)
Support services:				
Students	5,467,630	5,467,630	5,373,686	93,944
Instructional staff	4,005,234	4,413,199	4,315,297	97,902
Central administration	1,901,240	2,062,335	1,876,254	186,081
School administration	8,415,320	8,421,070	8,548,804	(127,734)
Business	3,097,680	3,454,350	3,217,208	237,142
Operation and maintenance of facilities	12,723,260	13,914,385	13,822,822	91,563
Student transportation	13,057,100	13,540,170	12,670,292	869,878
Food services	1,200	1,400	433	967
Community services	785,000	785,000	780,400	4,600
Debt service	76,930	76,930	76,924	6
Capital outlay	1,917,940	1,985,499	1,021,880	963,619
Reserves	2,000,000	2,311,960	-	2,311,960
Total expenditures	139,613,869	142,234,307	137,734,264	4,500,043
Excess (deficiency) of revenues over (under) expenditures	225,000	(2,235,438)	4,399,997	6,635,435
Other financing sources (uses):				
Transfers (in)	-	-	91,003	91,003
Transfers (out)	(3,225,000)	(4,357,630)	(4,232,630)	125,000
Total other financing sources	(3,225,000)	(4,357,630)	(4,141,627)	216,003
Change in fund balance	(3,000,000)	(6,593,068)	258,370	6,851,438
Fund balance at beginning of year	3,000,000	6,593,068	6,869,001	275,933
Fund balance at end of year	$ -	$ -	$ 7,127,371	$ 7,127,371

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Budgetary Comparison Schedule – Special Revenue Fund

For the Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local sources	$ 2,396,861	$ 2,657,096	$ 2,347,415	$ (309,681)
State sources	4,106,682	5,046,342	4,898,306	(148,036)
Federal sources	9,974,929	13,021,199	11,413,845	(1,607,354)
Total revenues	16,478,472	20,724,637	18,659,566	(2,065,071)
EXPENDITURES:				
Instruction	5,042,405	9,092,790	7,831,524	1,261,266
Support services:				
Students	575,490	829,957	854,771	(24,814)
Instructional staff	331,567	2,650,419	1,747,828	902,591
Central administration	257,310	270,887	262,241	8,646
School administration	-	19,700	15,732	3,968
Business	-	3,000	3,205	(205)
Operation and maintenance of facilities		289,195	146,350	142,845
Student transportation	1,789,331	1,825,772	1,826,174	(402)
Food services	8,170,220	8,978,586	9,286,181	(307,595)
Reserves	3,537,149	222,972	-	222,972
Total expenditures	19,703,472	24,183,278	21,974,006	2,209,272
Excess (deficiency) of revenues over (under) expenditures	(3,225,000)	(3,458,641)	(3,314,440)	144,201
Other financing sources (uses):				
Transfers in	3,225,000	3,545,570	3,545,570	-
Transfers (out)	-	(252,180)	(211,574)	40,606
Total other financing sources	3,225,000	3,293,390	3,333,996	40,606
Change in fund balance	-	(165,251)	19,556	184,807
Fund balance at beginning of year	-	165,251	43,725	(121,526)
Fund balance at end of year	$ -	$ -	$ 63,281	$ 63,281

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Budgetary Comparison Schedule – Debt Service Fund
For the Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property Taxes	$ 4,172,090	$ 4,172,090	$ 4,465,997	$ 293,907
Interest	-	-	60,005	60,005
Total revenues	4,172,090	4,172,090	4,526,002	353,912
EXPENDITURES:				
Debt service:				
Principal retirement	3,210,000	5,210,000	3,210,000	2,000,000
Interest and fiscal charges	962,090	1,878,241	966,090	912,151
Total expenditures	4,172,090	7,088,241	4,176,090	2,912,151
Excess (deficiency) of revenues over (under) expenditures	-	(2,916,151)	349,912	3,266,063
Other financing sources (uses):				
Transfers (out)	-	(956,309)	-	956,309
Total other financing sources	-	(956,309)	-	956,309
Change in fund balance	-	(3,872,460)	349,912	4,222,372
Fund balance at beginning of year	-	3,872,460	3,872,460	-
Fund balance at end of year	$ -	$ -	$ 4,222,372	$ 4,222,372

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Budgetary Comparison Schedule – Capital Projects Fund

For the Year Ended June 30, 2009

	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
State sources	$ 12,292,079	$ 1,681,702	$ (10,610,377)
Total revenues	12,292,079	1,681,702	(10,610,377)
EXPENDITURES:			
Capital outlay	13,715,639	2,111,898	11,603,741
Operation and Maintenance of Facilities	688,546	-	688,546
Total expenditures	14,404,185	2,111,898	12,292,287
Excess (deficiency) of revenues over (under) expenditures	(2,112,106)	(430,196)	1,681,910
Other financing sources (uses):			
Transfers in	889,800	807,631	(82,169)
Total other financing sources	889,800	807,631	(82,169)
Change in fund balance	(1,222,306)	377,435	1,599,741
Fund balance at beginning of year	1,222,306	1,222,306	-
Fund balance at end of year	$ -	$ 1,599,741	$ 1,599,741

The notes to the financial statements are an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/ Progam Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education:			
Passed-Through West Virginia Department of Education:			
Special Education Cluster			
Special Education -- Grants to States	84.027	43	$ 3,094,116
Special Education -- Preschool Grants	84.173	43	55,904
Adult Education -- Basic Grants to States	84.002	61	39,579
Title I Grants to Local Educational Agencies	84.010	41	3,210,861
Migrant Education -- State Grant Program	84.011	41	17,433
Vocational Education -- Basic Grants	84.048	50	159,812
Safe and Drug-Free Schools and Communities State Grants	84.186	48	84,172
Education for Homeless Children and Youth	84.196	54	6,645
Tech-Prep Education	84.243	76	90,309
Title V -- State Grants for Innovative Programs	84.298	42	12,182
Education Technology State Grants	84.318	58	16,706
Special Education -- State Grants	84.323	48	9,784
Title III -- English Language Acquisition Grants	84.365	28/45	64,589
Title II -- Improving Teacher Quality State Grants	84.367	40	555,173
Total U.S. Department of Education			7,417,265
U.S. Department of Agriculture:			
Passed-Through West Virginia Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	88	642,000
National School Lunch Program	10.555	88/49	2,208,000
Summer Food Service Program for Children	10.559	88	14,345
Passed-Through West Virginia Department of Agriculture:			
Donated Foods Program (non-cash assistance)	10.550	88	388,301
Total U.S. Department of Agriculture			3,252,646
U.S. Department of Labor			
Adult Basic Education	17.267	N/A	13,612
Total Federal Expenditures			$ 10,683,523

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2009

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Berkeley County Board of Education, West Virginia, and is prepared based on accounting prescribed or permitted by the West Virginia Department of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting is described in detail in Note 1 to the financial statements of the Berkeley County Board of Education, West Virginia, for the year ended June 30, 2009. The information in Schedule is presented in accordance with the requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

REPORTS ON INTERNAL CONTROL AND ON COMPLIANCE AND OTHER MATTERS

Teed & Associates, PLLC

Certified Public Accountants
Established 1982
Member, American Institute of Certified Public Accountants
Member, West Virginia Society of Certified Public Accountants
Member, Tennessee Society of Certified Public Accountants

James L. Teed, CPA
Rick Barnett, CPA
Stephen P. Glaser, CPA, MBA
Roy A. Smith, CPA
Richard A. Tully, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Members of the
Berkeley County Board of Education
Martinsburg, West Virginia

We have audited the financial statements of the Berkeley County Board of Education, West Virginia (the Board), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 10, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any significant deficiencies in internal control.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, County Board of Education and other federal and state agencies and is not intended to be used and should not be used by anyone other than these specified parties. However in accordance with *West Virginia Code* 6-9-9a, this report is a matter of public record and its distribution is not limited.

Teel & Associates, PLLC

Charleston, West Virginia
December 10, 2009

Teed & Associates, PLLC

Certified Public Accountants

Established 1985
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Member, West Virginia Society of Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

The Honorable Members of the
Berkeley County Board of Education
Charleston, West Virginia

Compliance

We have audited the compliance of the Berkeley County Board of Education (Board) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Board's major federal programs are identified in the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of the major federal programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board's compliance with those requirements.

In our opinion, Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that a noncompliance with a type of compliance requirement of a federal program is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as described above.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Teed & Associates, PLLC

Charleston, West Virginia
December 10, 2009

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2009

Section I – Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued; *Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified? _____Yes __x__No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____Yes __x__No

Non compliance material to the financial statements noted? _____Yes __x__No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____Yes __x__No
- Significant deficiency(ies) identified that is/are not considered to be material weakness(es)? _____Yes __x__None Reported

Type of auditors' report issued on compliance for major programs; Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 _____Yes __x__No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	Special Education – Grants to States
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children

Dollar threshold used to distinguish between Type A and Type B Program: $ 320,506

Auditee qualified as a low-risk auditee? _____Yes __x__No

BERKELEY COUNTY BOARD OF EDUCATION, WEST VIRGINIA

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2009

Section II – Financial Statement Findings

There are no findings reported.

Section III – Federal Award Findings and Questioned Costs

There are no findings or questioned costs reported.

Section IV – Corrective Action Plan

A corrective action plan is not required since there are no findings of questioned costs.

Section V – Prior Audit Findings

There are no prior audit year findings.

ECONOMIC AND DEMOGRAPHIC DATA
COUNTY OF BERKELEY (WEST VIRGINIA)

Introduction

Location: Berkeley County is located in the Eastern Panhandle section of West Virginia. The county is located 80 miles from Washington DC; 90 miles from Baltimore, Maryland and 93 miles from Harrisburg, Pennsylvania.

County Seat: Martinsburg

Commissioners: Ronald K. Collins, Commissioner
Tony Petrucci, Commissioner
William L. Stubblefield, Commissioner

Population

Year	Berkeley County	West Virginia	United States
2000	76,413	1,806,977	282,171,936
2001	78,573	1,798,540	285,039,803
2002	81,086	1,799,392	287,726,647
2003	84,808	1,802,287	290,210,914
2004	88,619	1,803,312	292,892,127
2005	92,538	1,804,020	295,560,549
2006	96,723	1,806,760	298,362,973
2007	99,531	1,809,836	301,290,332

Source: U.S. Bureau of Economic Analysis

Economy

The ten (10) largest employers for the year 2008 in the County are:

1. Berkeley County Board of Education
2. Veterans Administration Center
3. City Hospital, Inc.
4. U. S. Department of Treasury
5. Quad/Graphics, Inc.
6. Wal-Mart Stores, Inc.
7. Department of Defense
8. Orgill, Inc.
9. Berkeley County Commission
10. Food Lion, LLC

Source: WORKFORCE West Virginia

Average Annual Unemployment Rates (%)

Year	Berkeley County	West Virginia
2004	4.2	5.3
2005	3.8	4.9
2006	3.9	4.6
2007	3.9	4.3
2008	4.7	4.3
2009 (Oct.)	8.4	7.7

Source: WORKFORCE West Virginia – Based on civilian labor force

Average Employment by Industry

Industry	2006	2007	2008	2009 (1st Quarter)
Natural Resources & Mining	264	247	264	178
Construction	1,772	1,615	1,551	1,180
Manufacturing	2,634	2,413	1,893	1,517
Trade, Transportation & Utilities	5,668	5,654	5,571	5,080
Information	1,658	1,636	1,525	1,430
Financial Activities	1,048	1,070	1,043	1,023
Professional & Business Services	2,981	2,857	2,740	2,537
Education & Health Services	3,504	3,468	3,554	3,611
Leisure and Hospitality	2,840	2,888	2,864	2,679
Other Services	618	630	631	568
Government	6,977	7,470	8,012	8,253
TOTAL	29,981	29,956	29,649	28,057

Source: WORKFORCE West Virginia

Average Employment and Average Weekly Wage

	Average Employment		Average Weekly Wage	
	2005	2008	2005	2008
Berkeley County	28,733	29,649	$ 639.71	$727.85
West Virginia	695,300	729,575	$602.77	$692.02

Source: WORKFORCE West Virginia

Per Capita Personal Income

County	2000	2005	2007	2007 Rank in State
United States	$29,847	$34,690	$38,615	---
West Virginia	$21,905	$26,366	$29,385	---
Berkeley County	$23,258	$26,876	$29,146	13

Source: U.S. Bureau of Economic Analysis

Wages Per Industry (2008) ($)

Industry	Total Wages	Average Weekly Wage
Natural Resources & Mining	5,812,445	423.40
Construction	59,598,257	738.96
Manufacturing	79,671,927	809.38
Trade, Transportation & Utilities	156,121,166	538.92
Information	59,465,629	749.88
Financial Activities	37,100,343	684.06
Professional & Business Services	108,438,239	761.08
Education & Health Services	129,192,570	699.06
Leisure and Hospitality	38,828,208	260.71
Other Services	15,212,623	463.63
Government	432,678,516	1,038.54
TOTAL	1,122,163,693	727.85

Source: WORKFORCE West Virginia

Total Wages ($)

Year	Berkeley County	West Virginia
2004	900,967,347	20,868,401,449
2005	955,807,886	21,793,516,080
2006	1,039,977,919	23,079,570,075
2007	1,071,564,564	24,083,126,318
2008	1,122,163,693	25,534,204,980

Source: WORKFORCE West Virginia

Community Data

Education Facilities	
Elementary	20
Middle or Jr. High	5
High Schools	3
Vocational Schools	1
Colleges (within 50 miles):	2
Shepherd College	
Community and Technical College of Shepherd	

Recreational Facilities	
State Forests	0
State Parks	0
Wildlife Management Areas	1
Public Hiking Trails (miles)	14.4
Public Fishing & Boating Lakes	2
Recreational Rivers (boating/rafting)	1
Museums/Art Galleries	5
Golf Courses – Private/Public	5/0
National Forests	1
National Park & Recreational Areas	0
Amphitheaters/Performing Arts Centers	2
Pro/Semi-pro Sports Teams	0
Regional Shopping Centers/Malls/ outlets within 25 miles	3
Major Private Recreation/Resort Areas	1
Civic/Convention Centers	2

Medical	
Hospitals	1
Beds	260
Doctors	120
Dentists	37
Licensed Nursing Homes	3
Beds	207

Transportation	
Highways:	
Interstates	I-81
WV Routes	9, 45, 51, 901
US Routes	11
Motor freight carriers	12
River, nearest navigable	Potomac (92 miles)
Industrial Parks	0
Industrial Sites	0
Airports:	Eastern West Virginia Regional Hagerstown Regional Airport Dulles International
Railroads:	Freight/Passenger
Motor Freight Carriers	12
Bus Service	1

Media	
Newspapers:	1
Telephone:	1
TV Station	2
Radio Stations	0

Utilities	
Electricity:	3
Sewer:	4
Telephone Service:	2
Natural Gas:	1
Water	8

Other Data	
Licensed Day Care Centers	26
Banks (including branches)	29
Libraries	4

Sources: West Virginia, Bureau of Employment Programs, Research, Information and Analysis, except as otherwise noted.

APPENDIX C

[PROPOSED FORM OF BOND COUNSEL OPINION]

[DATE OF CLOSING]

$51,500,000
The Board of Education of the County of Berkeley
Public School Bonds, Series 2010

The Board of Education of the
County of Berkeley
Martinsburg, West Virginia

[PURCHASER]

_____

Ladies and Gentlemen:

We have examined a record of proceedings relative to the issuance and sale of $51,500,000 Public School Bonds, Series 2010 (the "Bonds"), of Berkeley County School District, by and through The Board of Education of the County of Berkeley, West Virginia (the "Issuer"). The Bonds are issued in fully registered form, are dated February 17, 2010, upon original issuance, are numbered in order of maturity from R-1 consecutively upward, are of the denominations of $5,000 or integral multiples thereof, mature on May 1 in years and amounts, bear interest payable each May 1 and November 1, commencing November 1, 2010, at the rates and are subject to redemption prior to maturity, as set forth in the Official Statement of the Issuer, dated February 3, 2010.

The Bonds were authorized at an election held in Berkeley County School District on September 26, 2009, and by a resolution and order adopted by the Issuer on October 19, 2009, as supplemented (such resolution and order, as supplemented, herein called the "Resolution"), and are issued pursuant to Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of providing funds for the acquisition, construction, renovation and repair of certain public school buildings, together with the sites thereof and all necessary appurtenances, in Berkeley County School District, and paying costs of issuance of the Bonds and related costs.

As to questions of fact material to our opinion, we have relied upon the representations, covenants and certifications of the Issuer contained in the Resolution, a Tax and Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the representations, covenants and certifications of the Issuer contained in the Resolution, the Tax Certificate and the certified proceedings and other certifications made in connection with the issuance of the Bonds, we are of the opinion that, under existing law:

1. The Issuer is a school district presently existing under the laws of, and a political subdivision of, the State of West Virginia, with full power and authority to adopt the Resolution and to issue and sell the Bonds under the provisions of the Act and other applicable provisions of law.

2. The Bonds have been duly authorized and validly issued by the Issuer in accordance with the Constitution and statutes of the State of West Virginia and constitute valid and legally binding general obligations of the Issuer, and unless the Bonds are paid from other sources, the Issuer has the power and is obligated to levy ad valorem taxes upon all the taxable property within Berkeley County School District to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from the gross income of the owners thereof for Federal income tax purposes and is not an item of tax preference for purposes of the Federal alternative minimum tax imposed upon individuals and corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply, on a continuing basis, with all representations, covenants and certifications set forth in the Resolution, the Tax Certificate and the certified proceedings and other certifications of the Issuer. Failure to comply with certain of such representations, covenants and certifications could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences with respect to the Bonds.

4. Under the Act, the Bonds are exempt from all taxation by the State of West Virginia or by any political subdivision thereof.

In expressing this opinion, we have considered the litigation instituted in certain states including the State of West Virginia, such as Pauley v. Bailey, 324 S.E.2d 128 (W.Va. 1984), challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes, including certain proceedings commenced in 1994 to enforce the Bailey decision, and in our opinion, such litigation will not modify the rights of the holders of the Bonds to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within Berkeley County, West Virginia, for the payment of the Bonds, if not paid from other sources and does not modify or qualify the conclusions elsewhere stated in this opinion.

Please be advised that the enforcement of remedies with respect to the Bonds is subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights heretofore or hereafter enacted, and that enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

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PROPOSED PROJECTS

	PROJECT	LOCATION	ESTIMATED COST
1.	**NEW SPRING MILLS AREA HIGH SCHOOL** Site preparation and construct, furnish and equip a new high school to house approximately 1,500 students containing approximately 228,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Spring Mills Area Middle School	**$53,500,000***
2.	**NEW MOUNTAIN RIDGE AREA MIDDLE SCHOOL** Site preparation and construct, furnish and equip a new middle school to house approximately 600 students containing approximately 84,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Mountain Ridge Intermediate School	**$20,000,000**
3.	**EXISTING MUSSELMAN HIGH SCHOOL** Construct new classrooms, new science labs, restrooms, stairwells, and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.	Existing Musselman High School	**$ 7,000,000**
4.	**EXISTING NORTH MIDDLE SCHOOL** Construct new classrooms, new science labs, restrooms and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.	Existing North Middle School	**$16,000,000**

APPROXIMATE TOTAL COST TO BE PAID FROM BOND PROCEEDS	**$51,500,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA (OR OTHER) GRANTS	**$45,000,000**
APPROXIMATE TOTAL COST OF ALL PROJECTS	**$96,500,000**

*$25,000,000 of the $53,500,000 would be provided by a grant currently committed by the School Building Authority of West Virginia, which grant was contingent upon passage of this bond issue as submitted to the voters of Berkeley County.

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BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository ("Securities Depository") for the Bonds. The ownership of one fully registered Bond for each maturity as set forth on the cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee of DTC.

DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" under the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities on behalf of its participants (the "Participants") and to facilitate the clearance and settlement of securities transactions among Participants in such securities through electronic book-entry changes in accounts of the Participants, thereby eliminating the need of physical movement of securities certificates.

Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its participants are on file with the Securities and Exchange Commission.

Purchasers of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds except in the event that use of the book-entry system for Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by participants to Beneficial Owners will be governed by standing instructions and customary

practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the paying agent or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Neither the Board nor the Paying Agent will have any responsibility or obligation to such Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) the payment by DTC to any DTC Participant, or by any DTC Participant owner, in respect of the principal and interest on the Bonds. The Board and the Paying Agent cannot give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payment of the principal of and interest on the Bonds paid to DTC or its nominee as the Registered Owner of the Bonds to the Beneficial Owners, or that they will do so on a timely basis or that they will serve and act in the manner described in this Official Statement.

DTC may charge the Participant a sum sufficient to cover any tax, fee or other governmental charge that may be imposed for every transfer and exchange of a beneficial interest in the Bonds, and the Direct Participants or Indirect Participants may seek reimbursement therefor from the Beneficial Owners.

DTC may discontinue providing its services as Securities Depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository.) In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

ELECTED OFFICIALS OF THE BOARD

Dr. William Queen, President has been a full-time practicing dentist in Martinsburg for the past 32 years. He received his bachelor degree in accounting from West Virginia Institute of Technology in 1968. He earned his doctorate of dental surgery degree from West Virginia University School of dentistry in 1977. He went on to graduate from the University of North Carolina School of Dentistry in 1983 with a specialty in prosthodontics. Dr. Queen has been a member of the Berkeley County School Board of Education since 1996. He has served as the president of the Board since 2000. He has been a resident of Berkeley County for the past 41 years and is a native of West Virginia.

Mr. Richard Pill, Board Member is a 1973 Business Administration graduate of West Virginia University. He received his Juris Doctor Degree in 1977 also from West Virginia University. He is a practicing attorney with the law firm of Pill & Pill. Mr. Pill has been a member of the Berkeley County Board of Education for 7 years. He is a member of Harmony United Methodist Church, and he is an avid member of the Mountaineer Athletic Club.

Mr. Todd Beckwith, Board Member is a 1970 West Virginia University graduate. He is employed as Senior Vice President with City National Bank. He has served as past president of the Berkeley County Board of Education and is currently a member of the board. Mr. Beckwith is an active member of the United Way and Chamber of Commerce. He is a member of Trinity United Methodist Church.

(Vacant)

(Vacant)

APPOINTED OFFICIALS OF THE BOARD

Manuel P. Arvon, II Superintendent

- Superintendent since 1997
- Graduated from Shepherd College, S.S. Education in 1973
- Graduated 1979 from West Virginia University, Masters in Education Administration

Frank Aliveto, Deputy Superintendent

- Assistant/Deputy Superintendent of Instruction since 1996
- Graduated from Shepherd College, B.A. Education in 1971
- Graduated 1985 from West Virginia University, Masters in Education Administration

David R. Deuell, Assistant Superintendent

- Assistant Superintendent of Human Resources since April 2001
- Graduated from West Virginia University, B.A. Education in 1973
- Graduated 1981 from West Virginia University, Masters in Education Administration

Mrs. Laura Lilly Sutton, Associate Superintendent & Director of Legal services

- Associate Superintendent/General Counsel since July 2008
- General Counsel since October 1997
- West Virginia University College of Law, Doctor of Jurisprudence, 1995
- West Virginia University, Bachelor of Arts, 1992

Mr. Kenneth W. Marstiller, Treasurer and Business Manager

- Business Manager/Treasurer since July 2004
- West Virginia University, Bachelor of Arts, 1978

Directors of Berkeley County Schools

Mr. Philip Miller	**Director of Vocational and Adult Education**
Ms. Jaimee Borger	**Director of Public Relations**
Dr. Ron Brown	**Director of Special Education**
Mr. Terry Forrest	**Director of Department of Transportation**
Mr. George Michael	**Director of Pupil Services**
Mrs. Christine Edwards	**Director of Federal Programs and Grants**
Mr. Dave Kenney	**Director of Research and Technology**
Mr. Kenneth W. Marstiller	**Business Manager and Treasurer**
Mrs. Donna Miller	**Director of Department of Instruction**
Mr. Don Mitchell	**Director of Facilities**
Ms. Carolyn Barnett	**Director of Food Services**

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY (the "Issuer"), and UNITED BANK, INC., Charleston, West Virginia (the "Dissemination Agent"), in connection with the issuance of $51,500,000, The Board of Education of the County of Berkeley(West Virginia), Public School Bonds, Series 2010 (the "Bonds");

In connection with the foregoing, and in consideration thereof, the Issuer and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) and as the term may be modified by an interpretation of the Rule by the Securities and Exchange Commission (the "SEC").

"Disclosure Representative" shall mean the President of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time.

"EMMA" means the Electronic Municipal Market Access system described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Holders" shall mean (i) the registered owner of any Bond or (ii) the Beneficial Owner of any Bond.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any successor thereto.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

"Underwriter" shall mean any of the underwriters in connection with the sale of the Bonds required to comply with the Rule in connection with the sale of the Bonds

SECTION 3. Provision of Annual Reports.

(a) Within 270 days after the end of the fiscal year, the Dissemination Agent shall make a written request to the Issuer to provide the Annual Report to the Dissemination Agent.

(b) The Issuer shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 2009-2010 Fiscal Year, provide to each Repository an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement and after July 1, 2009, in accordance with the amendment of § 240.15c2-12 of Title 17 of the Code of Federal Regulations as released by the Securities and Exchange Commission on December 8, 2008, effective July 1, 2009, to the MSRB in electronic format and as otherwise required by the MSRB. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted, when and if available, separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give written notice of such change in the same manner as for a Listed Event under Section 5(f).

(c) Not later than thirty (30) Business Days prior to the date specified in subsection (b) for providing the Annual Report to the Repositories, the Issuer shall provide the Annual Report to the Dissemination Agent. If by such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall make a second written request to the Issuer to provide the Annual Report to the Dissemination Agent. The Dissemination Agent shall send a copy of such second request to the Underwriter.

(d) If the Dissemination Agent has not received a copy of the Annual Report by the date required in subsection (b), the Dissemination Agent shall send a notice to each Repository in substantially the form attached as Exhibit A.

(e) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository; and

(ii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Report. The Issuer's Annual Report shall consist of the audited financial statements of the Issuer for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice to the Dissemination Agent of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the security;
7. modifications to rights of security holders;
8. bond calls;
9. defeasances;
10. release, substitution, or sale of property security repayment of the securities; and

11. rating changes.

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event, and request that the Issuer promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Issuer determines that the Listed Event would not be material under applicable federal securities laws, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and each Repository with a copy to the Issuer. Notwithstanding the foregoing, notice of the occurrence of a Listed Event described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate (i) upon the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when the Issuer is not an obligated person with respect to the Bonds, as provided in the Rule. If the Issuer's obligations under the this Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Issuer and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f).

SECTION 7. Dissemination Agent. United Bank, Inc., Charleston, West Virginia, is hereby appointed as the Dissemination Agent. The Issuer may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution or Ordinance, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the Paying Agent or the Paying Agent in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer, to the extent permitted by law, agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expense (including reasonable attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Issuer:	The Board of Education of the County of Berkeley 401 South Queen Street Martinsburg, West Virginia 25401
To the Dissemination Agent:	United Bank, Inc. 500 Virginia Street, East Charleston, West Virginia 25301

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter, the Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Fees. The Issuer agrees to pay all fees and expenses of the Dissemination Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Dissemination Agent's duties.

SECTION 16. Right to Resign. The Dissemination Agent may resign at any time by providing thirty (30) days' written notice to the Issuer.

SECTION 17. Right to Counsel. The Dissemination Agent shall have the right to consult with counsel in carrying out its duties under this Disclosure Agreement and to rely upon an opinion of counsel.

Dated: _____, 2010.

THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY (West Virginia)

By: _____

Title: President

UNITED BANK, INC.
A West Virginia State Banking corporation,

By: _____

Title: _____

EXHIBIT A

NOTICE TO REPOSITORIES

OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Party: The Board of Education of the County of Berkeley (West Virginia)

Name of Bond Issue: $51,500,000 Public School Bonds, Series 2010

Date of Bond Issue: _____, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(b) of this Disclosure Agreement dated _____, to be provided. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____, 2010

_____
on behalf of the Issuer

cc: [Issuer]

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

1085 Van Voorhis Road, Suite 400
P.O. Box 1616
Morgantown, WV 26507-1616
(304) 598-8000 (304) 598-8116 Fax
www.steptoe-johnson.com

Writer's Contact Information
(304)598-8161
vincent.collins@steptoe-johnson.com

April 8, 2010

The Board of Education of Berkeley County
(West Virginia)
Public School Bonds, Series 2010

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G and a file copy thereof with regard to the above-captioned issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

Very truly yours,

Vincent A. Collins

VAC/rde
Enclosures
cc w/encl.: Dr. Manny P. Arvon
Mr. James Welton

RECEIVED
APR 1 3 2010
OGDEN, UT

5332718.1

Form **8038-G** (Rev. November 2000) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate Instructions.

Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return,** check here ▶ ☐

1	Issuer's name THE BOARD OF EDUCATION OF BERKELEY COUNTY (West Virginia)	2	Issuer's employer identification number 55 : 6000297
3	Number and street (or P.O. box if mail is not delivered to street address) 401 South Queen Street — Room/suite	4	Report number 3 2010-1
5	City, town, or post office, state, and ZIP code Martinsburg, WV 25401	6	Date of issue 2/17/2010
7	Name of issue Public School Bonds, Series 2010	8	CUSIP number 084239 EX6
9	Name and title of officer or legal representative whom the IRS may call for more information Manny P. Arvon, Superintendent	10	Telephone number of officer or legal representative (304) 267-3500

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☑ Education	11	53,038,111
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☐ Environment (including sewage bonds)	15	
16	☐ Housing	16	
17	☐ Utilities	17	
18	☐ Other. Describe ▶	18	
19	If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	5/1/2025	$ 53,038,111	$ 51,500,000	8.9674 years	3.176084 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	-0-
23	Issue price of entire issue (enter amount from line 21, column (b))			23	53,038,111
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	87,000		
25	Proceeds used for credit enhancement	25	-0-		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	-0-		
27	Proceeds used to currently refund prior issues	27	-0-		
28	Proceeds used to advance refund prior issues	28	-0-		
29	Total (add lines 24 through 28)			29	87,000
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	52,951,111

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ _____ years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ _____ years

33 Enter the last date on which the refunded bonds will be called ▶ _____

34 Enter the date(s) the refunded bonds were issued ▶

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	-0-
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	48,000,000
b	Enter the final maturity date of the guaranteed investment contract ▶ 3/24/2011		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	-0-

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

40 If the issuer has identified a hedge, check box ▶ ☐

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature of issuer's authorized representative — Date 2/17/2010 — Manny P. Arvon, Superintendent (Type or print name and title)

For Paperwork Reduction Act Notice, see page 2 of the Instructions.

Cat. No. 63773S Form **8038-G** (Rev. 11-2000)

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY (the "Issuer"), and UNITED BANK, INC., Charleston, West Virginia (the "Dissemination Agent"), in connection with the issuance of $51,500,000, The Board of Education of the County of Berkeley(West Virginia), Public School Bonds, Series 2010 (the "Bonds");

In connection with the foregoing, and in consideration thereof, the Issuer and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) and as the term may be modified by an interpretation of the Rule by the Securities and Exchange Commission (the "SEC").

"Disclosure Representative" shall mean the President of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time.

"EMMA" means the Electronic Municipal Market Access system described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Holders" shall mean (i) the registered owner of any Bond or (ii) the Beneficial Owner of any Bond.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any successor thereto.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

"Underwriter" shall mean any of the underwriters in connection with the sale of the Bonds required to comply with the Rule in connection with the sale of the Bonds

SECTION 3. Provision of Annual Reports.

(a) Within 270 days after the end of the fiscal year, the Dissemination Agent shall make a written request to the Issuer to provide the Annual Report to the Dissemination Agent.

(b) The Issuer shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 2009-2010 Fiscal Year, provide to each Repository an Annual Report that is consistent with the

requirements of Section 4 of this Disclosure Agreement and after July 1, 2009, in accordance with the amendment of § 240.15c2-12 of Title 17 of the Code of Federal Regulations as released by the Securities and Exchange Commission on December 8, 2008, effective July 1, 2009, to the MSRB in electronic format and as otherwise required by the MSRB. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted, when and if available, separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give written notice of such change in the same manner as for a Listed Event under Section 5(f).

(c) Not later than thirty (30) Business Days prior to the date specified in subsection (b) for providing the Annual Report to the Repositories, the Issuer shall provide the Annual Report to the Dissemination Agent. If by such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall make a second written request to the Issuer to provide the Annual Report to the Dissemination Agent. The Dissemination Agent shall send a copy of such second request to the Underwriter.

(d) If the Dissemination Agent has not received a copy of the Annual Report by the date required in subsection (b), the Dissemination Agent shall send a notice to each Repository in substantially the form attached as Exhibit A.

(e) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository; and

(ii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Report. The Issuer's Annual Report shall consist of the audited financial statements of the Issuer for the most recently completed fiscal year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice to the Dissemination Agent of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the security;
7. modifications to rights of security holders;
8. bond calls;
9. defeasances;
10. release, substitution, or sale of property security repayment of the securities; and
11. rating changes.

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative,

inform such person of the event, and request that the Issuer promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Issuer determines that the Listed Event would not be material under applicable federal securities laws, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and each Repository with a copy to the Issuer. Notwithstanding the foregoing, notice of the occurrence of a Listed Event described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate (i) upon the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when the Issuer is not an obligated person with respect to the Bonds, as provided in the Rule. If the Issuer's obligations under the this Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Issuer and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f).

SECTION 7. Dissemination Agent. United Bank, Inc., Charleston, West Virginia, is hereby appointed as the Dissemination Agent. The Issuer may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution or Ordinance, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the Paying Agent or the Paying Agent in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer, to the extent permitted by law, agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expense (including reasonable attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Issuer:	The Board of Education of the County of Berkeley 401 South Queen Street Martinsburg, West Virginia 25401
To the Dissemination Agent:	United Bank, Inc. 500 Virginia Street, East Charleston, West Virginia 25301

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

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SECTION 16. Right to Resign. The Dissemination Agent may resign at any time by providing thirty (30) days' written notice to the Issuer.

SECTION 17. Right to Counsel. The Dissemination Agent shall have the right to consult with counsel in carrying out its duties under this Disclosure Agreement and to rely upon an opinion of counsel.

Dated: February 17, 2010.

THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY (West Virginia)

By: _____

Title: President

UNITED BANK, INC.
A West Virginia State Banking corporation,

By: _____

Title: Vice President

EXHIBIT A

NOTICE TO REPOSITORIES

OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Party: The Board of Education of the County of Berkeley (West Virginia)

Name of Bond Issue: $51,500,000 Public School Bonds, Series 2010

Date of Bond Issue: February 17, 2010

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(b) of this Disclosure Agreement dated _____, to be provided. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____, 2010

_____
on behalf of the Issuer

cc: [Issuer]

9-22

Certificate of Publication

This is to certify the annexed advertisement

Steptoe & Johnson/Charleston
Notice of School Bond Election

appeared for 2 consecutive days/weeks in The Journal Publishing Company, a newspaper in the City of Martinsburg, WV in it's issue beginning:

9-15-09

and ending

9-22-09

The Journal
207 W. King Street
Martinsburg, WV 25401

Fee ($) 4072.67

THE STATE OF WEST VIRGINIA
COUNTY OF BERKELEY

The foregoing instrument was acknowledged before me this Sept 23.09 by

My commission expires Apr 29 2018

Carol Bush
Notary Public

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
Carol Bush
23 Armstrong Way
Martinsburg, WV 25403
My Commission Expires April 29, 2018

NOTICE OF SCHOOL BOND ELECTION

A SPECIAL SCHOOL BOND ELECTION WILL BE HELD ON SATURDAY, SEPTEMBER 26, 2009, IN BERKELEY COUNTY, WEST VIRGINIA, ON THE MATTERS SET FORTH IN AN ORDER OF THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY, ADOPTED JULY 1, 2009, AS FULLY SET FORTH AS FOLLOWS:

BERKELEY COUNTY BOARD OF EDUCATION

BOND ELECTION ORDER

AN ORDER OF THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY DIRECTING THAT A SPECIAL ELECTION BE HELD FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF BERKELEY COUNTY SCHOOL DISTRICT ALL QUESTIONS CONNECTED WITH THE CONTRACTING OF A DEBT AND THE ISSUING OF BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN FIFTY-ONE MILLION FIVE HUNDRED THOUSAND DOLLARS ($51,500,000) FOR SITE PREPARATION, CONSTRUCTION, EQUIPPING AND FURNISHING OF NEW SCHOOLS AND ADDITIONS, RENOVATIONS AND IMPROVEMENTS FOR EXISTING SCHOOLS IN BERKELEY COUNTY SCHOOL DISTRICT

BE IT ORDERED AND ENTERED OF RECORD BY THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY:

It appears to The Board of Education of the County of Berkeley (herein called the "Board") and the Board does accordingly hereby find:

1.As a result of continued growth in student enrollment, and inadequate school buildings and related facilities in Berkeley County School District (the "District") in the State of West Virginia (the "State"), insufficient and ineffective space, excessive maintenance costs and lack of efficiency are conditions which now exist and are adversely affecting proper and adequate education of students in the District to prepare them for gainful employment or further education, and those conditions, together with due regard for proper health and safety standards, make it necessary that the Board acquire, construct, erect, furnish and equip two new schools and undertake renovation and improvements for certain other existing schools, all as shown below; and such conditions and requirements have been found and are hereby determined to exist, pursuant to investigation caused to be made by this Board. The funds derived from current levies applicable to acquisition and construction of such new facilities which this body is now authorized by law to lay, after providing for the administration of the affairs of this Board and meeting the current expenses thereof required by law, are insufficient to finance such acquisition and construction and therefore, Bonds should be issued to provide funds therefor.

2.Funds should be obtained for the purposes mentioned above and described below and it will be necessary to incur debt and issue Bonds for the acquisition, construction, erection, equipping and furnishing of two new schools, together with site preparation costs, and additions, renovations and improvements for certain existing schools and all necessary appurtenances (collectively, the "Project"), to pay interest during the period of construction of the Project and for up to six months thereafter, to pay architectural, engineering and inspection costs and to pay costs of issuance of the Bonds, all as more fully hereinafter described. Investigation and studies by this Board show that at least the sum of $96,500,000 should be spent for such purposes, $51,500,000 of which would be provided from proceeds of the hereinafter described Bonds and $45,000,000 of which would be provided by a grant or grants from the School Building Authority of West Virginia (the "SBA"), $25,000,000 of which grant or grants from the SBA has been committed, contingent upon passage of the bond election described herein, with the remaining $20,000,000 not yet committed, but expected (but not guaranteed) to be committed, subject to certain conditions having been met by the Board, or a grant or grants from another source, all to the end of providing adequate, safe and convenient school facilities in the District to meet and improve the educational needs and opportunities of the students in the District.

3.The valuation of the taxable property in the District, as shown by the last assessment thereof for state and county taxation purposes, is $5,383,735,227, and the valuation of each class of property within the District is as follows:

Class I	$ -0-
Class II	3,380,515,434
Class III	1,509,926,451
Class IV	493,293,342
TOTAL	**$5,383,735,227**

4.There is bonded indebtedness for school purposes in the District in the outstanding amount of $18,900,000. The unbonded indebtedness of the District is negligible and can be paid from current levy funds. Accordingly, Bonds in the aggregate principal amount of $51,500,000, together with the existing bonded indebtedness of $18,900,000, being less than 5% of the value of such taxable property as ascertained by the last assessment thereof for State and county taxes, may be issued for the purposes herein provided without exceeding any constitutional or statutory limitation.
5.Bonds in the principal amount of $5,000 each, or integral multiples thereof, aggregating not more than $51,500,000, shall be issued and sold, in whole, or from time to time in part, as the Board may in its discretion, deem proper, advisable and in the best interests of the inhabitants of the District, the proceeds of which sale shall be used for the Project, provided, that if any part of the bond proceeds should not be needed for completion of the Project, such unneeded part shall be deposited with the West Virginia Municipal Bond Commission to be used solely for the purchase or redemption of any Bonds of this issue outstanding or for the payment of such Bonds and the interest thereon at the maturities thereof. The proceeds of sale of the Bonds will not be used except as herein specified, provided that the Board shall have the authority to pay matured interest and the principal amount of any matured Bonds from Bond proceeds until levy money is available to pay the same and thereafter, the bond proceeds expended for this purpose may be reimbursed from levy moneys collected.
6.The Bonds shall bear interest at a rate or rates not exceeding 7.0% per annum, payable semiannually, but it is anticipated that the best bid for the Bonds will provide a much lower interest rate (which will result in a lower levy rate needed to pay the Bonds and the interest thereon), and the Bonds shall be payable for a maximum term of 15-1/2 years from the date of issuance thereof.
7.It is further hereby ordered by the Board of Education of the County of Berkeley that:
(A)The question of incurring said debt and issuing said Bonds and all other questions properly connected therewith shall be submitted to the voters of Berkeley County School District at a special election to be held in the District on Saturday, September 26, 2009.
(B)The names of the Commissioners for holding said election shall be as follows (provided that, if any of such Commissioners are unavailable or otherwise unable to serve, substitutes will be appointed):
Willard Wynn

Ronald Wasson
(C)The registration of voters and the use of the registration books shall be governed by the permanent registration laws of the State of West Virginia and the Board hereby adopts the registration lists of the County of Berkeley as the official registration lists of the District for such school bond election.
(D)The purposes or projects for which the proceeds of sale of the Bonds ($51,500,000), if authorized by the voters and the expected grants from the School Building Authority of West Virginia ($45,000,000), are to be expended are as follows:

PROJECT	LOCATION	ESTIMATED COST
1. **NEW SPRING MILLS AREA HIGH SCHOOL**	Site adjacent to existing Spring Mills Area Middle School	**$53,500,000***

Site preparation and construct, furnish and equip a new high school to house approximately 1,500 students containing approximately 228,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.

2. **NEW MOUNTAIN RIDGE AREA MIDDLE SCHOOL**	Site adjacent to existing Mountain Ridge Intermediate School	**$20,000,000**

Site preparation and construct, furnish and equip a new middle school to house approximately 600 students containing approximately 84,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.

3. **EXISTING MUSSELMAN HIGH SCHOOL**	Existing Musselman High School	**$7,000,000**

Construct new classrooms, new science labs, restrooms, stairwells, and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.

4. **EXISTING NORTH MIDDLE SCHOOL**	Existing North Middle School	**$16,000,000**

Construct new classrooms, new science labs, restrooms and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.

APPROXIMATE TOTAL COST TO BE PAID FROM BOND PROCEEDS	**$51,500,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA (OR OTHER) GRANTS	**$45,000,000**
APPROXIMATE TOTAL COST OF ALL PROJECTS	**$96,500,000**

*$25,000,000 of the $53,500,000 would be provided by a grant currently committed by the School Building Authority of West Virginia, which grant is contingent upon passage of this bond issue as submitted to the voters of Berkeley County.

The above amounts include costs of site improvement, construction, erection, renovation, repair, furnishing, equipping and improving of such projects, architectural, engineering and other professional fees and costs, interest during construction of the Project and for up to six months thereafter, expenses of issuance and sale of the Bonds, including bond insurance and rating agency fees, if appropriate, and such other costs as may be necessary for properly carrying out the foregoing projects. The Board may, in its discretion, allocate to and expend for any one or more of the above projects or for additions, renovations or improvements to existing school facilities in the District any sum remaining unused upon completion of any other project or projects, whether any such sum remains unused upon such completion by reason of lower than estimated costs for such project or projects or a grant or grants upon the cost of any such project or projects received by the Board from the State or Federal Government, or any State or Federal Governmental agency, or from any other source.

(E)If the voters of the District approve such debt and the issuance of said Bonds, the Board shall lay annually upon the assessed valuation of all the taxable property within the District a levy sufficient to provide funds for the payment of the annual interest upon said Bonds as it accrues semiannually, and the principal of said Bonds at the maturities thereof, for which purpose a levy upon each $100 valuation, based upon the last assessment of such property for state and county purposes, will be required at the approximate rates as follows:

Upon Class I property, approximately 4.29 cents
Upon Class II property, approximately 8.58 cents
Upon Class III property, approximately 17.16 cents
Upon Class IV property, approximately 17.16 cents

(F)In the laying of such levy, the assessment levy authorized to be laid by the Board for the District by the Constitution of West Virginia and the statutes enacted pursuant thereto shall not be exceeded; provided, however, that the rates hereinabove set forth may, whenever necessary, be exceeded in making the annual levy for interest and principal of such Bonds within any statutory and constitutional limitations; and in the levy, collection and disbursement of taxes within constitutional and statutory limitations, such levy for interest and principal upon such proposed Bonds shall have preference over all other taxes collected by the Board for any purpose whatever, except the payment of interest and sinking fund requirements on other Bond issues which heretofore have been authorized or which may hereafter be authorized.

(G)If the debt and the Bond issue shall be approved by the voters, the Bonds, together with all existing bonded indebtedness, including any other bonds heretofore issued and payable from taxes levied outside the limitations fixed by Section 1, Article X of said Constitution, will not exceed in the aggregate 5% of the valuation of the taxable property in the District ascertained in accordance with Sections 8 and 10, Article X of said Constitution, and such Bonds and the interest thereon will be payable from a direct annual tax levied and collected each year, on all taxable property in the District, sufficient to pay the principal and interest maturing and becoming due on such Bonds in each year together with any deficiencies for prior years, within, and not exceeding 34 years, which tax levies will be laid separate and apart from, and in addition to, the maximum rates provided for tax levies for school districts on the several classes of property in Section 1, Article X of said

Constitution, but in the same proportions as such maximum rates are levied on the several classes of property; and said tax will be levied outside the limits fixed by Section 1, Article X of said Constitution.

(H)If the debt and Bond issue submitted to the voters shall be approved, by virtue of Section 8, Article X of the Constitution, known as the "School Bond Amendment," and Section 10, Article X of the Constitution, known as the "Better Schools Amendment," and the enabling legislation enacted by the Legislature of West Virginia, Regular Session, 1951, amending and re-enacting Sections 3 and 4, Article 1, Chapter 13 of the Code of West Virginia, 1931, the levies hereinbefore provided will not violate any constitutional or statutory provisions of this State establishing maximum levies; said levies herein provided shall be levied and allocated each year for the purpose of discharging the interest and principal of the Bonds to be authorized, and for such purposes shall be laid separate and apart from all other levies made for all other purposes of the District, and the Board does further find that after laying and allocating said special levies for payment of the principal and interest requirements of said Bonds, there will be, out of the levies authorized by law, moneys which, when added to other income, will be sufficient to carry on the proper requisite functions of the Board and of the District.

(I)The form of ballot to be used for such school bond election shall be as follows:

****

OFFICIAL BALLOT
BOARD OF EDUCATION OF THE COUNTY OF BERKELEY
SPECIAL SCHOOL BOND ELECTION
SATURDAY, SEPTEMBER 26, 2009

Shall the Board of Education of the County of Berkeley incur debt and issue Bonds in the amount of not more than FIFTY-ONE MILLION FIVE HUNDRED THOUSAND DOLLARS ($51,500,000), maturities on such Bonds to run not more than 15-1/2 years from the date of such Bonds, with interest not exceeding the rate of 7% per annum, payable semi-annually, for the purpose of making the following improvements in Berkeley County School District (Estimated Costs to include both Bond proceeds and proceeds of grants expected to be received from the School Building Authority of West Virginia or other source, as shown below) to provide adequate, safe and convenient educational facilities for the School District, and levy taxes sufficient to pay the interest on and the principal of such Bonds?

PROJECT	LOCATION	ESTIMATED COST
1. **NEW SPRING MILLS AREA HIGH SCHOOL**	Site adjacent to existing Spring Mills Area Middle School	**$53,500,000***

Site preparation and construct, furnish and equip a new high school to house approximately 1,500 students containing approximately 228,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.

2. **NEW MOUNTAIN RIDGE AREA MIDDLE SCHOOL**	Site adjacent to existing Mountain Ridge Intermediate School	**$20,000,000**

Site preparation and construct, furnish and equip a new middle school to house approximately 600 students containing approximately 84,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.

3. **EXISTING MUSSELMAN HIGH SCHOOL**	Existing Musselman High School	**$7,000,000**

Construct new classrooms, new science labs, restrooms, stairwells, and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.

4. **EXISTING NORTH MIDDLE SCHOOL**	Existing North Middle School	**$16,000,000**

Construct new classrooms, new science labs, restrooms and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.

APPROXIMATE TOTAL COST TO BE PAID FROM BOND PROCEEDS	**$51,500,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA (OR OTHER) GRANTS	**$45,000,000**
APPROXIMATE TOTAL COST OF ALL PROJECTS	**$96,500,000**

*$25,000,000 of the $53,500,000 would be provided by a grant currently committed by the School Building Authority of West Virginia, which grant is contingent upon passage of this bond issue as submitted to the voters of Berkeley County.
The above amounts include costs of site improvement, construction, erection, renovation, repair, furnishing, equipping and improving of such projects, architectural, engineering and other professional fees and costs, interest during construction of the Project and for up to six months thereafter, expenses of issuance and sale of the Bonds, including bond insurance and rating agency fees, if appropriate, and such other costs as may be necessary for properly carrying out the foregoing projects. The Board may, in its discretion, allocate to and expend for any one or more of the above projects or for additions, renovations or improvements to existing school facilities in the District any sum remaining unused upon completion of any other project or projects, whether any such sum remains unused upon such completion by reason of lower than estimated costs for such project or projects or a grant or grants upon the cost of any such project or projects received by the Board from the State or Federal Government, or any State or Federal Governmental agency, or from any other source.

[ ] YES

[ ] NO

INSTRUCTIONS TO VOTERS: To vote in favor of the proposition submitted on this ballot, place an X mark in the square before the word "YES". To vote against the proposition, place a similar mark in the square before the word "NO".
****

8.The Secretary of the Board with the assistance of the Clerk of the County Commission of Berkeley County, which Clerk is hereby designated and appointed as an agent of the Board for this election, is hereby authorized and directed to procure and furnish to the election commissioners at each voting precinct, insofar as practicable, the ballots, poll books, tally sheets and other supplies and things necessary for conducting the election as provided by West Virginia Code, Chapter 13, Article 1, Section 11, and perform all duties imposed by law upon Clerks of the Circuit Court and County Commission in relation to general elections insofar as practicable; and, in accordance with Section 13, Article 1 of said Chapter 13, the Board shall canvass the election returns, and shall meet on Friday, October 2, 2009, that being the 5th day, Sunday excepted, after such election for such purposes.
9.Absentee ballots shall be applied for, obtained from and returned to the Clerk of the Circuit Court of the County of Berkeley in accordance with the laws of the State of West Virginia, and said Clerk is hereby appointed the agent of the Board to perform all duties relating to absentee ballots in this election.
10.Notice of the school bond election hereby ordered shall be given, as required by law, by the publication of this order within the 14 consecutive days next preceding the date of such election, with an interval of at least 6 full days between the first and second publications, once a week for 2 successive weeks in the Martinsburg Journal, being the only qualified newspaper published or of general circulation in Berkeley County, West Virginia, the publication dates to be September 15, 2009 and September 22, 2009.

Given under my hand this July 1, 2009.
THE BOARD OF EDUCATION OF
THE COUNTY OF BERKELEY
By: /s/William Queen
Its President

Certificate of Publication

This is to certify the annexed advertisement

Steptoe & Johnson
Public School Bonds

appeared for 2 consecutive days/weeks in The Journal Publishing Company, a newspaper in the City of Martinsburg, WV in it's issue beginning:

12-24-09

and ending

12-31-09

The Journal
207 W. King Street
Martinsburg, WV 25401

Fee ($) 1499.36

THE STATE OF WEST VIRGINIA
COUNTY OF BERKELEY

The foregoing instrument was acknowledged before me this Dec 31 09 by

My commission expires Apr 29 2018

Carol Bush
Notary Public

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
Carol Bush
23 Armstrong Way
Martinsburg, WV 25403
My Commission Expires April 29, 2018

IN THE MATTER OF
THE BOARD OF EDUCATION OF BERKELEY COUNTY
(WEST VIRGINIA)
$51,500,000
PUBLIC SCHOOL BONDS, SERIES 2010

ATTORNEY GENERAL'S APPROVAL

At a regular meeting of the Board of Education of the County of Berkeley, State of West Virginia, held on July 1, 2009, an order was entered of record authorizing a vote to be taken of legal voters of the County of Berkeley at a special election to be held on September 26, 2009, upon all questions connected with the incurring of debt and issuing bonds in the aggregate principal amount of Fifty One Million Five Hundred Thousand Dollars ($51,500,000), and levying taxes to pay the interest on and the principal of said bonds, the proceeds from the sale of such bonds to be used (together with proceeds of certain grants from the expected to be received School Building Authority of West Virginia, as set forth below) for the following purposes:

PROJECT	LOCATION	ESTIMATED COST
1. **NEW SPRING MILLS AREA HIGH SCHOOL** Site preparation and construct, furnish and equip a new high school to house approximately 1,500 students containing approximately 228,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Spring Mills Area Middle School	**$53,500,000***
2. **NEW MOUNTAIN RIDGE AREA MIDDLE SCHOOL** Site preparation and construct, furnish and equip a new middle school to house approximately 600 students containing approximately 84,000 square feet, together with all necessary furnishings, fixtures, equipment and appurtenances.	Site adjacent to existing Mountain Ridge Intermediate School	**$20,000,000**
3. **EXISTING MUSSELMAN HIGH SCHOOL** Construct new classrooms, new science labs, restrooms, stairwells, and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.	Existing Musselman High School	**$ 7,000,000**

4. **EXISTING NORTH MIDDLE SCHOOL**	Existing North Middle School	**$16,000,000**
Construct new classrooms, new science labs, restrooms and other improvements to existing building, together with all necessary furnishings, fixtures, equipment and appurtenances.		

APPROXIMATE TOTAL COST TO BE PAID FROM BOND PROCEEDS	**$51,500,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA (OR OTHER) GRANTS	**$45,000,000**
APPROXIMATE TOTAL COST OF ALL PROJECTS	**$96,500,000**

***$25,000,000 of the $53,500,000 would be provided by a grant currently committed by the School Building Authority of West Virginia, which grant is contingent upon passage of this bond issue as submitted to the voters of Berkeley County.**

The Board of Education of the County of Berkeley pursuant to the provisions of Chapter 13, Article 1, Section 25, of the West Virginia Code of 1931, as amended, has caused to be transmitted to me certified copies of all orders, ordinances, proclamations, notices, advertisements, affidavits, resolutions and records of all the proceedings connected with or pertaining to such bond issue, and I have examined the same.

It appears from the records so transmitted to me that with respect to the proposition of incurring debt and issuing bonds, as provided in said order, Four Thousand Five Hundred Ninety Five (4,595) votes were cast for and Two Thousand Six Hundred Twenty-Nine (2,629) votes were cast against the issuance of said bonds, so that a majority of the votes were cast for the proposition.

In my opinion, there has been substantial compliance with the law relating to the issuance of said bonds, and I therefore approve the validity of such bond issue pursuant to the provisions of Chapter 13, Article 1, Section 25, of the West Virginia Code of 1931 as amended.

Darrell V. McGraw, Jr.

Charleston, West Virginia

December 8, 2009

12:24, 31(2t)

OFFICE OF THE CLERK

CLERK OF COURT
RORY L. PERRY II

DEPUTY CLERK
EDYTHE NASH GAISER

STATE CAPITOL, ROOM E-317
1900 KANAWHA BOULEVARD, EAST
CHARLESTON, WV 25305
PHONE: (304) 558-2601
FAX: (304) 558-3815
WEB: WWW.STATE.WV.US/WVSCA

January 19, 2010

RECEIVED
JAN 2010
Attorney General

Dawn E. Warfield, Esq.
Deputy Attorney General
Attorney General's Office
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305

Re: The Board of Education of the County of Berkeley County
$51,500,000 Public School Bonds, Series 2010

Dear Ms. Warfield:

As of this date, no person or taxpayer, within ten days from and after the date of last publication of notice of the above-referenced bond issue on December 31, 2009, presented a petition to the Supreme Court of Appeals, or to a judge thereof in vacation, praying that the action of the Attorney General, which approved the subject issue pursuant to West Virginia Code §13-1-25, be reversed or modified as provided in West Virginia Code §13-1-26.

If there are any other questions regarding this matter, please give me a call.

Sincerely,

Rory L. Perry II
Clerk

RLP/llg

30A

STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
CHARLESTON 25305

DARRELL V. McGRAW, JR.
ATTORNEY GENERAL

(304) 558-2021
FAX (304) 558-0140

January 15, 2010

The Honorable Rory L. Perry, Clerk
West Virginia Supreme Court of Appeals
State Capitol, Room E-317
Charleston, West Virginia 25305

Re: Berkeley County Board of Education
$51,500,000 Public School Bonds, Series 2010

Dear Mr. Perry:

On December 8, 2009, as Attorney General of the State of West Virginia, I approved the above-referenced bond issue as provided for by West Virginia Code § 13-1-25. As evidenced by the enclosed copy of the Affidavit of Publication, notice of my approval was published in *The Journal*, as required by law, with the last publication date being December 31, 2009.

Please advise me as to whether any person or taxpayer within ten days from and after the date of the last publication of the above-referenced notices presented any petition to the Supreme Court of Appeals or to a Judge thereof in vacation, praying that the action of the Attorney General be reversed or modified as provided in West Virginia Code § 13-1-26.

Very truly yours,

DARRELL V. McGRAW, JR.
ATTORNEY GENERAL

By: Dawn E. Warfield

DAWN E. WARFIELD
DEPUTY ATTORNEY GENERAL

DEW/tl
Enclosure

30B

RECEIVED FEB 03 2010

Copy Of Advertisement

City and County of New York, ss.: -

Yohanna Beato being duly sworn, says that she is the Billing Coordinator of the BOND BUYER, a daily newspaper printed and published at One State Street Plaza, in the City of New York, County of New York, State of New York; and the notice, of which the annexed is a printed copy, was regularly published in said BOND BUYER on January 19th and 26th, 2010.

Billing Coordinator

Subscribed and sworn to before me this

January 26th, 2010

CYNTHIA D. LEWIS
Notary Public, State of New York
No. 01LE6202296
Qualified in New York County
Commission Expires March 9, 2013

31A

SUMMARY NOTICE OF BOND SALE

$51,500,000
The Board of Education of the County of Berkeley (West Virginia) Public School Bonds, Series 2010

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until 12:00 noon, local time, on February 3, 2010. Bids may be submitted electronically via PARITY® pursuant to this Notice until 12:00 noon, local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Financial Advisor at (304) 346-1981 or PARITY® at (212) 849-5021.The Board reserves the right to change the date of sale and would give notice through Thomson Municipal Newswire, or other such service, of any changes.

The Bonds will be dated the date of their delivery and will mature on May 1 in the years and in the amounts as follows:

Maturing(May 1)	Principal Amount($)	Maturing(May 1)	Principal Amount($)
2011	2,025,000	2019	3,560,000
2012	2,660,000	2020	3,710,000
2013	2,770,000	2021	3,865,000
2014	2,890,000	2022	4,030,000
2015	3,010,000	2023	4,205,000
2016	3,140,000	2024	4,380,000
2017	3,275,000	2025	4,565,000
2018	3,415,000		

The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Board. The Bonds are general obligations of the Board and the full faith and credit of the Board are pledged for payment of the principal of and interest thereon. The approving opinion of Steptoe & Johnson PLLC, Charleston, West Virginia will be furnished to the successful bidder at the expense of the Board. The Bonds will be issued in fully registered form in denominations of $5,000 and multiples of $5,000 and will be available in book-entry form only with The Depository Trust Company acting as securities depository.

A complete copy of the Official Notice of Sale and the Official Form of Proposal is contained in the Preliminary Official Statement and may be obtained from the Board's Financial Advisor, Raymond James & Associates, Inc., 500 Lee Street, East, Suite 530, Laidley Tower, Charleston, West Virginia 25301 (telephone 304/346-1981).

By Order of The Board of Education of The County of Berkeley (West Virginia)

January 19, 2010

! RECEIVED FEB 11 2010
1-26

SUMMARY NOTICE OF BOND SALE

$51,500,000
The Board of Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until 12:00 noon, local time, on February 3, 2010. Bids may be submitted electronically via PARITY® pursuant to this Notice until 12:00 noon, local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Financial Advisor at (304) 346-1981 or PARITY® at (212) 849-5021.The Board reserves the right to change the date of sale and would give notice through Thomson Municipal Newswire, or other such service, of any changes.
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By Order of The Board of Education of The County of Berkeley (West Virginia)

January 19, 2010

1:19, 26 2(t)

Certificate of Publication

This is to certify the annexed advertisement

BC Board of Education
Notice of Bond Sale

appeared for 2 consecutive days/weeks in The Journal Publishing Company, a newspaper in the City of Martinsburg, WV in it's issue beginning:

1-19-10

and ending

1-26-10

The Journal
207 W. King Street
Martinsburg, WV 25401

Fee ($) 334.74

THE STATE OF WEST VIRGINIA
COUNTY OF BERKELEY

The foregoing instrument was acknowledged before me this Feb. 3, 10 by

My commission expires Apr 29 2018

Carol Bush
Notary Public

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
Carol Bush
23 Armstrong Way
Martinsburg, WV 25403
My Commission Expires April 29, 2018

31B

OFFICIAL NOTICE OF SALE

$51,500,000
The Board of Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

The Board of Education of the County of Berkeley (West Virginia) (the "Board") is using PARITY® as a communication mechanism to conduct the electronic bidding for sale of its $51,500,000 Public School Bonds, Series 2010 (the "Bonds"), as described herein.

Bid Submission

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until 12:00 noon, local time, on Wednesday, February 3, 2010. Bids for the Bonds may be submitted electronically via PARITY® pursuant to this Notice until 12:00 noon, local time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Financial Advisor at (304) 346-1981 or PARITY® at 1359 Broadway, 2nd Floor, New York, NY 10018 telephone (212) 849-5021.

The bids will be publicly announced, and the Board will act upon the bids by 2:00 p.m., Local Time.

In the event of a malfunction of the Electronic Bidding System at 12:00 p.m., Local Time, on the Date of Sale, an attempt will be made to reschedule the bidding for 1:00 p.m., Local Time, on the Date of Sale. Should the Electronic Bidding System malfunction a second time, facsimile transmission bids will be accepted at the discretion of the Board in coordination with its Financial Advisor, Raymond James & Associates, Inc (the "Financial Advisor"). To the extent possible, the rescheduled bid time will be communicated to the bidders. Bidders choosing to submit bids in case of a malfunction by facsimile transmission shall use the following telecopier number for such transmission: (304) 346-1985. Transmissions receive after the deadline shall be rejected. It is the responsibility of the bidder to ensure that the bid is legible, that the bid is received not later than the deadline as communicated to bidders and that the bid is sent to the telecopier number set forth above. Illegible transmissions shall be rejected. The Financial Advisor, will, on behalf of the Board, verify receipt of each bid submitted through facsimile transmission by contacting each bidder by telephone once the bid has been received. The Financial Advisor will in no instance correct, alter or in any way change bids submitted through facsimile transmission. The Board and the Financial Advisor will not be responsible for bids submitted by facsimile transmission not received in accordance with the provisions of the Official Notice of Sale. Bidders submitting bids via facsimile transmission will bare full and complete responsibility for the transmission of such bids.

Each bid must be unconditional.

The Board expects to take the bids on the Bonds on Wednesday, February 3, 2010. However, the Board reserves the right to postpone the date and time established for the receipt of the bids. Any such postponement will be announced by Thomson Municipal Newswire, or any other such service. If the receipt of bids is postponed, any alternative date for receipt of bids will be announced. Any bidder must submit a sealed bid for the purchase of the Bonds on such alternative sale date in conformity with the provisions of the Official Notice of Sale, except for any changes announced via Thomson Municipal Newswire or any other such service, as described therein.

Preliminary Official Statement

Copies of the Preliminary Official Statement concerning the Bonds and the Official Form of Proposal relating to the Bonds may be secured from Mr. Manny Arvon, Superintendent, Berkeley County Board of Education, 401 South Queen Street, Martinsburg, West Virginia, 25401, (telephone 304/267-3500) or from Raymond James & Associates, Inc., 500 Lee Street, East, Suite 530, Laidley Tower, Charleston, West Virginia, 25301 (telephone 304/346-1981).

The Bonds

The Bonds will be dated the date of their delivery (the "Dated Date") and will mature on May 1 in the years and in the amounts as follows:

Maturing (May 1)	Principal Amount ($)	Maturing (May 1)	Principal Amount ($)
2011	2,025,000	2019	3,560,000
2012	2,660,000	2020	3,710,000
2013	2,770,000	2021	3,865,000
2014	2,890,000	2022	4,030,000
2015	3,010,000	2023	4,205,000
2016	3,140,000	2024	4,380,000
2017	3,275,000	2025	4,565,000
2018	3,415,000		

The Bonds are general obligations of the Board and the full faith and credit of the Board are pledged for payment of the principal of and interest thereon. All the taxable property in Berkeley County, West Virginia, will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, sufficient to pay the principal of and interest on the Bonds when due.

The Bonds will be dated the Date of Delivery, and will be issued in fully registered form only, without coupons, and, when issued will be registered in the name of CEDE & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds.

Pursuant to Chapter 13, Article 1, of the Code of West Virginia, 1931, as amended, both the principal of and interest on the Bonds are payable at the office of the West Virginia State Treasurer. The State Treasurer has designated the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent for payment of the Bonds and United Bank, Inc., Charleston, West Virginia, as the Registrar.

Interest on the Bonds will be payable November 1, 2010, and semiannually thereafter (each May 1 and November 1) in each year until maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the owners of the Bonds.

Optional Redemption

The Bonds maturing on or after May 1, 2021, are subject to redemption on or after May 1, 2020, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at par plus interest, if any, accrued to the date fixed for redemption.

Terms of Sale

Bidders may only bid to purchase all of the Bonds. Each proposal must state the amount bid for the Bonds, not less than $51,500,000 or greater than 103% of the par value of the bonds, and must state in multiples of 1/20 or 1/8 of 1% the rates of interest per annum which the Bonds are to bear, but must not state:

(a) any interest rate which is in excess of 7% per annum,
(b) more than one interest rate for any Bonds having like maturity, and
(c) any interest rate for Bonds which exceeds the interest rate stated in such proposal for any other Bonds by more than two percent (2%).

The right is reserved to reject any and all proposals not conforming to this Official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any proposal.

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment thereof at the option of the bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

Award

Unless it rejects all proposals for the Bonds (which right is hereby retained), the Board, from among the legally acceptable proposals which comply with this Official Notice of Sale, will select the bidder (herein called the "successful bidder") whose proposal offers to purchase all the Bonds at the lowest true interest cost ("TIC"). The TIC for the bonds shall be determined by doubling the semi-annual interest based on a 360-day year or twelve-30 day months, compounded semiannually, necessary to discount the semi-annual debt service payments from the payment dates to the dated date of the Bonds and to the aggregate purchase price. If there be more than one such proposal making such offer at the same lowest cost, the Bonds will be sold to the bidder whose proposal is selected by the Board by lot from among all such proposals making such offer at the lowest cost.

Good Faith Deposit

Bidders must deliver to the Financial Advisor by 12:00 noon on February 3, 2010, a good faith deposit in the form of a certified or cashier's check or bank draft drawn on a solvent bank or trust company for 2% of the par value of the Bonds ($1,030,000), payable to the order of The Board of Education of Berkeley County. When the successful bidder has been ascertained, the Board will return to the unsuccessful bidders their good faith deposits. The good faith deposit of the successful bidder will be cashed and may be invested with interest accruing to the benefit of the Board. The principal amount of the good faith deposit of the successful bidder will be applied as partial payment for the Bonds or as security for the performance of such proposal and as liquidated damages in the event the successful bidder fails to accept and pay for the Bonds. As an alternative to delivering a good faith check as described above, a bidder may enclose with its bid a Financial Surety Bond in the amount of $1,030,000. It must be issued by an insurance company that is licensed to issue such a bond in the State of West Virginia, naming the Board as beneficiary (a "Surety Bond"). The bond must be submitted to the Board or its Financial Advisor prior to the opening of bids. The Surety Bond will identify the bidder whose deposit is guaranteed by the Surety Bond. If the successful bidder has provided a Surety Bond, such bidder shall wire transfer to the Board $1,030,000 in immediately available funds not later than 12:00 noon (Prevailing Time) on the next business date following the date of award of the Bonds. In the event that the Board has not received such federal funds wire by the time stated, the Board may draw upon the Surety Bond to satisfy the successful bidder's deposit requirement.

As an alternative to the methods set forth above, upon bids being announced and a successful bidder being identified, the successful bidder may wire the sum of $1,030,000 to a depository identified by the issuer, by 3 pm, local time that day.

Delivery of the Bonds

The Bonds will be delivered upon payment of the balance of the purchase price in Federal Funds payable to the order of "The Board of Education of the County of Berkeley, West Virginia". It is expected that the Bonds will be available for delivery to The Depository Trust Company in New York, New York, on or about February 17, 2010, on such business day and at such hour, as the Board may fix on five business days' notice to the successful bidder, or at such other place and time as may be agreed upon with the successful bidder.

It will be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that prior to or contemporaneously with such delivery, the successful bidder will be furnished with the final approving opinion of Steptoe and Johnson PLLC Charleston, West Virginia, Bond Counsel. The opinion of Bond Counsel will include an opinion that under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes and that the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. Said opinion shall also contain further statements to the effect that (a) said Bond Counsel has considered litigation in certain states, including the State of West Virginia, such as Pauley v. Bailey, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes and that, in their opinion, such litigation will not modify the rights of the holders of the Bonds to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within Berkeley County, West Virginia, for payment of the Bonds if not paid from other sources and does not modify or qualify the conclusions elsewhere stated in such approving opinion; and (b) the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

It will be a further condition of delivery of any payment for the Bonds that there also be delivered at such time certificates satisfactory to said Bond Counsel evidencing proper execution and delivery of the Bonds, including (i) a certificate dated the date of delivery of the Bonds, stating that there is no litigation pending or threatened affecting the validity of the Bonds, or wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Board, or adversely affect the power of the Board to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds, (ii) a certificate dated the date of delivery of the Bonds, of the President and Secretary of the Board, to the effect that at the time of the sale of the Bonds and at all times subsequent thereto up to and including the time of delivery of the Bonds, to the best of their knowledge, the Official Statement in final form and as of its date, did 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, and (iii) a tax and arbitrage certificate executed on behalf of the Board which will include, among other things, covenants relating to compliance with the Internal Revenue Code of 1986, as amended (the "Code"), with the owners of the Bonds that the Board, will, among other things, (a) take all actions on its part necessary to cause interest on the Bonds not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a special manner, where appropriate, and (b) refrain from taking any action which would cause interest on the Bonds to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes. The Bonds will also bear the signed approval of the Attorney General of West Virginia to the effect that the Bonds are binding obligations of the Board and are incontestable.

Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the Board a certificate acceptable to Bond Counsel stating (i) the reoffering prices, expressed as a percentage of par, to the public of each maturity of the Bonds (the "Reoffering Prices"); (ii) that the successful bidder has made a bona fide public offering of the Bonds at the Reoffering Prices; and (iii) that a substantial amount of the Bonds was sold to the public (excluding bond houses, brokers and other intermediaries) at such initial Reoffering Prices. Bond Counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in par amount of the Bonds of each maturity at the Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds, and (iii) reliance on other facts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Bonds.

Final Official Statement

Within seven (7) business days after the award of the Bonds to the successful bidder therefore, on the date of the sale, the Board, by its President, will authorize the delivery of its Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. The Preliminary Official Statement is deemed final by the Board for the purpose of Rule 15c2-12 of the Securities and Exchange Commission, subject to revision, amendment and completion in a final Official Statement. The Board will also issue any supplement or amendment to the Official Statement that may be necessary between the date of the Official Statement and the date of delivery of the Bonds. If requested and furnished to the Board in writing by the successful bidder at or before the close of business on the day of sale, the Board will include in the Official Statement such pricing and other information relating to the reoffering of the Bonds, if any, as may be so furnished. If no such information is furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. Whether or not any such information is included in the Official Statement, the successful bidder shall be responsible to the Board and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any reoffering of the Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. The Board reserves no responsibility or obligation for the distribution of the Official Statement to anyone other than the successful bidder. Within seven (7) business days after the award of the Bonds, the successful bidder will also be furnished, without cost, up to 350 copies of the Official Statement (and any amendment or supplement thereto).

CUSIP

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with terms of this Official Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Board. However, the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY

By: Manuel P. Arvon
Secretary, The Board of Education of the County of Berkeley

DATE: January 19, 2010

OFFICIAL FORM OF PROPOSAL

Mr. Manuel P. Arvon, Superintendent
The Board of Education of the County of Berkeley, West Virginia

Superintendent:

Subject to the provisions and in accordance with the terms of the Official Notice of Sale, dated January 19, 2010 which are hereby made part of this bid, we offer to purchase all of the $51,500,000, the Board of Education of the County of Berkeley (West Virginia), Public School Bonds, Series 2010, described in said Official Notice of Sale, for the price of $51,500,000 plus a premium of $_____ (not to exceed $1,545,000). The Bonds maturing in the years set forth below shall bear interest at the respective rates set opposite such years in the following table:

Maturity (May 1)	Principal Amount ($)	Interest Rate (%)	Maturity (May 1)	Principal Amount ($)	Interest Rate (%)
2011	2,025,000	_____	2019	3,560,000	_____
2012	2,660,000	_____	2020	3,710,000	_____
2013	2,770,000	_____	2021	3,865,000	_____
2014	2,890,000	_____	2022	4,030,000	_____
2015	3,010,000	_____	2023	4,205,000	_____
2016	3,140,000	_____	2024	4,380,000	_____
2017	3,275,000	_____	2025	4,565,000	_____
2018	3,415,000	_____			

Please check one of the following:

- ❑ One or more certified or cashier's checks or bank draft drawn on solvent banks or trust companies and payable unconditionally to the order of The Board of Education of the County of Berkeley for $1,030,000 which check is to be applied in accordance with said Official Notice of Sale.
- ❑ A surety bond in the amount of $1,030,000 in accordance with the Official Notice of Sale.
- ❑ Will wire funds in the amount of $1,030,000 by 3:00 pm, local time, day of bid, if successful.

Name of Bidder: _____

By: _____

Telephone: _____

(No addition or alteration, except as provided above, is to be made to this bid. Please attach a list of syndicate members, as applicable.)

The foregoing proposal is hereby accepted this _____ day of _____, 2010

By: _____, The Board of Education of the County of Berkeley

The following is included for informational purposes only and is not a part of the bid:

True Interest Cost (Computed in accordance with the Official Notice of Sale) _____%

Return of the check mentioned in the above proposal to the above named bidder is hereby acknowledged.

By:_____

Bid Results

Berkeley Co BOE
$51,500,000 Public School Bonds, Series 2010

The following bids were submitted using ***PARITY***® and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
	Banc of America Merrill Lynch	3.220068
	Wells Fargo Securities	3.221480
	Stifel Nicolaus & Company, Inc.	3.264871
	Citigroup Global Markets Inc.	3.288318
	Robert W. Baird & Co., Inc.	3.319829
	Prager, Sealy & Co., LLC	3.348903
	Hutchinson, Shockey, Erley & Co.	3.392814
	Morgan Stanley & Co Inc.	3.433299
	J.P. Morgan Securities Inc.	3.448237

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

Banc of America Merrill Lynch -
New York , NY's Bid
Berkeley Co BOE
$51,500,000 Public School Bonds, Series 2010

For the aggregate principal amount of $51,500,000.00, we will pay you $52,862,011.17, plus accrued interest from
the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount $	Coupon %
5/1/2011	2,025	3
5/1/2012	2,660	3
5/1/2013	2,770	2
5/1/2014	2,890	4
5/1/2015	3,010	2
5/1/2016	3,140	2.5
5/1/2017	3,275	4
5/1/2018	3,415	4
5/1/2019	3,560	4
5/1/2020	3,710	4
5/1/2021	3,865	3.25
5/1/2022	4,030	3.375
5/1/2023	4,205	3.5
5/1/2024	4,380	4
5/1/2025	4,565	3.75

Total Interest Cost:	$16,706,691.60
Premium:	$1,362,011.17
Net Interest Cost:	$15,344,680.43
TIC:	3.220068

Time Last Bid Received On: 02/03/2010 11:59:47 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder:	Banc of America Merrill Lynch, New York , NY
Contact:	Rob Barber
Title:	Managing Director
Telephone:	212-449-5081
Fax:	212-449-3733

Banc of America Merrill Lynch's Reoffering Scale
Berkeley Co BOE
$51,500,000 Public School Bonds, Series 2010

Maturity Date	Amount $	Coupon %	Yield %	Dollar Price	Call Date
05/01/2011	2,025M	3.0000	0.3000	103.246	
05/01/2012	2,660M	3.0000	0.7100	105.001	
05/01/2013	2,770M	2.0000	1.0300	103.050	
05/01/2014	2,890M	4.0000	1.4400	110.408	
05/01/2015	3,010M	2.0000	1.8500	100.740	
05/01/2016	3,140M	2.5000	2.2700	101.322	
05/01/2017	3,275M	4.0000	2.6500	108.799	
05/01/2018	3,415M	4.0000	2.9300	107.750	
05/01/2019	3,560M	4.0000	3.0700	107.405	
05/01/2020	3,710M	4.0000	3.2100	106.824	
05/01/2021	3,865M	3.2500	3.3700	98.884	
05/01/2022	4,030M	3.3750	3.5100	98.665	
05/01/2023	4,205M	3.5000	3.6500	98.435	
05/01/2024	4,380M	4.0000	3.7900	101.759	05/01/2020
05/01/2025	4,565M	3.7500	3.9300	97.949	

Accrued Interest: $0.00

Gross Production: $53,038,111.15

Bids Comparison
Berkeley Co BOE
$51,500,000 Public School Bonds, Series 2010

Banc of America Merrill Lynch - New York, NY			Wells Fargo Securities - Charlotte, NC			Stifel Nicolaus & Company, Inc. - Denver, CO		
Maturity	Amount	Coupon	Maturity	Amount	Coupon	Maturity	Amount	Coupon
5/1/2011	2,025	3	5/1/2011	2,025	3	5/1/2011	2,025	2
5/1/2012	2,660	3	5/1/2012	2,660	3	5/1/2012	2,660	2
5/1/2013	2,770	2	5/1/2013	2,770	3	5/1/2013	2,770	2
5/1/2014	2,890	4	5/1/2014	2,890	3	5/1/2014	2,890	2
5/1/2015	3,010	2	5/1/2015	3,010	3	5/1/2015	3,010	2.5
5/1/2016	3,140	2.5	5/1/2016	3,140	3	5/1/2016	3,140	2.5
5/1/2017	3,275	4	5/1/2017	3,275	3	5/1/2017	3,275	3
5/1/2018	3,415	4	5/1/2018	3,415	3	5/1/2018	3,415	4
5/1/2019	3,560	4	5/1/2019	3,560	4	5/1/2019	3,560	4
5/1/2020	3,710	4	5/1/2020	3,710	4	5/1/2020	3,710	4
5/1/2021	3,865	3.25	5/1/2021	3,865	3.25	5/1/2021	3,865	3.75
5/1/2022	4,030	3.375	5/1/2022	4,030	4	5/1/2022	4,030	4
5/1/2023	4,205	3.5	5/1/2023	4,205	4	5/1/2023	4,205	4
5/1/2024	4,380	4	5/1/2024	4,380	3.5	5/1/2024	4,380	4
5/1/2025	4,565	3.75	5/1/2025	4,565	3.625	5/1/2025	4,565	4
TIC	3.220068		TIC	3.22148		TIC	3.264871	
Purchase Price	52862011.2		Purchase Price	52765509.1		Purchase Price	53033014.6	

Citigroup Global Markets Inc. - New York, NY			Robert W. Baird & Co., Inc. - Winston-Salem, NC			Prager, Sealy & Co., LLC - New York, NY		
Maturity	Amount	Coupon	Maturity	Amount	Coupon	Maturity	Amount	Coupon
5/1/2011	2,025	2	5/1/2011	2,025	2	5/1/2011	2,025	3
5/1/2012	2,660	2	5/1/2012	2,660	2	5/1/2012	2,660	3
5/1/2013	2,770	2	5/1/2013	2,770	2	5/1/2013	2,770	3
5/1/2014	2,890	2	5/1/2014	2,890	2	5/1/2014	2,890	3
5/1/2015	3,010	2	5/1/2015	3,010	3	5/1/2015	3,010	3
5/1/2016	3,140	3	5/1/2016	3,140	3	5/1/2016	3,140	3
5/1/2017	3,275	3	5/1/2017	3,275	3	5/1/2017	3,275	3
5/1/2018	3,415	4	5/1/2018	3,415	4	5/1/2018	3,415	3.5
5/1/2019	3,560	4	5/1/2019	3,560	4	5/1/2019	3,560	3.75
5/1/2020	3,710	4	5/1/2020	3,710	3.5	5/1/2020	3,710	4
5/1/2021	3,865	4	5/1/2021	3,865	4	5/1/2021	3,865	4
5/1/2022	4,030	4	5/1/2022	4,030	4	5/1/2022	4,030	4
5/1/2023	4,205	4	5/1/2023	4,205	4	5/1/2023	4,205	4
5/1/2024	4,380	4	5/1/2024	4,380	4	5/1/2024	4,380	4
5/1/2025	4,565	4	5/1/2025	4,565	4	5/1/2025	4,565	4
TIC	3.288318		TIC	3.319829		TIC	3.348903	
Purchase Price	53045000		Purchase Price	52902214.7		Purchase Price	53029583.5	

Hutchinson, Shockey, Erley & Co. - Chicago, IL			Morgan Stanley & Co Inc. - New York, NY			J.P. Morgan Securities Inc. - New York, NY		
Maturity	Amount	Coupon	Maturity	Amount	Coupon	Maturity	Amount	Coupon
5/1/2011	2,025	2.25	5/1/2011	2,025	2	5/1/2011	2,025	2
5/1/2012	2,660	2.25	5/1/2012	2,660	2	5/1/2012	2,660	2
5/1/2013	2,770	2.25	5/1/2013	2,770	2	5/1/2013	2,770	2
5/1/2014	2,890	2.25	5/1/2014	2,890	2.25	5/1/2014	2,890	3
5/1/2015	3,010	3	5/1/2015	3,010	2.5	5/1/2015	3,010	3
5/1/2016	3,140	3	5/1/2016	3,140	3	5/1/2016	3,140	4
5/1/2017	3,275	4	5/1/2017	3,275	3	5/1/2017	3,275	4
5/1/2018	3,415	4	5/1/2018	3,415	3.25	5/1/2018	3,415	4
5/1/2019	3,560	4	5/1/2019	3,560	3.5	5/1/2019	3,560	4
5/1/2020	3,710	4	5/1/2020	3,710	4	5/1/2020	3,710	4
5/1/2021	3,865	4	5/1/2021	3,865	4	5/1/2021	3,865	4
5/1/2022	4,030	4	5/1/2022	4,030	4	5/1/2022	4,030	4
5/1/2023	4,205	3.75	5/1/2023	4,205	4	5/1/2023	4,205	4
5/1/2024	4,380	4	5/1/2024	4,380	4	5/1/2024	4,380	4
5/1/2025	4,565	4	5/1/2025	4,565	4	5/1/2025	4,565	4
TIC	3.392814		TIC	3.433299		TIC	3.448237	
Purchase Price	52936313.4		Purchase Price	52246248.7		Purchase Price	53045000	

Bids Summary
Berkeley Co BOE
$51,500,000 Public School Bonds
Series 2010

	5/1/2011		5/1/2012		5/1/2013		5/1/2014		5/1/2015	
	Amount	Coupon	Amount	Coupon	Amount	Coupon	Amount	Coupon	Amount	Coupon
Banc of America Merrill Lynch - New York, NY	2,025	3	2,660	3	2,770	2	2,890	4	3,010	2
Wells Fargo Securities - Charlotte, NC	2,025	3	2,660	3	2,770	3	2,890	3	3,010	3
Stifel Nicolaus & Company, Inc. - Denver, CO	2,025	2	2,660	2	2,770	2	2,890	2	3,010	2.5
Citigroup Global Markets Inc. - New York, NY	2,025	2	2,660	2	2,770	2	2,890	2	3,010	2
Robert W. Baird & Co., Inc. - Winston-Salem, NC	2,025	2	2,660	2	2,770	2	2,890	2	3,010	3
Prager, Sealy & Co., LLC - New York, NY	2,025	3	2,660	3	2,770	3	2,890	3	3,010	3
Hutchinson, Shockey, Erley & Co. - Chicago, IL	2,025	2.25	2,660	2.25	2,770	2.25	2,890	2.25	3,010	3
Morgan Stanley & Co Inc. - New York, NY	2,025	2	2,660	2	2,770	2	2,890	2.25	3,010	2.5
J.P. Morgan Securities Inc. - New York, NY	2,025	2	2,660	2	2,770	2	2,890	3	3,010	3

Bids Summary
Berkeley Co BOE
$51,500,000 Public School Bonds
Series 2010

	5/1/2016		5/1/2017		5/1/2018		5/1/2019		5/1/2020	
	Amount	Coupon	Amount	Coupon	Amount	Coupon	Amount	Coupon	Amount	Coupon
Banc of America Merrill Lynch - New York, NY	3,140	2.5	3,275	4	3,415	4	3,560	4	3,710	4
Wells Fargo Securities - Charlotte, NC	3,140	3	3,275	3	3,415	3	3,560	4	3,710	4
Stifel Nicolaus & Company, Inc. - Denver, CO	3,140	2.5	3,275	3	3,415	4	3,560	4	3,710	4
Citigroup Global Markets Inc. - New York, NY	3,140	3	3,275	3	3,415	4	3,560	4	3,710	4
Robert W. Baird & Co., Inc. - Winston-Salem, NC	3,140	3	3,275	3	3,415	4	3,560	4	3,710	3.5
Prager, Sealy & Co., LLC - New York, NY	3,140	3	3,275	3	3,415	3.5	3,560	3.75	3,710	4
Hutchinson, Shockey, Erley & Co. - Chicago, IL	3,140	3	3,275	4	3,415	4	3,560	4	3,710	4
Morgan Stanley & Co Inc. - New York, NY	3,140	3	3,275	3	3,415	3.25	3,560	3.5	3,710	4
J.P. Morgan Securities Inc. - New York, NY	3,140	4	3,275	4	3,415	4	3,560	4	3,710	4

Bids Summary
Berkeley Co BOE
$51,500,000 Public School Bonds
Series 2010

	5/1/2021		5/1/2022		5/1/2023		5/1/2024		5/1/2025	
	Amount	Coupon	Amount	Coupon	Amount	Coupon	Amount	Coupon	Amount	Coupon
Banc of America Merrill Lynch - New York, NY	3,865	3.25	4,030	3.375	4,205	3.5	4,380	4	4,565	3.75
Wells Fargo Securities - Charlotte, NC	3,865	3.25	4,030	4	4,205	4	4,380	3.5	4,565	3.625
Stifel Nicolaus & Company, Inc. - Denver, CO	3,865	3.75	4,030	4	4,205	4	4,380	4	4,565	4
Citigroup Global Markets Inc. - New York, NY	3,865	4	4,030	4	4,205	4	4,380	4	4,565	4
Robert W. Baird & Co., Inc. - Winston-Salem, NC	3,865	4	4,030	4	4,205	4	4,380	4	4,565	4
Prager, Sealy & Co., LLC - New York, NY	3,865	4	4,030	4	4,205	4	4,380	4	4,565	4
Hutchinson, Shockey, Erley & Co. - Chicago, IL	3,865	4	4,030	4	4,205	3.75	4,380	4	4,565	4
Morgan Stanley & Co Inc. - New York, NY	3,865	4	4,030	4	4,205	4	4,380	4	4,565	4
J.P. Morgan Securities Inc. - New York, NY	3,865	4	4,030	4	4,205	4	4,380	4	4,565	4

Bids Summary
Berkeley Co BOE
$51,500,000 Public School Bonds
Series 2010

	TIC	Purchase Price
Banc of America Merrill Lynch - New York, NY	3.220068	52862011.17
Wells Fargo Securities - Charlotte, NC	3.22148	52765509.14
Stifel Nicolaus & Company, Inc. - Denver, CO	3.264871	53033014.6
Citigroup Global Markets Inc. - New York, NY	3.288318	53045000
Robert W. Baird & Co., Inc. - Winston-Salem, NC	3.319829	52902214.67
Prager, Sealy & Co., LLC - New York, NY	3.348903	53029593.45
Hutchinson, Shockey, Erley & Co. - Chicago, IL	3.392814	52936313.44
Morgan Stanley & Co Inc. - New York, NY	3.433299	52246248.7
J.P. Morgan Securities Inc. - New York, NY	3.448237	53045000

Blanket Issuer Letter of Representations

[To be Completed by Issuer]

The Board of Education of the County of Berkeley (West Virginia)

[Name of Issuer]

February 1, 2002
[Date]

Underwriting Department—Eligibility
The Depository Trust Company
55 Water Street 19th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

The Board of Education of the County of Berkeley (West Virginia)
(Issuer)

By: _____
(Authorized Officer's Signature)

Dr. William F. Queen
(Print Name)

401 S. Queen Street
(Street Address)

Martinsburg WV 25401
(City) (State) (Zip Code)

(304) 267-3500
(Phone Number)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: _____

P-2487 04/99

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SCHEDULE A
(To Blanket Issuer Letter of Representations)

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $200 million, one certificate will be issued with respect to each $200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[Beneficial Owners of the Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

State of West Virginia

OFFICE OF THE STATE TREASURER
CHARLESTON, WV 25305

JOHN D. PERDUE
STATE TREASURER

PAUL W. HILL
ASSISTANT STATE TREASURER

1-800-422-7498
304-558-5000
FAX 304-558-4097
WWW.WVSTO.COM

RECEIVED DEC 15 2009

December 10, 2009

Ms. Marie L. Prezioso
Director
Raymond James
500 Lee Street, East
Suite 530, Laidley Tower
Charleston, WV 25301

Re: $51,500,000 The Board of Education of the County of Berkeley, West Virginia, Public School Bonds, Series 2010

Dear Ms. Prezioso:

Pursuant to your request, I hereby designate United Bank, Inc., of Charleston, West Virginia, to serve as Registrar and the West Virginia Municipal Bond Commission to serve as Paying Agent for the above-named issue.

If there are any questions concerning this designation, feel free to contact me.

Sincerely,

John D. Perdue
State Treasurer

Vincent Collins

From: Marie Prezioso [Marie.Prezioso@RaymondJames.com]
Sent: Tuesday, December 22, 2009 10:45 AM
To: Vincent Collins
Subject: FW:
Attachments: Berkeley County BOE Registrar-Paying Agent Designation.PDF

FYI Letter from State Treasurer

Marie L. Prezioso
Director, Public Finance
Manager of West Virginia Public Finance

Raymond James & Associates, Inc.
500 Lee Street, East
Suite 530
Charleston, WV 25301

304.346.1984 Office 304.932.1252 Cell 304.346.1985 Fax

Marie.Prezioso@RaymondJames.com

The information contained herein is solely intended to suggest/discuss potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive. Investors, borrowers, or other market participants should not rely upon this information in making their investment/financing decisions. The information set forth herein was gathered from sources which we believe, but do not guarantee, to be accurate.

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

REGISTRAR'S AGREEMENT

THIS AGREEMENT, dated as of February 17, 2010, by and between **THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY (West Virginia)**, a public corporation of the State of West Virginia (the "Issuer"), and **UNITED BANK, INC.**, Charleston, West Virginia, a West Virginia banking corporation (the "Bank"), as Registrar under a Resolution and Order Directing Issuance of Bonds of the Issuer adopted October 19, 2009, as supplemented and amended (the "Resolution").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $51,500,000 aggregate principal amount of Public School Bonds, Series 2010, in fully registered form (the "Bonds"), pursuant to the Resolution;

WHEREAS, capitalized words and terms used in this Agreement and not otherwise defined herein shall have the respective meanings given them in the Resolution;

WHEREAS, the Resolution provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Resolution and this Agreement does appoint the Bank to act as Registrar under the Resolution 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 Agreement by the Issuer and the Bank and during the term hereof, the Bank does accept and shall have and agrees to perform all of the powers and duties of Registrar as set forth in the Resolution, 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 excludability from gross income of interest on the Bonds for purposes of federal income taxation, in

accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Bank agrees to distribute sinking fund redemption notices at the times, in the manner, and otherwise in accordance with the provisions of the Bonds.

3. The Bank 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 Bank's authorized officers for the purposes of acting as the Bank and with such other information and reports as the Issuer may from time to time reasonably require.

4. The Bank shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

5. As compensation for acting as Registrar pursuant to this Agreement and the Resolution, the Issuer hereby agrees to pay to the Bank, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

6. It is intended that this Agreement shall carry out and implement provisions of the Resolution with respect to the Registrar. In the event of any conflict between the terms of this Agreement and the Resolution, the terms of the Resolution shall govern.

7. The Issuer and the Bank each warrants and represents that it is duly authorized and empowered to execute and enter into this Agreement and that neither such execution nor the performance of its duties hereunder or under the Resolution will violate any order, decree or agreement to which it is a party or by which it is bound.

8. This 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: The Board of Education of the County of Berkeley
401 South Queen Street
Martinsburg, WV 25401
Attention: President

BANK: United Bank, Inc.
500 Virginia Street, East
Charleston, West Virginia 25301
Attention: Trust Officer

9. The Bank, as Registrar, is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Resolution.

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY and UNITED BANK, INC. have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

THE BOARD OF EDUCATION OF
THE COUNTY OF BERKELEY

By: _____
Its President

UNITED BANK, INC.

By: _____
Its Vice President
and Trust Officer

WEST VIRGINIA MUNICIPAL BOND COMMISISON
Suite 401
1207 Quarrier Street, Charleston, WV 25301
(304) 558-3971 FAX: 558-1280

NEW ISSUE REPORT FORM
Date of Report: February 17, 2010

ISSUE: THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY (West Virginia)
ADDRESS: 410 South Queen Street, Martinsburg, WV 25401 COUNTY: Berkeley

PURPOSE OF ISSUE: New Money X
Refunding _____ Refunds issue(s) dated: _____

ISSUE DATE: February 17, 2010 CLOSING DATE: February 17, 2010

ISSUE AMOUNT: $51,500,000 RATE: See attached

1st DEBT SERVICE DUE: November 1, 2010 1st PRINCIPAL DUE: May 1, 2011

1st DEBT SERVICE AMOUNT: $1,244,485.35 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson PLLC
Contact Person: Vincent A. Collins, Esq.
Phone: 304.598.8161

UNDERWRITERS COUNSEL: _____
Contact Person: _____
Phone: _____

CLOSING BANK: United National Bank
Contact Person: Kathy Smith
Phone: _____

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: _____
Position: _____
Phone: _____
Email: _____

OTHER: Raymond James & Associates, Inc.
Contact Person: Marie Prezioso
Position: Director, Public Finance
Phone: 304.346.1984

DEPOSITS TO MBC AT CLOSE: _____ _____ Accrued Interest: $ _____

By _____ Wire _____ Capitalized Interest: $ _____

_____ Check _____ Reserve Account: $ _____

_____ In-house Transfer _____ Other: _____ $ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By _____ Wire _____ To Escrow Trustee: $ _____

_____ Check _____ To Issuer: $ _____

_____ IGT _____ To Cons.Invest Fund $ _____

_____ To Other: _____ $ _____

NOTES: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: _____
Transfers Required: _____

$51,500,000
The Board of Education of the County of Berkeley
(West Virginia)
Public School Bonds, Series 2010

ATTACHMENT TO NEW ISSUE REPORT FORM

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.

2. Date of first action or debt service.

3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

BOND PRICING

$51,500,000
The Board Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

Bond Component	Maturity Date	Amount	Rate	Yield	Price	
2025 Term Bond:						
	05/01/2011	2,025,000	3.000%	0.300%	103.246	
	05/01/2012	2,660,000	3.000%	0.710%	105.001	
	05/01/2013	2,770,000	2.000%	1.030%	103.050	
	05/01/2014	2,890,000	4.000%	1.440%	110.408	
	05/01/2015	3,010,000	2.000%	1.850%	100.740	
	05/01/2016	3,140,000	2.500%	2.270%	101.322	
	05/01/2017	3,275,000	4.000%	2.650%	108.799	
	05/01/2018	3,415,000	4.000%	2.930%	107.750	
	05/01/2019	3,560,000	4.000%	3.070%	107.405	
	05/01/2020	3,710,000	4.000%	3.210%	106.824	
	05/01/2021	3,865,000	3.250%	3.370%	98.884	
	05/01/2022	4,030,000	3.375%	3.510%	98.665	
	05/01/2023	4,205,000	3.500%	3.650%	98.435	
	05/01/2024	4,380,000	4.000%	3.790%	101.759	C
	05/01/2025	4,565,000	3.750%	3.930%	97.949	
		51,500,000				

Dated Date	02/17/2010	
Delivery Date	02/17/2010	
First Coupon	11/01/2010	
Par Amount	51,500,000.00	
Premium	1,538,111.15	
Production	53,038,111.15	102.986624%
Underwriter's Discount	-176,099.98	-0.341942%
Purchase Price	52,862,011.17	102.644682%
Accrued Interest		
Net Proceeds	52,862,011.17	

BOND DEBT SERVICE

$51,500,000
The Board Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

Dated Date	02/17/2010
Delivery Date	02/17/2010

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/17/2010					
11/01/2010			1,244,485.35	1,244,485.35	
05/01/2011	2,025,000	3.000%	881,918.75	2,906,918.75	4,151,404.10
11/01/2011			851,543.75	851,543.75	
05/01/2012	2,660,000	3.000%	851,543.75	3,511,543.75	4,363,087.50
11/01/2012			811,643.75	811,643.75	
05/01/2013	2,770,000	2.000%	811,643.75	3,581,643.75	4,393,287.50
11/01/2013			783,943.75	783,943.75	
05/01/2014	2,890,000	4.000%	783,943.75	3,673,943.75	4,457,887.50
11/01/2014			726,143.75	726,143.75	
05/01/2015	3,010,000	2.000%	726,143.75	3,736,143.75	4,462,287.50
11/01/2015			696,043.75	696,043.75	
05/01/2016	3,140,000	2.500%	696,043.75	3,836,043.75	4,532,087.50
11/01/2016			656,793.75	656,793.75	
05/01/2017	3,275,000	4.000%	656,793.75	3,931,793.75	4,588,587.50
11/01/2017			591,293.75	591,293.75	
05/01/2018	3,415,000	4.000%	591,293.75	4,006,293.75	4,597,587.50
11/01/2018			522,993.75	522,993.75	
05/01/2019	3,560,000	4.000%	522,993.75	4,082,993.75	4,605,987.50
11/01/2019			451,793.75	451,793.75	
05/01/2020	3,710,000	4.000%	451,793.75	4,161,793.75	4,613,587.50
11/01/2020			377,593.75	377,593.75	
05/01/2021	3,865,000	3.250%	377,593.75	4,242,593.75	4,620,187.50
11/01/2021			314,787.50	314,787.50	
05/01/2022	4,030,000	3.375%	314,787.50	4,344,787.50	4,659,575.00
11/01/2022			246,781.25	246,781.25	
05/01/2023	4,205,000	3.500%	246,781.25	4,451,781.25	4,698,562.50
11/01/2023			173,193.75	173,193.75	
05/01/2024	4,380,000	4.000%	173,193.75	4,553,193.75	4,726,387.50
11/01/2024			85,593.75	85,593.75	
05/01/2025	4,565,000	3.750%	85,593.75	4,650,593.75	4,736,187.50
	51,500,000		**16,706,691.60**	**68,206,691.60**	**68,206,691.60**

BOND SUMMARY STATISTICS

$51,500,000
The Board Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

Dated Date	02/17/2010
Delivery Date	02/17/2010
Last Maturity	05/01/2025
Arbitrage Yield	3.176084%
True Interest Cost (TIC)	3.220068%
Net Interest Cost (NIC)	3.289947%
All-In TIC	3.220068%
Average Coupon	3.581967%
Average Life (years)	9.057
Duration of Issue (years)	7.678
Par Amount	51,500,000.00
Bond Proceeds	53,038,111.15
Total Interest	16,706,691.60
Net Interest	15,344,680.43
Total Debt Service	68,206,691.60
Maximum Annual Debt Service	4,736,187.50
Average Annual Debt Service	4,485,642.85
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	3.419417
Total Underwriter's Discount	3.419417
Bid Price	102.644682

Bond Component	Par Value	Price	Average Coupon	Average Life
2025 Term Bond	51,500,000.00	102.987	3.582%	9.057
	51,500,000.00			**9.057**

	TIC	All-In TIC	Arbitrage Yield
Par Value	51,500,000.00	51,500,000.00	51,500,000.00
+ Accrued Interest			
+ Premium (Discount)	1,538,111.15	1,538,111.15	1,538,111.15
- Underwriter's Discount	-176,099.98	-176,099.98	
- Cost of Issuance Expense			
- Other Amounts			
Target Value	52,862,011.17	52,862,011.17	53,038,111.15
Target Date	02/17/2010	02/17/2010	02/17/2010
Yield	3.220068%	3.220068%	3.176084%

PROOF OF ARBITRAGE YIELD

$51,500,000
The Board Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

Date	Debt Service	Present Value to 02/17/2010 @ 3.1760843%
11/01/2010	1,244,485.35	1,217,122.06
05/01/2011	2,906,918.75	2,798,560.16
11/01/2011	851,543.75	806,986.24
05/01/2012	3,511,543.75	3,275,779.47
11/01/2012	811,643.75	745,314.26
05/01/2013	3,581,643.75	3,237,529.83
11/01/2013	783,943.75	697,547.37
05/01/2014	3,673,943.75	3,217,945.71
11/01/2014	726,143.75	626,074.80
05/01/2015	3,736,143.75	3,170,915.05
11/01/2015	696,043.75	581,507.04
05/01/2016	3,836,043.75	3,154,709.69
11/01/2016	656,793.75	531,694.62
05/01/2017	3,931,793.75	3,133,151.50
11/01/2017	591,293.75	463,822.02
05/01/2018	4,006,293.75	3,093,486.86
11/01/2018	522,993.75	397,520.38
05/01/2019	4,082,993.75	3,054,914.22
11/01/2019	451,793.75	332,749.90
05/01/2020	4,161,793.75	3,017,280.44
11/01/2020	377,593.75	269,474.29
05/01/2021	4,242,593.75	2,980,446.92
11/01/2021	314,787.50	217,683.16
05/01/2022	4,344,787.50	2,957,558.22
11/01/2022	246,781.25	165,361.47
05/01/2023	4,451,781.25	2,936,387.71
11/01/2023	173,193.75	112,452.52
05/01/2024	4,553,193.75	2,910,117.54
11/01/2024	85,593.75	53,851.01
05/01/2025	4,650,593.75	2,880,166.68
	68,206,691.60	**53,038,111.15**

Proceeds Summary

Delivery date	02/17/2010
Par Value	51,500,000.00
Premium (Discount)	1,538,111.15
Target for yield calculation	53,038,111.15

FORM 8038 STATISTICS

$51,500,000
The Board Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

Dated Date	02/17/2010
Delivery Date	02/17/2010

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
2025 Term Bond:						
	05/01/2011	2,025,000.00	3.000%	103.246	2,090,731.50	2,025,000.00
	05/01/2012	2,660,000.00	3.000%	105.001	2,793,026.60	2,660,000.00
	05/01/2013	2,770,000.00	2.000%	103.050	2,854,485.00	2,770,000.00
	05/01/2014	2,890,000.00	4.000%	110.408	3,190,791.20	2,890,000.00
	05/01/2015	3,010,000.00	2.000%	100.740	3,032,274.00	3,010,000.00
	05/01/2016	3,140,000.00	2.500%	101.322	3,181,510.80	3,140,000.00
	05/01/2017	3,275,000.00	4.000%	108.799	3,563,167.25	3,275,000.00
	05/01/2018	3,415,000.00	4.000%	107.750	3,679,662.50	3,415,000.00
	05/01/2019	3,560,000.00	4.000%	107.405	3,823,618.00	3,560,000.00
	05/01/2020	3,710,000.00	4.000%	106.824	3,963,170.40	3,710,000.00
	05/01/2021	3,865,000.00	3.250%	98.884	3,821,866.60	3,865,000.00
	05/01/2022	4,030,000.00	3.375%	98.665	3,976,199.50	4,030,000.00
	05/01/2023	4,205,000.00	3.500%	98.435	4,139,191.75	4,205,000.00
	05/01/2024	4,380,000.00	4.000%	101.759	4,457,044.20	4,380,000.00
	05/01/2025	4,565,000.00	3.750%	97.949	4,471,371.85	4,565,000.00
		51,500,000.00			**53,038,111.15**	**51,500,000.00**

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	05/01/2025	3.750%	4,471,371.85	4,565,000.00			
Entire Issue			53,038,111.15	51,500,000.00	8.9674	3.1761%	3.1893%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	176,099.98
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

State of West Virginia

Certificate

I, Natalie E. Tennant, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 13, ARTICLE 1 OF THE WEST VIRGINIA CODE, AND CHAPTER 13, ARTICLE 1 OF THE 2009 SUPPLEMENT TO THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on

February 12, 2010

Natalie E. Tennant

Secretary of State

ARTICLE 1

BOND ISSUES FOR ORIGINAL INDEBTEDNESS

Section

13–1–1. Political divisions authorized to issue and sell bonds.
13–1–1a. Exemption from interest rate ceilings.
13–1–2. Purposes for which bonds may be issued.
13–1–3. Amount and purpose of indebtedness for which bonds may be issued.
13–1–4. Bond issue proposal to be submitted to voters; election order.
13–1–5. Engineer's estimate.
13–1–6. Bonds may be specified for more than one purpose; single or general purpose defined.
13–1–6a. When proceeds of bond issue specified for one project may be used for another project.
13–1–7. When election to be held.
13–1–8. Publication of notice of election.
13–1–9. Registration of voters.
13–1–10. Election precincts.
13–1–11. General election laws to apply; recorders and secretaries to act in lieu of circuit clerks.
13–1–12. Form of ballot.
13–1–13. Time and manner of canvassing returns.
13–1–14. Resolution authorizing issuance and fixing terms of bonds.
13–1–15. Bonds to be payable in annual installments.
13–1–15a. Bonds may be subject to redemption.
13–1–16. Recital of certification that bonds are issued in conformity with Constitution and statutes; effect thereof with attorney general's indorsement.
13–1–17. Bonds may be registered; coupon bonds may be registered as to principal.
13–1–18. Registration of coupon bonds as to interest; exchange of registered bond for coupon bond.
13–1–19. Signing, sealing and delivery of bonds and coupons.
13–1–20. Imposition and collection of tax to pay bonds and interest.
13–1–21. Advertisement and sale of bonds.
13–1–22. Purposes for which proceeds to be used; purchaser need not see to application thereof.
13–1–23. No law, order, ordinance, resolution, proceeding or publication necessary except as prescribed by this article.
13–1–24. Legal status of bonds.
13–1–25. Copy of proceedings to be transmitted to attorney general for approval or disapproval; publication of approval or disapproval.
13–1–26. Review in supreme court of appeals of action of attorney general.
13–1–27. Bond issue and tax to pay bonds to be incontestable upon failure to file petition for review or dismissal thereof.
13–1–28. Indorsement on bonds by attorney general.
13–1–29. Costs of proceedings and expenses of attorney general to be paid out of proceeds of bonds or general fund.
13–1–30. Files and records to be kept by attorney general.
13–1–31. Proceedings to issue bonds under authority of prior statutes; debts heretofore incurred.
13–1–32. Amount of indebtedness authorized by § 13–1–3 may be increased by special act as to municipalities and independent school districts; bonds for assessments against abutting property excepted from this article.
13–1–33. Bonds exempt from taxation.

Section
13-1-34. Bonded indebtedness of school districts; annual tax to be levied and collected to pay same; definition of value.
13-1-35. Bonded indebtedness of counties, magisterial districts and municipal corporations; levy and collection of taxes to pay same.

§ 13-1-1. Political divisions authorized to issue and sell bonds

Any county, by and through its county court, either for and on behalf of the county or for and on behalf of any magisterial district, or group of magisterial districts therein; any municipal corporation, by and through its council or other governing body in lieu thereof; or any school district, or any independent school district, by and through its board of education or other fiscal body in lieu thereof, may issue and sell its bonds, in the manner and subject to the limitations and conditions hereinafter contained in this article.

Acts 1923, c. 14, § 1.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers

Counties ⚷173.
Municipal Corporations ⚷906.
Schools ⚷97(1).
Westlaw Key Number Searches: 104k173; 268k906; 345k97(1).

Encyclopedias

C.J.S. Municipal Corporations §§ 1645 to 1646, 1702.
C.J.S. Schools and School Districts §§ 522, 524, 527 to 529, 531.

Notes of Decisions

Mandamus 2
Municipal powers and duties 1

1. Municipal powers and duties

City council would be justified in refusing to submit bond issue ordinance to voters under general state law where petition did not comply with statute inasmuch as no specification of amount of bonds to be issued and voted upon was contained in petition, which described amount only in terms of difference between cost of project and other funds available. Code, 13-1-1 et seq. State ex rel. Horne v. Adams, 1970, 175 S.E.2d 193, 154 W.Va. 269. Municipal Corporations ⚷ 918(2)

Statute authorizing taxing unit to issue bonds for governmental purposes pursuant to local popular vote held not repealed by statute allocating approximately 30 per cent. of direct levies authorized under constitutional tax limitation amendment to governmental bonded indebtedness created prior thereto, and approximately 70 per cent. thereof to current government expenses. Code 1931, 13-1-1 et seq.; Acts 1933, 2d Ex.Sess., c. 67; Const. art. 10, § 8; art. 10, § 1, amended (see Acts 1932, Ex.Sess., c. 10). Walker v. City of Charleston, 1935, 182 S.E. 766, 116 W.Va. 645. Municipal Corporations ⚷ 907

Municipality may issue bonds for governmental purposes pursuant to popular vote, notwithstanding constitutional tax limitation amendment. Code 1931, 13-1-1 et seq; Const. art. 10, § 8; art. 10 § 1, amended (see Acts 1932, Ex.Sess., c. 10). Walker v. City of Charleston, 1935, 182 S.E. 766, 116 W.Va. 645. Municipal Corporations ⚷ 918(1)

2. Mandamus

Petitioners who, by petition designated as one under city charter, sought submission of bond issue question to election were not entitled to mandamus to compel submission in accordance with initiative provision of general state law. Code, 13-1-1 et seq., 13-1-4. State ex rel. Horne v. Adams, 1970, 175 S.E.2d 193, 154 W.Va. 269. Mandamus ⚷ 74(2)

§ 13-1-1a. Exemption from interest rate ceilings

Notwithstanding any other provision in this Code to the contrary, any municipality, county or state agency shall be free of interest rate restrictions

when obtaining loans from the farmers home administration, housing and urban development and the economic development authority where such loans are made from federal moneys and are made for public projects. It is the intention of the legislature that the political subdivisions of this State take maximum possible advantage of federal programs and financing alternatives where such would be in the best interests of this State.

Acts 1982, c. 93.

§ 13–1–2. Purposes for which bonds may be issued

Debt may be incurred and bonds issued under this article for the purpose of acquiring, constructing and erecting, enlarging, extending, reconstructing or improving any building, work, utility or undertaking, or for furnishing, equipping and acquiring or procuring the necessary apparatus for any building, work, improvement or department, or for establishing and maintaining a library or museum for the public use, or a building or structure for educational purposes, or acquiring a recreation park for the public use, or for acquiring, constructing, furnishing, equipping and maintaining civic arenas, auditoriums, exhibition halls and theaters, or for other similar corporate purpose, for which the political division is authorized to levy taxes or expend public money. But no bonds shall be issued for the purpose of providing funds for the current expenses of any body or political division. Interest accruing during the construction period, that is to say, the time when an improvement is under construction and six months thereafter, shall be deemed a part of the cost of the improvement, and shall not be deemed current expenses. All engineering and inspection costs, including a proper proportion of the compensation, salaries and expenses of the engineering staff of the political division properly chargeable to any work or improvements, as determined by the governing body, or the estimated amount of such costs, shall be deemed part of the cost of an improvement. All costs and estimated costs of the issuance of bonds shall be deemed a part of the cost of the work or improvement, or of the property, or of the carrying out of the purposes for which such bonds are to be issued. The power to acquire or construct any building, work or improvement as herein provided shall be deemed to include the power to acquire the necessary lands, sites and rights-of-way therefor.

Bonds may also be issued by any municipality having a population of fifty thousand or more or by any county for the purpose of acquiring land and constructing a building or buildings for use and occupancy as a college. The proposal for such a bond issue shall contain a provision that there shall be created a commission or committee for the purpose of operating the building or buildings and for renting the same for an amount sufficient to pay the interest and sinking fund on the bonds proposed to be issued, and shall contain a further provision that in the event a sufficient amount is not realized from rent or rents for the purpose of meeting the debt service, then the city or county shall lay a levy for such purpose in an amount sufficient within the constitutional and statutory limitation to pay the interest and principal on such bonds as the same become due and payable. The proposal may also contain a provision

that when the bonds and the interest thereon shall have been paid, then the title to the land and the building or buildings situated thereon may be transferred to the college to which the same have been rented.

Acts 1923, c. 14, § 2; Acts 1941, c. 8; Acts 1945, c. 17; Acts 1974, c. 8.

Library References

Key Numbers

Counties ⚷173.2 to 175.

Municipal Corporations ⚷910 to 913.

Schools ⚷97.

Westlaw Key Number Searches: 104k173.2 to 104k175; 268k910 to 268k913; 345k97.

Encyclopedias

C.J.S. Counties §§ 218, 220.

C.J.S. Municipal Corporations §§ 1647 to 1651, 1653.

C.J.S. Schools and School Districts §§ 522 to 524, 527 to 529.

Notes of Decisions

In general 1
Mandamus 3
Public purpose 2

1. In general

Under Acts 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495), a county court cannot issue bonds payable or redeemable out of taxes to be raised from persons and property of a magisterial district in excess of 2½ per cent. of the assessed value of the taxable property in such district. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⚷ 150(1)

Acts 1911, c. 38, § 25a, Code 1913, c. 43, § 56a (section 1793), authorizing the issuance of bonds for road improvement, does not impliedly repeal the limitation imposed by Acts 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495). Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⚷ 150(1)

An issue of magisterial district bonds under Acts 1911, c. 38, § 25a, not solely for the construction of roads in the district, but largely for the construction or purchase of bridges therein, exceeding five feet in length, is illegal and void. Hedrick v. Summers County Court, 1913, 77 S.E. 359, 71 W.Va. 732. Bridges ⚷ 11

2. Public purpose

A town cannot constitutionally be authorized to issue bonds to be paid by taxation and donate them in aid of a manufacturing and mining enterprise; that not being a municipal or public purpose. Ohio Valley Iron Works v. Town of Moundsville, 1877, 11 W.Va. 1. Municipal Corporations ⚷ 910

3. Mandamus

Mandamus to require county court to reimburse road bond fund, depleted by illegal expenditures, out of funds thereafter to be raised, will be denied (Barnes' Code 1923, c. 28A, § 12). State v. County Court of Lincoln County, 1928, 141 S.E. 874, 105 W.Va. 235. Mandamus ⚷ 16(1)

A mandamus nisi, sued out to compel the levy of a tax for the payment of an unauthorized issue of bonds by a town, should be dismissed. Ohio Valley Iron Works v. Town of Moundsville, 1877, 11 W.Va. 1. Mandamus ⚷ 112.1

§ 13-1-3. Amount and purpose of indebtedness for which bonds may be issued

No political division authorized by this article to issue bonds, except county boards of education, shall by any bond issue, become indebted to an amount, including all other indebtedness, exceeding two and one-half percent of the value of the taxable property therein, as shown by the last assessment thereof, for state and county purposes, next prior to the issuing of such bonds: Provided, that any county for the erection and equipment of a courthouse and/or jail for such county, with funds borrowed from the government of the United States or any governmental agency, federal or state, and any municipal corporation of three hundred inhabitants or more, for the purpose of grading, paving, sewering, and otherwise improving or reimproving its streets and alleys, or for establishing and maintaining a library or museum for the public

use, or a building or structure for educational purposes, or acquiring a recreation park for the public use, or for acquiring, constructing, furnishing, equipping and maintaining civic arenas, auditoriums, exhibition halls and theaters, may become indebted and issue bonds in an additional sum not exceeding two and one-half percent of the value of the taxable property therein, ascertained as aforesaid: Provided, however, That no county board of education authorized by this article to issue bonds, shall, by any bond issue, become indebted, in any manner, or for any purpose, to an amount, including all other indebtedness, in the aggregate, exceeding five percent on the value of the taxable property therein, in the county school district to be ascertained by the last assessment for state and county taxes, previous to the incurring of such indebtedness, in the manner provided by the "School Bond Amendment," as ratified.

The term "sewering" as used herein shall be treated in a comprehensive sense, so as to include all mains, laterals, connections, traps, incinerating and disposal plants, and other necessary and convenient accessories to a modern sanitary and efficient sewerage system and shall include storm sewers.

The county court of any county is hereby authorized and empowered to negotiate and sell to the government of the United States or to any governmental agency, federal or state, at private sale, at not less than par any bonds issued for the purpose of erecting and equipping a courthouse or other public buildings for such county, under and by virtue of this article, without first offering them for sale at public auction, or to any other person or agency.

Acts 1923, c. 14, § 3; Acts 1925, c. 42; Acts 1927, c. 58; Acts 1931, c. 36; Acts 1935, c. 21; Acts 1941, c. 8; Acts 1945, c. 17; Acts 1951, c. 153; Acts 1974, c. 8.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Cross References

Election to increase levies, vote required, amount and continuation of additional levy, issuance of bonds, see § 11-8-16.

Taxation and finance, constitutional provisions, see Const. Art. 10 § 1.

Library References

Key Numbers

Counties ⚷173.1.

Municipal Corporations ⚷914.

Schools ⚷97(3).

Westlaw Key Number Searches: 104k173.1; 268k914; 345k97(3).

Encyclopedias

C.J.S. Counties § 219.

C.J.S. Municipal Corporations §§ 1654, 1656 to 1657.

C.J.S. Schools and School Districts §§ 525 to 526.

Notes of Decisions

Bonds approved in excess of debt limit 6
Constitutional rights and obligations 4
Construction and application 3
Debt load of subordinate governmental units 5
Validity 1
Validity of related laws 2

1. Validity

Statute prohibiting bond issue by county increasing indebtedness to amount, exceeding 2½ per cent., of value of taxable property in county,

held valid, notwithstanding constitutional limitation on indebtedness. Code 1931, 13-1-3; Const. art. 10, § 8. Sanders v. Raleigh County Court, 1934, 174 S.E. 878, 115 W.Va. 187. Counties ⟹ 173.1

2. Validity of related laws

Acts of 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495), limiting the indebtedness of counties, etc., to 2½ per cent. of the assessed value of the taxable property, held not violative of Const. art. 10, § 8, Code 1913, p. cxviii, providing that such indebtedness shall not exceed 5 per cent. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⟹ 150(1)

3. Construction and application

Original voter mandate on approving school bond issue, which required voters to be advised and to approve of key elements of original bond issue, determines maximum amount of indebtedness allowable under a financing plan involving refunding bonds, which indebtedness is calculated by adding to original principal amount of bonds authorized the accrued interest that would be paid on the original bonds over their maturity, and from that total, there must be deducted amounts of principal and interest paid on the original bond issue to reach the net amount available for financing plan involving refunding bonds. Code, 13-1-4. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(3)

Constitutional and statutory limitations on indebtedness of distinct political subdivisions, such as counties, school districts, and municipal corporations, apply distributively and not collectively (Code 1931, § 13-1-3; Const. art. 10, § 8). Sanders v. Raleigh County Court, 1934, 174 S.E. 878, 115 W.Va. 187. Counties ⟹ 150(1)

Acts 1911, c. 38, § 25a, Code 1913, c. 43, § 56a (section 1793), authorizing the issuance of bonds for road improvement, does not impliedly repeal the limitation imposed by Acts 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495). Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⟹ 150(1)

4. Constitutional rights and obligations

Const. art. 10, § 8, Code 1913, p. cxviii, does not authorize or recognize a pre-existent right in counties, etc., to incur indebtedness, but merely imposes a limitation. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⟹ 150(1)

Section 8 of article 10 of the Constitution, Code 1913, p. cxviii, does not grant to counties, cities, school districts, and municipal corporations the right to incur indebtedness to the extent of 5 per cent, of the assessed value of the taxable property therein, nor recognize such right in them as pre-existent. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⟹ 150(3)

5. Debt load of subordinate governmental units

Political divisions of state, such as counties, may not incur obligations in amounts exceeding legally available revenue from taxes raised by valid levies or other legally authorized sources. State ex rel. Mercer County Court v. Partlow, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⟹ 149

Outstanding indebtedness of magisterial districts within county held indebtedness of county as basis for determining whether proposed bond issue exceeds limitation on indebtedness. Code 1931, 13-1-3; Const. art. 10, § 8. Sanders v. Raleigh County Court, 1934, 174 S.E. 878, 115 W.Va. 187. Counties ⟹ 150(3)

Outstanding indebtedness of school districts and municipal corporations within county held not indebtedness of county as basis for determining whether proposed bond issue exceeds limitation on indebtednes Code 1931, 13-1-3; Const. art. 10, § 8. Sanders v. Raleigh County Court, 1934, 174 S.E. 878, 115 W.Va. 187. Counties ⟹ 150(3)

Under Acts 1905, c. 51, Code 1913, c. 47A, § 1 (section 2495), a county court cannot issue bonds payable or redeemable out of taxes to be raised from persons and property of a magisterial district in excess of 2½ per cent. of the assessed value of the taxable property in such district. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⟹ 150(1)

A county court cannot issue bonds payable or redeemable out of taxes to be raised from persons and property of a magisterial district in excess of 2½ per cent. of the assessed value of the taxable property in such district. Pfalzgraf v. Wood County Court, 1914, 81 S.E. 397, 73 W.Va. 723. Counties ⟹ 150(3)

6. Bonds approved in excess of debt limit

The 1939 act, giving effect to 1932 tax limitation constitutional amendment, prohibited county's creation of bonded indebtedness exceeding amount of principal and interest payable annually during existence of debt from funds made available for such purpose by maximum tax rates levied annually on specified classes of property, and hence invalidated county's proposed airport bond issue in amount exceeding such limit, though approved by required three-fifths majority of county's qualified voters. Acts 1939, c. 132, and § 6b; Const. art. 10, § 1. State ex rel. Mercer County Court v. Partlow, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⟹ 149

Generally, bonds of political division, such as county, for amount exceeding its debt limita-

tion, are void. State ex rel. Mercer County Court v. Partlow, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⟹ 150(1)

§ 13–1–4. Bond issue proposal to be submitted to voters; election order

No debt shall be contracted or bonds issued under this article until all questions connected with the same shall have been first submitted to a vote of the qualified electors of the political division for which the bonds are to be issued, and shall have received three fifths of all the votes cast for and against the same. The governing body of any political division referred to in this article may, and when requested so to do by a petition in writing, praying that bonds be issued and stating the purpose and amount thereof, signed by legal voters of the political division equal to twenty percent of the votes cast in a county or magisterial district for governor, or in a municipal corporation or school district for mayor or members of the board of education, as the case may be, shall, by order entered of record, direct that an election be held for the purpose of submitting to the voters of the political division all questions connected with the contracting of debt and the issuing of bonds. Such order shall state:

(a) The necessity for issuing the bonds, or, if a petition has been filed as provided herein, that such petition has been filed;

(b) If for the construction of a county-district road or bridge thereon, a summary of the engineer's report provided for in the following section setting forth the approximate extent and the estimated cost of the proposed improvement, and the kind or class of work to be done thereon;

(c) Purpose or purposes for which the proceeds of bonds are to be expended;

(d) Valuation of the taxable property as shown by the last assessment thereof for state and county purposes;

(e) Indebtedness, bonded or otherwise;

(f) Amount of the proposed bond issue;

(g) Maximum term of bonds and series;

(h) Maximum rate of interest;

(i) Date of election;

(j) If a special election, names of commissioners for holding same;

(k) If registration of voters is necessary, notice of the time, place and manner of making same;

(*l*) That the levying body is authorized to lay a sufficient levy annually to provide funds for the payment of the interest upon the bonds and the principal at maturity, and the approximate rate of levy necessary for this purpose;

(m) In the case of school bonds, that such bonds, together with all existing bonded indebtedness, will not exceed in the aggregate five percent of the value of the taxable property in such school district ascertained in accordance with section 8, article X of the Constitution; and that such bonds will be payable

from a direct annual tax levied and collected in each year on all taxable property in such school district sufficient to pay the principal and the interest maturing on such bonds in such year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, which tax levies will be laid separate and apart and in addition to the maximum rates provided for tax levies by school districts on the several classes of property in section 1, article X of the Constitution, but in the same proportions as such maximum rates are levied on the several classes of property; and said tax may be levied outside the limits fixed by section 1, article X of the Constitution.

Any other provision which does not violate any provision of law, or transgress any principle of public policy, may be incorporated in the order.

Acts 1923, c. 14, § 4; Acts 1951, c. 153; Acts 1959, c. 132.

Cross References

Election to increase levies, vote required, amount and continuation of additional levy, issuance of bonds, see § 11-8-16.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918.
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918; 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1664, 1672.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1
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Court ordered submission to electorate 11
Departures from provisions of election order 8
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1. In general

Activity of chamber of commerce in an attempt, in a proper way, to influence county court to submit bond issue for acquisition or construction of an airport was insufficient to invalidate bond issue. Code 1931, 13-1-4. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⚷ 183(1)

The fact that a commercial or civic organization may interest itself in advocating public improvements should not be permitted to detract from merits of project or affect legality of any action of public officials influenced thereby unless such influence is exerted in an improper way and can be said to amount to an improper control of acts of such officials. Code 1931, 13-1-4. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Municipal Corporations ⚷ 316

2. Statutory compliance

The statute requiring that county voters be correctly advised as to all existing indebtedness, bonded and otherwise, at time proposed bond issue is submitted to voters is mandatory and calls for utmost good faith in its compliance on part of county court. Code 1931, 13-1-4(e). Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⚷ 178

3. Validity of voting requirements

Any departure from strict majority rule gives disproportionate power to minority, but state constitutional and statutory requirement that 60% of voters in referendum election approve bonded indebtedness or tax increase by political subdivision did not violate equal protection clause merely because votes of those who favored issuance of bonds would have proportionately smaller impact on outcome of election than votes of those who opposed issuance of bonds. U.S.C.A.Const.Amend. 14; Const.Ind.

art. 10, § 5; Const.Ohio art. 8, § 3; Vernon's Ann.Tex.St.Const. art. 3, § 49; W.S.A.Const. art. 8, § 4. Gordon v. Lance, 1971, 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Constitutional Law ⚷ 232(2)

A provision requiring unanimity or giving veto power to a very small group might or might not be constitutional, but West Virginia Constitution and statutory provisions, applicable to all bond referenda and requiring strong consensus of three-fifths before indebtedness would be authorized, did not violate equal protection clause or any other provision of Constitution. U.S.C.A.Const. Amend. 14; Const.Ind. art. 10, § 5; Const.Ohio art. 8, § 3; Vernon's Ann.Tex.St.Const. art. 3, § 49; W.S.A.Const. art. 8, § 4. Gordon v. Lance, 1971, 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Constitutional Law ⚷ 232(2)

Three-fifths vote requirement of West Virginia Constitution and statutes dealing with elections held by political subdivisions of the state for determination of whether bond indebtedness should be incurred, and 60 percent vote requirement provided by West Virginia Constitution relating to elections to authorize local tax levying bodies to make additional levies for tax purposes in excess of levies provided for in Tax Limitation Amendment, conflict with and violate the Equal Protection Clause of United States Constitution and are therefore unconstitutional and unenforceable. Const. art. 10, §§ 1, 8; Code, §§ 11–8–16, 13–1–4, 13–1–14; U.S.C.A.Const. Amend. 14. Lance v. Board of Ed. of Roane County, 1969, 170 S.E.2d 783, 153 W.Va. 559, certiorari granted 90 S.Ct. 1264, 397 U.S. 1020, 25 L.Ed.2d 530, reversed 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Elections ⚷ 11

4. Interest

Special bond levy is set annually based upon current year's appraised values, as evidenced by statute requiring bond-issuing authority to pay annually interest on such debt and principal thereof falling due in each year, such tax to be levied and collected by same officers, at same time and in same manner as the general taxes of the political division. Code, 13–1–4, 13–1–20. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⚷ 106

5. Necessity for submission of proposal

Statute providing that city council, when requested by petition signed by at least 20% of legal voters, shall direct that election be held to determine all questions connected with contracting of debt and issuing of bonds is mandatory; thus, upon petition signed by sufficient number of legal voters, city council had mandatory duty to call election to determine if city should contract debt and issue general obligation bonds for acquiring land and constructing municipal auditorium building even if federal money was no longer available. Code, 13–1–4. State ex rel. Elliott v. Adams, 1971, 181 S.E.2d 276, 155 W.Va. 110. Municipal Corporations ⚷ 918(1)

6. Notice of election

Where, within 7 days after entry of an order of county court submitting to voters a proposition to issue bonds to build a public road, and more than 30 days before the day appointed for election, the clerk posts in his office and at the front door of the courthouse copies of such order, considering the nature of the duty, there has been substantial compliance with the statute requiring copies of such order to be posted forthwith. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⚷ 90

Where the clerk of a bond issue election to construct a road, in his affidavit filed with the Attorney General, made a mistake as to the time of the posting of the notice of election, such mistake will not be regarded, on appeal from an order of approval by the Attorney General of the bond authorized, especially where the error is corrected by a minute affidavit filed on appeal. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⚷ 90

7. Contents of election order

School board was not required by statute to include proposed maturity schedule for original bonds in its election order. Code, 13–1–4. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⚷ 97(4)

Statute requiring valuation of taxable property, as shown by last assessment thereof for state and county purposes, to be placed in an election order concerning bond approval was designed to give information to voters as to value of property on which levy rates for liquidation of bonds and their interest would be based. Code, 13–1–4(d). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⚷ 97(4)

Where original bond issue was to be liquidated by funds obtained through a special property tax levy which voters approved at bond authorization election, it was necessary that voters be given some approximation of the amount of increased rate of taxation arising from the special levy. Code, 13–1–4(d). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⚷ 97(4)

School board was not strictly bound to follow maturity schedule set out in election order regarding bonds as long as projected plan remained within limits set by voters. Code, 13–1–4. Board of Educ. of Hancock County v.

Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⚷ 97(9)

Action of common council in placing money received from sale of real estate and donations in general fund was not beyond authority of council, and order submitting question of approval of proposed bond issue for purchase of realty and construction of fire hall to voters was not objectionable because order did not expressly state that revenue of city for fiscal year, after excluding named items, would be sufficient to include its necessary operating expense and to provide for its bonded indebtedness. Code, 13-1-4, 13-1-26. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⚷ 886

Municipal bond issue proposal submitted to voters by common council, was not required to contain statement that city would be provided with sufficient revenue to pay its costs and keep aggregate levies within legal limits, including those authorized to satisfy bonded indebtedness authorized by election order. Code, 13-1-4, 13-1-26. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⚷ 918(2)

Under statute requiring that an order submitting approval of bond issues to vote of people state approximate rate of levy necessary to meet sinking fund requirements, such rate of levy must be substantially complied with. Code, 13-1-4. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⚷ 918(5)

Where purpose of county court, when it submitted bond issue to voters, was to establish, acquire and construct an airport, but one project or purpose was contemplated, and statute providing that where a bond issue is to be used for more than one purpose the order submitting question to voters shall contain statement of amount to be used for each of purposes specified had no application. Code 1931, 13-1-6. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⚷ 178

8. Departures from provisions of election order

Where voters of city approved bond issue at specific rate of levy, subsequent ordinance passed by common council stating that rate of levy could be exceeded when necessary was invalid and ordinance did not invalidate bond issue. Code, 13-1-4. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⚷ 918(5)

9. Absentee ballots

Where absentee ballots under consideration were not challenged though subject to challenge, there was no showing of fraud in connection with preparation of ballots or that any voters were not qualified to cast absentee ballots, nor showing that election was not fair, and purpose of absentee voter's signature on declaration, to allow comparison of the voter's signature on ballot with his signature on poll book, was served by absentee voter's signed application for ballot, failure of circuit court clerk to provide for each absentee voter a return envelope bearing a printed declaration, and failure of voter to sign such declaration, did not render absentee ballots cast in school board levy election invalid. Acts 1963, c. 64, art. 3, § 6; Acts 1970, c. 28, art. 3, § 3; Const. art. 4, § 1. State ex rel. Heavener v. Perry, 1971, 184 S.E.2d 136, 155 W.Va. 353. Schools ⚷ 103(2)

10. Judicial powers and duties

Under statutory proceeding for review of Attorney General's approval or disapproval of bond issues, court generally will not undertake supervision of expenditure of funds to be procured as result of bond issue. Code, 13-1-4. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⚷ 917(2)

Upon reversal by Supreme Court of Appeals of Acting Attorney General's approval of bond issue on ground that election was invalid because of defect in county court order submitting bond issue to voters, issues in equity suit seeking to contest election and enjoin issuance and sale of bonds became "moot". Code 1931, 13-1-4(e), 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Action ⚷ 6

11. Court ordered submission to electorate

Where county court in submitting proposed bond issue to voters declared that county had no indebtedness, bonded or otherwise, except current obligations, overdraft in the county fund representing moneys spent in years prior to current fiscal year, which was an indebtedness illegally created, was not a "current expense", and statement was incorrect. Code 1931, 13-1-4(e); Acts 1933, 2d Ex.Sess., c. 67, § 26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⚷ 178

Where order of the county court in calling special election to pass upon bond issue did not correctly state financial status of county as required by statute, election was void notwithstanding that had status been correctly presented it would have appeared in a light more favorable to county than that incorrectly stated in court's order. Code 1931, 13-1-4(e). Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⚷ 178

An order of a county court submitting to the voters a proposition to issue bonds to build a road embodied therein the petition filed by the requisite number of voters and also the report of the road engineer thereon. The petition describes the proposed road as, "Beginning at or

near mouth of Hurricane, at hard road from Spencer, Walton to Clendenin, thence the most economical and practical route to intersect the state road from Clay, W.Va., to Spencer, W.Va.," and the report of the engineer designates the road as running from "Hurricane to Newton," and gives the length in miles thereof. There was no such uncertainty in the order of submission as to the location of the proposed road as to render the order of submission, or the election held thereunder, void, or to justify this court in nullifying the approval by the attorney general of the bonds authorized for the construction of the road. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⟹ 90

12. Contesting election

A holding by the Supreme Court of Appeals that action of Acting Attorney General in sustaining county bond issue on papers submitted to him should be upheld would not oust circuit court of county of its jurisdiction to finally hear and determine suit to contest election and enjoin issuance and sale of such bonds. Code 1931, 13-1-4, 13-1-25 to 13-1-27. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Courts ⟹ 107

13. Approval of illegal bond proposal

The 1939 act, giving effect to 1932 tax limitation constitutional amendment, prohibited county's creation of bonded indebtedness exceeding amount of principal and interest payable annually during existence of debt from funds made available for such purpose by maximum tax rates levied annually on specified classes of property, and hence invalidated county's proposed airport bond issue in amount exceeding such limit, though approved by required three-fifths majority of county's qualified voters. Acts 1939, c. 132, and § 6b; Const. art. 10, § 1. State ex rel. Mercer County Court v. Partlow, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⟹ 149

County voters' approval of issuance of airport bonds in amount of $1,100,000, which exceeded county's constitutional and statutory debt limitation, did not authorize issuance of proposed bonds in legal amount of $600,000, though election ballots mentioned bonds to such larger amount, such phraseology meaning same as bonds in such amount. Acts 1939, c. 132, and § 6b; Const. art. 10, § 1. State ex rel. Mercer County Court v. Partlow, 1947, 45 S.E.2d 506, 130 W.Va. 777, 175 A.L.R. 813. Counties ⟹ 178

14. Mandamus

Petitioners who, by petition designated as one under city charter, sought submission of bond issue question to election were not entitled to mandamus to compel submission in accordance with initiative provision of general state law. Code, 13-1-1 et seq., 13-1-4. State ex rel. Horne v. Adams, 1970, 175 S.E.2d 193, 154 W.Va. 269. Mandamus ⟹ 74(2)

City of Wheeling will not be compelled by mandamus to call election on issuance of bonds for constructing bridge under ordinances not complying with statute (Acts 1923, c. 14; Charter of City of Wheeling, §§ 31, 83, 84). State v. Steen, 1928, 145 S.E. 602, 106 W.Va. 325. Mandamus ⟹ 74(2)

§ 13-1-5. Engineer's estimate

Before ordering an election on the question of issuing bonds to construct a county-district road or bridge, whether acting on its own motion or on petition, the county court shall instruct the county road engineer, or some other engineer designated by it for the purpose, to make an investigation and furnish to the court an estimate of the probable cost of the proposed improvement.

Acts 1923, c. 14, § 5.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers
Counties ⟹177.
Westlaw Key Number Search: 104k177.

Encyclopedias
C.J.S. Counties § 221.

§ 13-1-6. Bonds may be specified for more than one purpose; single or general purpose defined

The order or ordinance submitting the proposition of issuing bonds to a vote may specify more than one purpose for which bonds are to be issued: Provided, That the amount of the proceeds of the issue to be used for each purpose shall also be specified therein: Provided further, That all expenditures, including but not limited to expenditures for the acquisition of sites, the construction, erection, equipping and furnishing of one or more buildings, structures, improvements or facilities, or group of buildings, structures, improvements or facilities, and the relocation, alteration, renovation or enlargement of any existing buildings, structures, improvements or facilities, or group of buildings, structures, improvements or facilities, for the same general purpose shall be construed to be a single purpose within the meaning of this section. It shall not be necessary to specify in the order or ordinance submitting the proposition the amount of the proceeds of such bond issue to be used for each such site, building, structure, improvement or facility, or group of buildings, structures, improvements or facilities, which are a part of the same general purpose and it shall be sufficient compliance with this section if such order or ordinance state only the general purposes for which bonds are to be issued and the amount of the proceeds of such issue to be used for each such general purpose.

Acts 1923, c. 14, § 6; Acts 1965, c. 125.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(2).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(2); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1666 to 1669.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

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1. In general

Where ordinance submitting to vote of the people a proposed bond issue embraces several projects and, as required by statute, specifies the amount for each project, a substantial variance between the amounts stated in ordinance and those set forth in ballot will render the issue invalid. Code, 13-1-6. Jarrell v. Board of Ed. of Raleigh County, 1948, 50 S.E.2d 442, 131 W.Va. 702. Municipal Corporations ⚷ 918(2)

Where purpose of county court, when it submitted bond issue to voters, was to establish, acquire and construct an airport, but one project or purpose was contemplated, and statute providing that where a bond issue is to be used for more than one purpose the order submitting question to voters shall contain statement of amount to be used for each of purposes specified had no application. Code 1931, 13-1-6. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⚷ 178

A city bond issue for different projects cannot be sustained unless ordinance submitting proposed issue to vote of people clearly specifies amounts to be used for the several projects, respectively. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⚷ 918(2)

In submitting to vote of people a proposed municipal bond issue embracing several projects, amounts specified in ordinance for respective projects should also be set forth in ballot, and a substantial variance will invalidate the issue. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⚷ 918(2)

Where ordinance submitting a municipal bond issue for people's approval proposed in effect that approximately 55 per centum of cost of each of three municipal projects, to be financed in part by federal grant, should be paid

for out of proceeds of sale of bonds, but form of ballot used at election provided for expenditure of larger sums on two of projects, there was failure of substantial compliance with statute requiring specification in ordinance of amounts to be used for each project, and bonds were improperly approved by Attorney General. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⚷ 918(2)

§ 13-1-6a. When proceeds of bond issue specified for one project may be used for another project

If the order or ordinance submitting the proposition of issuing bonds to a vote specifies several projects within the same general purpose and the amount of the proceeds of such issue to be used for each project and for any reason one or more of said projects cannot be constructed, carried out, or completed, the amount of money specified for such projects and any sums remaining unused upon completion of any one of the specified projects may be allocated by the governing body in its discretion to and expended for any one or more of the remaining projects specified in said order or ordinance if said order or ordinance of submission shall contain a provision authorizing it to do so.

Acts 1965, c. 126.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(2).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(2); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1666 to 1669.
C.J.S. Schools and School Districts §§ 532 to 545.

§ 13-1-7. When election to be held

Elections for the purpose of voting upon questions of issuing bonds may be held at any general, primary, or special election which the fiscal body in its order submitting the same to a vote may designate, except that, when a petition is filed asking that bonds be issued, the fiscal body with which the same is filed, if it be not designated in the petition that the election shall be held at a general or primary election, shall order a special election to be held within sixty days from the date of the filing of such petition; or, if it be a petition for bonds for the construction of county-district roads or bridges thereon, the election shall be held within sixty days from the filing of the engineer's report as provided for in section five of this article.

Acts 1923, c. 14, § 7.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(4).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to 545.

§ 13-1-8. Publication of notice of election

Notice of all bond elections shall be given by publication, within fourteen consecutive days next preceding the date of the election, of the order provided for in section four of this article as a Class II-0 legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this Code, and the publication area for such publication shall be the political division in which the election is to be held.

Acts 1923, c. 14, § 8; Acts 1967, c. 105.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(3).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(3); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1665, 1670.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

1. In general

An order of a county court submitting to the voters a proposition to issue bonds to build a road embodied therein the petition filed by the requisite number of voters and also the report of the road engineer thereon. The petition describes the proposed road as, "Beginning at or near mouth of Hurricane, at hard road from Spencer, Walton to Clendenin, thence the most economical and practical route to intersect the state road from Clay, W.Va., to Spencer, W.Va.," and the report of the engineer designates the road as running from "Hurricane to Newton," and gives the length in miles thereof. There was no such uncertainty in the order of submission as to the location of the proposed road as to render the order of submission, or the election held thereunder, void, or to justify this court in nullifying the approval by the attorney general of the bonds authorized for the construction of the road. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⚷ 90

Where, within 7 days after entry of an order of county court submitting to voters a proposition to issue bonds to build a public road, and more than 30 days before the day appointed for election, the clerk posts in his office and at the front door of the courthouse copies of such order, considering the nature of the duty, there has been substantial compliance with the statute requiring copies of such order to be posted forthwith. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⚷ 90

Where the clerk of a bond issue election to construct a road, in his affidavit filed with the Attorney General, made a mistake as to the time of the posting of the notice of election, such mistake will not be regarded, on appeal from an order of approval by the Attorney General of the bond authorized, especially where the error is corrected by a minute affidavit filed on appeal. Vineyard v. Roane County Court, 1922, 114 S.E. 380, 92 W.Va. 51. Highways ⚷ 90

Section 56aXXVa, chapter 43, serial section 1793, Code 1913, providing for the posting and publishing thirty days before the poll is taken, orders of the county court providing for the holding of elections for the purpose of taking the vote of the legal voters upon the question of issuing bonds the proceeds of which are to be used in permanently improving the public roads, considered in the light of a subsequent amendment of said act, and with reference to the decisions of this court interpreting other statutes on the subject of notice, is satisfied by the publication of such order once a week for four consecutive weeks, and the contract of the county court for the publication of such order for thirty consecutive days or oftener than once a week for four consecutive weeks, is illegal and void, and payment of a greater sum than the legal rate for four insertions of such publication should be enjoined. Stanley v. Kanawha County Court, 1919, 100 S.E. 408, 84 W.Va. 619. Counties ⚷ 178

§ 13–1–9. Registration of voters

The registration of voters and the use of registration books prescribed by general law shall be applicable to any election under this chapter.

Acts 1923, c. 14, § 9.

Cross References

Permanent voter registration law, uniform system of voter registration, see § 3–2–1.

§ 13–1–10. Election precincts

Elections for bond issues for counties, districts and school districts shall be held at the voting precincts established for holding general elections; for municipalities, at the precincts established for the election of municipal officers; and for independent school districts, at the precincts used for voting for boards of education.

Acts 1923, c. 14, § 10.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(4).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to 545.

§ 13–1–11. General election laws to apply; recorders and secretaries to act in lieu of circuit clerks

All the provisions of the general election laws of this State concerning general, primary or special elections, when not in conflict with the provisions of this article, shall apply to bond elections hereunder, insofar as practicable: Provided, That in bond elections for municipalities, school or independent school districts, the recorders and secretaries, respectively, shall procure and furnish to the election commissioners at each voting precinct the ballots, pollbooks, tally sheets and other things necessary for conducting the election, and perform all duties imposed by law upon clerks of the circuit courts in relation to general elections.

Acts 1923, c. 14, § 11.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(4).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

Absentee voters 1
Canvassing election results 2
Mandamus 3

1. Absentee voters

Where absentee ballots under consideration were not challenged though subject to challenge, there was no showing of fraud in connection with preparation of ballots or that any voters were not qualified to cast absentee ballots, nor showing that election was not fair, and purpose of absentee voter's signature on declaration, to allow comparison of the voter's signature on ballot with his signature on poll book, was served by absentee voter's signed application for ballot, failure of circuit court clerk to provide for each absentee voter a return envelope bearing a printed declaration, and failure of voter to sign such declaration, did not render absentee ballots cast in school board levy election invalid. Acts 1963, c. 64, art. 3, § 6; Acts 1970, c. 28, art. 3, § 3; Const. art. 4, § 1. State ex rel. Heavener v. Perry, 1971, 184 S.E.2d 136, 155 W.Va. 353. Schools ⚷ 103(2)

2. Canvassing election results

In absence of any conflicting special statute, County Court, as board of canvassers, is vested with power and authority to recount ballots cast at special bond election in county and is proper governmental instrumentality to conduct such recount. Code 3–5–33, 13–1–11, 13–1–13. State ex rel. Bumgarner v. County Court of Wirt County, 1962, 125 S.E.2d 883, 147 W.Va. 52. Counties ⚷ 178

3. Mandamus

Board of education would be compelled by mandamus to appoint election officials belonging to the two dominant political parties for special election to authorize additional levies for school purposes, rather than employees of the board and those closely related to school teachers or others employed by the board, since election laws require that elections be conducted by representatives of well recognized organizations, which disagree on the major issue before the electorate. Code 1931, 13–1–11. Mingo County Taxpayers Ass'n v. Board of Ed. of Mingo County, 1940, 7 S.E.2d 656, 122 W.Va. 109. Mandamus ⚷ 74(1)

§ 13–1–12. Form of ballot

The ballots to be used at elections under this article shall be in substantially the following form:

Shall ..... (name of political division) incur debt and issue bonds to the amount of $....., to run not more than ..... years from the date thereof, with interest not exceeding the rate of ... percent per annum, for the purpose of ....., and levy taxes sufficient to pay the interest on and the principal of such bonds.

☐ Yes.
☐ No.

NOTICE TO VOTERS: To vote in favor of the proposition submitted on this ballot, place an X mark in the square before the word "Yes."

To vote against it, place a similar mark before the word "No."

Acts 1923, c. 14, § 12.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(4).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

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1. In general

Failure to use the form of ballot prescribed in section 12, c. 14, Acts 1923, in an election held by a municipality upon the question of issuance of municipal bonds for street improvement, to be paid for in whole or in part by assessment against abutting property, does not render the election invalid. Sexton v. Lee, 1925, 130 S.E. 437, 100 W.Va. 389. Municipal Corporations ⚷ 918(2)

If the form of ballot to be used in municipal bond elections be not prescribed by statute, a ballot which will clearly indicate the intention of the voter on the proposition submitted will suffice. Sexton v. Lee, 1925, 130 S.E. 437, 100 W.Va. 389. Municipal Corporations ⚷ 918(2)

Form of ballot held not to render bond election invalid. Sexton v. Lee, 1925, 130 S.E. 437, 100 W.Va. 389. Municipal Corporations ⚷ 918(4)

Ballot for bond elections indicating intention of voter sufficient. Sexton v. Lee, 1925, 130 S.E. 437, 100 W.Va. 389. Municipal Corporations ⚷ 918(4)

§ 13-1-13. Time and manner of canvassing returns

The authorities calling bond elections shall canvass the returns at the same time with reference to the election and in the same manner as is required of county courts for general elections.

Acts 1923, c. 14, § 13.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers

Counties ⚷178.
Municipal Corporations ⚷918(4).
Schools ⚷97(4).
Westlaw Key Number Searches: 104k178; 268k918(4); 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1671, 1673.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

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1. In general

In absence of any conflicting special statute, County Court, as board of canvassers, is vested with power and authority to recount ballots cast at special bond election in county and is proper governmental instrumentality to conduct such recount. Code 3-5-33, 13-1-11, 13-1-13. State ex rel. Bumgarner v. County Court of Wirt County, 1962, 125 S.E.2d 883, 147 W.Va. 52. Counties ⚷ 178

In appraisement of votes cast at an election, it is unnecessary to isolate votes by challenge or otherwise, where, by proper and direct mathematical calculations, it can be ascertained by canvassing board, either on the canvass or the recount, how a certain number of illegal ballots in a precinct have been cast. Park v. Landfried, 1951, 63 S.E.2d 586, 135 W.Va. 361. Elections ⚷ 259

Members of county court, sitting as a board of canvassers, and on the recount, had right to and should have examined both applications of absentee voters and registration lists for purpose of determining whether absentee voters had made application for absentee ballots prior to 10 days preceding election, whether any voters were under age, as determined by their registration cards, whether any voters had not registered, and whether any voters had failed to register prior to 30 days preceding election. Code, 3-6-6, 3-6-8, 3-6-9, 3-6-10; Acts 1943, c. 50, art. 2, § 26. Park v. Landfried, 1951, 63 S.E.2d 586, 135 W.Va. 361. Elections ⚷ 259

§ 13-1-14. Resolution authorizing issuance and fixing terms of bonds

If three fifths of all the votes cast for and against the proposition to incur debt and issue negotiable bonds shall be in favor of the same, the governing body of

the political division shall, by resolution, authorize the issuance of such bonds in an amount not exceeding the amount stated in the proposition; fix the date thereof; set forth the denominations in which they shall be issued, which denominations shall be one hundred dollars or multiples thereof; determine the rate or rates of interest which the bonds shall bear, which rate or rates of interest shall be within the maximum rate stated in the proposition submitted to vote and payable semiannually; prescribe the medium with which the bonds shall be payable; require that the bonds shall be made payable at the office of the state treasurer and at such other place or places as the body issuing the same may designate; provide for a sufficient levy to pay the annual interest on the bonds and the principal at maturity; fix the times within the maximum period, as contained in the proposition submitted to vote, when the bonds shall become payable, which shall not exceed thirty-four years from the date thereof; determine whether all or a portion of the bonds shall be subject to redemption prior to the maturity thereof and, if so, the terms of the redemption; and prescribe a form for executing the bonds authorized.

Acts 1923, c. 14, § 14; Acts 1970, c. 9; Acts 1980, c. 33; Acts 1981, 1st Ex. Sess., c. 2; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1994, c. 13; Acts 1998, c. 320, eff. March 14, 1998.

Library References

Key Numbers

Counties ⚷183.
Municipal Corporations ⚷928.
Schools ⚷97(6).
Westlaw Key Number Searches: 104k183; 268k928; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1699.
C.J.S. Schools and School Districts § 551.

Notes of Decisions

Construction with other provisions 1
Partial bond issuance 3
Right to vote 2

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1. Construction with other provisions

Any departure from strict majority rule gives disproportionate power to minority, but state constitutional and statutory requirement that 60% of voters in referendum election approve bonded indebtedness or tax increase by political subdivision did not violate equal protection clause merely because votes of those who favored issuance of bonds would have proportionately smaller impact on outcome of election than votes of those who opposed issuance of bonds. U.S.C.A.Const.Amend. 14; Const.Ind. art. 10, § 5; Const.Ohio art. 8, § 3; Vernon's Ann.Tex.St.Const. art. 3, § 49; W.S.A.Const. art. 8, § 4. Gordon v. Lance, 1971, 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Constitutional Law ⚷ 232(2)

Three-fifths vote requirement of West Virginia Constitution and statutes dealing with elections held by political subdivisions of the state for determination of whether bond indebtedness should be incurred, and 60 percent vote requirement provided by West Virginia Constitution relating to elections to authorize local tax levying bodies to make additional levies for tax purposes in excess of levies provided for in Tax Limitation Amendment, conflict with and violate the Equal Protection Clause of United States Constitution and are therefore unconstitutional and unenforceable. Const. art. 10, §§ 1, 8; Code, §§ 11-8-16, 13-1-4, 13-1-14; U.S.C.A.Const. Amend. 14. Lance v. Board of Ed. of Roane County, 1969, 170 S.E.2d 783, 153 W.Va. 559, certiorari granted 90 S.Ct. 1264, 397 U.S. 1020, 25 L.Ed.2d 530, reversed 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Elections ⚷ 11

2. Right to vote

An individual may not be denied access to ballot because of some extraneous condition such as race, wealth, tax status or military status. U.S.C.A.Const. Amend. 14. Gordon v. Lance, 1971, 91 S.Ct. 1889, 403 U.S. 1, 29 L.Ed.2d 273, 59 O.O.2d 96. Elections ⚷ 11

3. Partial bond issuance

Under statute relating to an original bond issue, the legislature intended that a bond-issuing authority could issue less than the total

amount of bonds authorized at the election, if under all circumstances the projects authorized by the voters can still be completed. Code, 13–1–14. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⚷ 97(6)

School board's plan to issue only a part of remaining unissued original bonds, as part of its financing plan involving refunding bonds, was proper, where under refunding bond plan voters were obtaining school improvements they initially authorized without necessity of issuing entire amount of original bonds. Code, 13–1–14. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⚷ 97(6)

§ 13–1–15. Bonds to be payable in annual installments

Such bonds shall be made payable in annual installments beginning not more than two years after the date thereof, and the amount payable in each year may be so fixed that, when the annual interest is added to the principal amount to be paid, the total amount payable in each year in which part of the principal is payable shall be as nearly equal as practicable. It shall be an immaterial variance if the difference between the largest and smallest amounts of principal and interest payable annually during the term of the bonds shall not exceed three percent of the total authorized issue. Or, such bonds may be payable in annual installments beginning not more than two years after the date thereof, each installment being as nearly equal in principal amount as may be practicable.

Acts 1923, c. 14, § 14.

Library References

Key Numbers

Counties ⚷187.
Municipal Corporations ⚷953.
Schools ⚷97(9).
Westlaw Key Number Searches: 104k187; 268k953; 345k97(9).

Encyclopedias

C.J.S. Counties § 226.
C.J.S. Municipal Corporations § 1706.
C.J.S. Schools and School Districts § 555.

§ 13–1–15a. Bonds may be subject to redemption

All or a portion of such bonds may be subject to redemption prior to the maturity thereof, at the option of the body issuing the same, at such times and prices and on such terms as shall be designated in the resolution required by section fourteen of this article. The body issuing the bonds may not levy taxes in connection with the redemption of any bonds in excess of the taxes that would have been levied for the payment of principal of and interest on such bonds in such year.

Acts 1994, c. 13.

Library References

Key Numbers

Counties ⚷187.
Municipal Corporations ⚷951.
Schools ⚷97(9).
Westlaw Key Number Searches: 104k187; 268k951; 345k97(9).

Encyclopedias

C.J.S. Counties § 226.
C.J.S. Municipal Corporations §§ 1704 to 1705.
C.J.S. Schools and School Districts § 555.

§ 13-1-16. Recital of certification that bonds are issued in conformity with Constitution and statutes; effect thereof with attorney general's indorsement

The resolution authorizing the bonds provided for in section fourteen of this article may direct that they shall contain the following recital:

"It is certified that this bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia."

Such recital, when such bonds shall have been indorsed by the attorney general as provided in section twenty-eight of this article, shall be deemed an authorized declaration by the governing body of the political division and to import that there is constitutional and statutory authority for incurring the debts and issuing the bonds; that all the proceedings therefor are regular; that all the acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds, have existed, happened and been performed in due time, form and manner as required by law; that the amount of the bond and the issue of which it forms a part, together with all other indebtedness, does not exceed any limit or limits prescribed by the Constitution or statutes of this State; and that all questions connected with incurring the debt and issuing the bonds have been first submitted to a vote of the people and have received three fifths of all the votes cast for and against the same at an election regularly called and held for the purpose after notice published and posted in the manner required by law. If any bond be issued containing the said recital, and also containing the indorsement of the attorney general as aforesaid, it shall be conclusively presumed that said recital, construed according to the import hereby declared, is true, and neither the political division nor any taxpayer thereof shall be permitted to question the validity or regularity of the obligation in any court or in any action or proceeding.

Acts 1923, c. 14, § 15.

Library References

Key Numbers

Counties ⚷183(2).
Municipal Corporations ⚷924.
Schools ⚷97(6).
Westlaw Key Number Searches: 104k183(2); 268k924; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Municipal Corporations §§ 1686 to 1688.
C.J.S. Schools and School Districts § 551.

§ 13-1-17. Bonds may be registered; coupon bonds may be registered as to principal

The bonds issued hereunder may be registered or coupon bonds. Coupon bonds may be registered as to the principal in the owner's name by the state treasurer on books which shall be kept at its office for the purpose and the registration shall also be noted on the bonds, after which no transfer shall be valid unless made by the state treasurer on the books of registration and similarly noted on the bonds. Bonds registered as to principal may be discharged from registration by being transferred to bearer, after which they shall be transferable by delivery; but may again, and from time to time, be

registered as to the principal amount as before. The registration of coupon bonds as to the principal sum shall not affect the negotiability of the interest coupons, but title to the same shall pass by delivery.

Acts 1923, c. 14, § 16; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1998, c. 320, eff. March 14, 1998.

Library References

Key Numbers

Counties ⚷185.
Municipal Corporations ⚷936.
Schools ⚷97(6).
Westlaw Key Number Searches: 104k185; 268k936; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1700.
C.J.S. Schools and School Districts § 551.

Notes of Decisions

Bond registration 1
Mandamus 2

1. Bond registration

Statutes authorizing a bond-issuing authority to have bonds payable at the office of the State Treasurer and at such other places that the bond-issuing authority may designate provides sufficient authority to permit bonds to be registered at place of payment. Code, 13-1-14, 13-2-2; 26 U.S.C.A. § 103(j). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⚷ 113

"Registration of a bond" means that it is payable to a designated person rather than payable generally to the bearer. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⚷ 113

2. Mandamus

Once it is determined that a bond issue authorized by a governmental agency is lawful, mandamus will lie to compel secretary of the agency or other ministerial official responsible for executing the necessary documents to execute such documents. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Mandamus ⚷ 103

§ 13-1-18. Registration of coupon bonds as to interest; exchange of registered bond for coupon bond

Coupon bonds may also be registered as to the interest by the holder surrendering the bonds with the unpaid coupons attached, which bonds and coupons shall be canceled by the state treasurer. New bonds of the same date and tenor and for the same amounts as the bonds surrendered, or, at the option of the holder, a single bond for the aggregate amount of the bonds surrendered, but without interest coupons attached, shall be issued in the place of the coupon bonds and registered in the manner required in the preceding section. A registered bond may at any time be surrendered and be exchanged by the holder for a coupon bond by the holder delivering the registered bond to the state treasurer who shall cancel the same and who shall cause a new bond of the same date and tenor and for the same amount to be issued, and with interest coupons for the interest thereafter to accrue thereon attached, and deliver the same to the holder of the surrendered bond. The governing body of the county, municipal corporation or school district which issued the original bond shall issue and execute the new bond required by this section and shall pass the resolutions and ordinances necessary to authorize the same. The expense of such registration shall in all cases be paid by the holder of the bonds.

Acts 1923, c. 14, § 17; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1998, c. 320, eff. March 14, 1998.

Library References

Key Numbers
Counties ⚷185.
Municipal Corporations ⚷936.
Schools ⚷97(6).
Westlaw Key Number Searches: 104k185; 268k936; 345k97(6).

Encyclopedias
C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1700.
C.J.S. Schools and School Districts § 551.

§ 13-1-19. Signing, sealing and delivery of bonds and coupons

All bonds issued under this article by any county shall be signed by the president of the county court and countersigned by the clerk of such court; bonds issued by any municipality shall be signed by the mayor or other chief executive and countersigned by the clerk, recorder or secretary; bonds issued by a district or independent school district shall be signed by the president of the board of education and countersigned by the secretary thereof. The seal of the political division shall be affixed to such bonds. Interest coupons shall be signed by the facsimile signatures of such officers. The delivery of any bonds or coupons so executed at any time thereafter shall be valid, although before the date of delivery the person signing such bonds or coupons shall have ceased to hold office.

Acts 1923, c. 14, § 18.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers
Counties ⚷183(1).
Municipal Corporations ⚷927.
Schools ⚷97(6).
Westlaw Key Number Searches: 104k183(1); 268k927; 345k97(6).

Encyclopedias
C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1699.
C.J.S. Schools and School Districts § 551.

Notes of Decisions

In general 1

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1. In general

Issuance of refunding bonds to retire existing bonds under the Refunding Bond Act does not create a new indebtedness, and levies to provide debt service for new refunding bonds may be laid to the same extent and with like effect as they could have been laid for the original bonds. Code, 13-1-19, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⚷ 97(1)

§ 13-1-20. Imposition and collection of tax to pay bonds and interest

It shall be the duty of the governing body of any political division, at or before the time of issuing bonds under this article, to provide for the imposition and collection annually of a tax, in excess of all other taxes, on all property subject to taxation by the political division under the Constitution and laws of this State, sufficient in amount to pay annually the interest on such debt and the principal thereof falling due in each year, such tax to be levied and collected by the same officers, at the same time and in the same manner as the general taxes of the political division. Should any political division neglect or

fail for any reason to impose or collect such tax for the payment of the principal or interest of any bonded indebtedness incurred under this article, any person in interest or the state tax commissioner may enforce the imposition and collection thereof in any court having jurisdiction of the subject matter, and any suit, action or proceeding brought for such purpose shall be heard and disposed of with reasonable dispatch.

Acts 1923, c. 14, § 19.

Library References

Key Numbers

Counties ⚷188.
Municipal Corporations ⚷955(1).
Schools ⚷97(10).
Westlaw Key Number Searches: 104k188; 268k955(1); 345k97(10).

Encyclopedias

C.J.S. Counties § 226.
C.J.S. Schools and School Districts § 556.

Notes of Decisions

Bond levy 1

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1. Bond levy

Special bond levy is set annually based upon current year's appraised values, as evidenced by statute requiring bond-issuing authority to pay annually interest on such debt and principal thereof falling due in each year, such tax to be levied and collected by same officers, at same time and in same manner as the general taxes of the political division. Code, 13-1-4, 13-1-20. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⚷ 106

§ 13-1-21. Advertisement and sale of bonds

The governing body of the political division issuing such bonds shall sell the same and collect the proceeds, which proceeds shall be deposited with its treasurer. The governing body of the political division shall advertise such bonds for sale, on sealed bids, which advertisement shall be published as a Class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code, and the publication area for such publication shall be the political division. The first publication shall be made at least fourteen days before the date fixed for the reception of bids. Such advertisement shall also be published in a financial paper published either in the city of New York or the city of Chicago, or in a newspaper published in a city of this state having a population of not less than twenty thousand inhabitants, according to the last federal census. The governing body may reject any and all bids. If the bonds be not sold pursuant to such advertisement, they may within one hundred twenty days after the date advertised for the reception of bids, be sold by the governing body at private sale, but no private sale shall be made at a price less than the highest bid which shall have been received. If not sold, such bonds shall be readvertised in the manner herein provided. In no event shall bonds be sold for less than their par value.

Acts 1923, c. 14, § 20; Acts 1967, c. 105; Acts 1981, 1st Ex. Sess., c. 2; Acts 1992, c. 29.

Library References

Key Numbers

Counties ⚷182.
Municipal Corporations ⚷921.
Schools ⚷97(5).

Westlaw Key Number Searches: 104k182; 268k921; 345k97(5).

Encyclopedias

C.J.S. Counties § 225.

C.J.S. Municipal Corporations §§ 1679 to 1682.

C.J.S. Schools and School Districts §§ 546 to 548, 550, 554.

Notes of Decisions

Sale at discount 1

1. Sale at discount

Discount sale of a refunding bond is not prohibited under the Refunding Bond Act. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⚷ 97(5)

In the absence of some constitutional or statutory prohibition, right to sell bonds carries with it the right to sell at a discount. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⚷ 84

§ 13-1-22. Purposes for which proceeds to be used; purchaser need not see to application thereof

The proceeds derived from the sale of any bonds shall be used only for the purpose or purposes for which the bonds were issued as set out in the order or ordinance submitting the question to vote, but the purchaser of the bonds shall not be obliged to see to the application thereof.

Acts 1923, c. 14, § 21.

Library References

Key Numbers

Counties ⚷182.

Municipal Corporations ⚷921(3).

Schools ⚷97(5).

Westlaw Key Number Searches: 104k182; 268k921(3); 345k97(5).

Encyclopedias

C.J.S. Counties § 225.

C.J.S. Municipal Corporations §§ 1683 to 1685, 1697 to 1698.

C.J.S. Schools and School Districts §§ 546 to 548, 550, 554.

Notes of Decisions

In general 1

1. In general

Innocent purchaser of waterworks bonds had no duty to see to proper application of proceeds of bond sales, in absence of knowledge of any infirmity and facts showing actual bad faith. Code W.Va. 13-1-22. St. Paul Fire & Marine Ins. Co. v. Town of Monongah, W. Va., 1962, 209 F.Supp. 514. Municipal Corporations ⚷ 948(7)

§ 13-1-23. No law, order, ordinance, resolution, proceeding or publication necessary except as prescribed by this article

This article shall, without reference to any other act of the legislature, be full authority for the issuance and sale of bonds in this article authorized. No order, ordinance, resolution or proceeding in respect to the issuance of any bond under this article shall be necessary, except such as are required by this article. No publication of any order, ordinance, resolution or proceeding relating to the issuance of such bonds shall be necessary except such as is required by this article. Any publication prescribed hereby may be made in any newspaper conforming to the terms of this article, without regard to designation thereof as the official journal of the political division.

Acts 1923, c. 14, § 22.

Library References

Key Numbers

Counties ⚷180.
Municipal Corporations ⚷917.
Schools ⚷97(4.5).
Westlaw Key Number Searches: 104k180; 268k917; 345k97(4.5).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1658 to 1660.
C.J.S. Schools and School Districts § 530.

§ 13-1-24. Legal status of bonds

Bonds issued under this article, except to the extent that their status shall be affected by registration made in pursuance of this article, shall have all the qualities of negotiable paper under the law merchant and shall not be invalid for any irregularity or defect in the proceedings for the issuance thereof, and shall be incontestable in the hands of bona fide purchasers or holders thereof for value.

Acts 1923, c. 14, § 23.

Library References

Key Numbers

Counties ⚷183(3).
Municipal Corporations ⚷948.
Schools ⚷97(8).
Westlaw Key Number Searches: 104k183(3); 268k948; 345k97(8).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1723.
C.J.S. Schools and School Districts § 553.

§ 13-1-25. Copy of proceedings to be transmitted to attorney general for approval or disapproval; publication of approval or disapproval

The governing body of any political division issuing bonds under this article shall, as soon as practicable after the result of the election authorizing their issuance shall have been officially ascertained, transmit to the attorney general a duly certified copy of all orders, ordinances, proclamations, notices, advertisements, affidavits, resolutions and records of all the proceedings connected with or pertaining to such bond issue, and any other matters relative thereto which the attorney general may require. The attorney general shall thereupon either approve or disapprove the validity of such bond issue, and shall immediately notify the governing body of the political division which authorized the issuance of the bonds of his action by mail, and as soon as practicable notify the people of such political division of his approval or disapproval of such bond issue, by causing notice thereof to be published as a Class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this Code, and the publication area for such publication shall be the political division.

Acts 1923, c. 14, § 24; Acts 1967, c. 105.

Library References

Key Numbers

Counties ⚷183(4).
Municipal Corporations ⚷917(2).
Schools ⚷97(4.5).

Westlaw Key Number Searches: 104k183(4); 268k917(2); 345k97(4.5).

Encyclopedias

C.J.S. Counties § 223.

C.J.S. Municipal Corporations §§ 1662 to 1663.

C.J.S. Schools and School Districts § 530.

Notes of Decisions

Determination by attorney general 2
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Powers and duties of attorney general 1

1. Powers and duties of attorney general

Where Attorney General had no power to pass on validity of an agreement between Board of Education and town affecting title to land to be purchased from proceeds of a bond issue, Supreme Court of Appeals in reviewing decision of Attorney General disapproving bond issue could not determine the validity of agreement but was confined to determining whether proper procedural steps were taken with respect to proposed bond issue. Code 13-1-25, 13-1-26. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⟹ 917(2)

Power of Attorney General in approving or disapproving validity of a proposed bond issue was restricted to passing upon procedural steps taken by political subdivision and Attorney General had no power to pass on validity of a contract and agreement affecting title to land to be purchased from proceeds of bond issue. Code, 13-1-25. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Attorney General ⟹ 6

2. Determination by attorney general

Where record disclosed no actual defect in submission of bond issue to voters of town and ascertainment of result of election held pursuant to such submission and no irregularity was disclosed in proposed issuance of bonds, proposed bond issue would be held valid on review of Attorney General's decision disapproving bond issue without regard to proposed expenditure of funds to be raised from sale of bonds. Code, 13-1-25, 13-1-26. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⟹ 917(2)

3. Judicial review

Under statutory proceeding for review of Attorney General's approval or disapproval of bond issues, court generally will not undertake supervision of expenditure of funds to be procured as result of bond issue. Code, 13-1-25. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⟹ 917(2)

The statutes pertaining to county bond issues contemplate that when an Attorney General has ruled as to validity of bond issue, his action may be reviewed by Supreme Court of Appeals. Code 1931, 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⟹ 183(4)

A holding by the Supreme Court of Appeals that action of Acting Attorney General in sustaining county bond issue on papers submitted to him should be upheld would not oust circuit court of county of its jurisdiction to finally hear and determine suit to contest election and enjoin issuance and sale of such bonds. Code 1931, 13-1-4, 13-1-25 to 13-1-27. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Courts ⟹ 107

Upon reversal by Supreme Court of Appeals of Acting Attorney General's approval of bond issue on ground that election was invalid because of defect in county court order submitting bond issue to voters, issues in equity suit seeking to contest election and enjoin issuance and sale of bonds became "moot". Code 1931, 13-1-4(e), 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Action ⟹ 6

§ 13-1-26. Review in supreme court of appeals of action of attorney general

For a period of ten days from and after the date of the last publication of the notice of the attorney general of his action in approving or disapproving the validity of any bond issue as provided in the preceding section, any person in interest, or any taxpayer within the political division for which the bonds are authorized to be issued, may present his or its petition to the supreme court of appeals or to a judge thereof in vacation, praying that the action of the attorney general in approving or disapproving such bond issue, as aforesaid, be reversed

or modified; and if the court, or such judge thereof in vacation, be of the opinion to hear and determine the matters in such petition set out, the case shall be proceeded with as in cases of original jurisdiction; but the petitioner shall file with the clerk of the court a bond, with security to be approved by him, and in such sum as the court or judge may fix, for the payment of such costs as may be awarded against him in said court. The clerk of the court shall forthwith notify the attorney general and the governing body of the political division which authorized the issuance of the bonds of the action taken by the court or judge in vacation upon such petition, and for the hearing thereof the attorney general shall file with the clerk of said court all papers, documents, evidence and records, or certified copies thereof, which were before him and on which he based his approval or disapproval; and before the day fixed for final hearing, he shall file with the clerk of said court a written statement of his reasons for the approval or disapproval of the bond issue. Upon the submission of the case, the court shall decide the matters in controversy and enter such order thereon as to it may seem to be just.

Acts 1923, c. 14, § 24.

Library References

Key Numbers

Counties ⚷183(4).
Municipal Corporations ⚷917(2).
Schools ⚷97(4.5).
Westlaw Key Number Searches: 104k183(4); 268k917(2); 345k97(4.5).

Encyclopedias

C.J.S. Counties § 223.
C.J.S. Municipal Corporations §§ 1662 to 1663.
C.J.S. Schools and School Districts § 530.

Notes of Decisions

Adequacy of submission to voters 4
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1. Construction and application

The statutes pertaining to county bond issues contemplate that when an Attorney General has ruled as to validity of bond issue, his action may be reviewed by Supreme Court of Appeals. Code 1931, 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Counties ⚷ 183(4)

2. Petitions for review

In statutory proceeding to review action of Attorney General approving municipal bond issue, amended and supplemental petitions filed after expiration of ten days provided for appeal after last date of publication of Attorney General's notice approving or disapproving bond issue, would be considered as seasonable where defendant was not prejudiced. Code, 13-1-26. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⚷ 917(2)

Where supplemental and amended petition seeking reversal of Attorney General's approval of bond issue by municipality did not add new parties to proceeding and alleged only occurrences since filing of original petition, not included in file forwarded to Attorney General upon which his approval was based, allegations did not go to the merits. Code, 13-1-26. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⚷ 917(2)

3. Scope of judicial review

Where Attorney General had no power to pass on validity of an agreement between Board of Education and town affecting title to land to be purchased from proceeds of a bond issue, Supreme Court of Appeals in reviewing decision of Attorney General disapproving bond issue could not determine the validity of agreement but was confined to determining whether proper procedural steps were taken with respect to proposed bond issue. Code 13-1-25, 13-1-26. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⚷ 917(2)

4. Adequacy of submission to voters

Where record disclosed no actual defect in submission of bond issue to voters of town and ascertainment of result of election held pursuant to such submission and no irregularity was disclosed in proposed issuance of bonds, proposed bond issue would be held valid on review of Attorney General's decision disapproving bond issue without regard to proposed expenditure of funds to be raised from sale of bonds. Code, 13-1-25, 13-1-26. State ex rel. Town of South Charleston v. Partlow, 1949, 55 S.E.2d 401, 133 W.Va. 139. Municipal Corporations ⟹ 917(2)

Municipal bond issue proposal submitted to voters by common council, was not required to contain statement that city would be provided with sufficient revenue to pay its costs and keep aggregate levies within legal limits, including those authorized to satisfy bonded indebtedness authorized by election order. Code, 13-1-4, 13-1-26. Baxa v. Partlow, 1949, 54 S.E.2d 825, 132 W.Va. 859. Municipal Corporations ⟹ 918(2)

A city bond issue for different projects cannot be sustained unless ordinance submitting proposed issue to vote of people clearly specifies amounts to be used for the several projects, respectively. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⟹ 918(2)

Where ordinance submitting a municipal bond issue for people's approval proposed in effect that approximately 55 per centum of cost of each of three municipal projects, to be financed in part by federal grant, should be paid for out of proceeds of sale of bonds, but form of ballot used at election provided for expenditure of larger sums on two of projects, there was failure of substantial compliance with statute requiring specification in ordinance of amounts to be used for each project, and bonds were improperly approved by Attorney General. Code 1931, 13-1-6. State ex rel. Davenport v. Meadows, 1938, 199 S.E. 883, 120 W.Va. 602. Municipal Corporations ⟹ 918(2)

5. Effect of determination by supreme court

A holding by the Supreme Court of Appeals that action of Acting Attorney General in sustaining county bond issue on papers submitted to him should be upheld would not oust circuit court of county of its jurisdiction to finally hear and determine suit to contest election and enjoin issuance and sale of such bonds. Code 1931, 13-1-4, 13-1-25 to 13-1-27. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Courts ⟹ 107

Upon reversal by Supreme Court of Appeals of Acting Attorney General's approval of bond issue on ground that election was invalid because of defect in county court order submitting bond issue to voters, issues in equity suit seeking to contest election and enjoin issuance and sale of bonds became "moot". Code 1931, 13-1-4(e), 13-1-25, 13-1-26. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Action ⟹ 6

6. Declaratory relief

Where board of education conveyed land to town in consideration that town would deliver lease if land were conveyed to United States and reconveyed to town, and thereafter United States condemned land, and town made conditional offer to repurchase which was accepted, but town before spending money raised by bond issue to effect the repurchase sought to compel board to release town from leasing agreement or for declaratory relief, no "justiciable controversy" was presented and court was without jurisdiction to pronounce any decree except one of dismissal, notwithstanding doubt as to whether funds could be applied to purchase of land subject to leasing agreement. Acts 1941, c. 26; Code, 13-1-25, 26. Town of South Charleston v. Board of Ed. of Kanawha County, 1948, 50 S.E.2d 880, 132 W.Va. 77. Declaratory Judgment ⟹ 186

7. Mandamus

Under Acts 1917, c. 57, § 3, Code Supp.1918, c. 47a, § 7a III (section 2501c), the Supreme Court of Appeals may by mandamus or other original writ review and control the judgment of the attorney general in approving a proposed bond issue of the county court of Marshall county for building and improving certain roads of Cameron district therein, as his duties therein under Acts 1917, c. 66, Code Supp.1918, c. 43, §§ 1-82, 83-183 (sections 1940-1 to 1940-82, 1940-83 to 1940-183), making him legal adviser of state road commission created thereby and requiring him to prepare for it all contracts, etc., when required, are only supervisory and ministerial, without discretion to act unlawfully or arbitrarily. State ex rel. Allen v. England, 1920, 103 S.E. 400, 86 W.Va. 508. Mandamus ⟹ 103

§ 13-1-27. Bond issue and tax to pay bonds to be incontestable upon failure to file petition for review or dismissal thereof

If no person in interest or taxpayer shall within ten days from and after the date of the last publication of the notice of the attorney general of his action in

approving or disapproving the validity of any bond issue, as provided in this article, present his or its petition to the supreme court of appeals or to a judge thereof in vacation praying that the action of the attorney general be reversed or modified, as hereinbefore provided, or if such petition be filed and the court or judge be of the opinion not to hear and determine the matters in such petition set out, the action of the attorney general shall be final and no other appeal shall be allowed therefrom; and the bond issue approved by him shall become incontestable and shall be a valid and binding obligation upon the authority issuing the same and upon the taxable property within the political division which authorized the bond issue by the vote of the people therein; and no one shall thereafter have the right to contest in any court or in any action or proceeding the legality of any election held under this article, the bond issue provided for, or the tax required to pay the same, for any cause whatsoever.

Acts 1923, c. 14, § 24.

Library References

Key Numbers

Counties ⚷183(3).
Municipal Corporations ⚷948.
Schools ⚷97(8).
Westlaw Key Number Searches: 104k183(3); 268k948; 345k97(8).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1723.
C.J.S. Schools and School Districts § 553.

Notes of Decisions

In general 1

1. In general

A holding by the Supreme Court of Appeals that action of Acting Attorney General in sustaining county bond issue on papers submitted to him should be upheld would not oust circuit court of county of its jurisdiction to finally hear and determine suit to contest election and enjoin issuance and sale of such bonds. Code 1931, 13-1-4, 13-1-25 to 13-1-27. Sessler v. Partlow, 1943, 27 S.E.2d 829, 126 W.Va. 232. Courts ⚷ 107

General obligation bonds issued by city of Grafton, proceeds of which were to be used by defraying a part of expenses of completing hospital owned by city, were valid, in view of manner in which election authorizing issuance of bonds was conducted, and that validity of bond issue was approved by attorney general and copy of his approval published in two newspapers of opposite politics and that no petition praying that attorney general's action be reversed was filed. Code 1931, 13-1-27. Warden v. City of Grafton, 1943, 26 S.E.2d 1, 125 W.Va. 658. Municipal Corporations ⚷ 918(4)

§ 13-1-28. Indorsement on bonds by attorney general

After ten days shall have elapsed from and after the date of the last publication of the attorney general's notice provided for in section twenty-five of this article, if no proceeding be pending to have his approval of the bond issue reversed and modified, the attorney general shall indorse upon each and every bond of the issue so approved by him his certificate to the effect that such bond has been approved by him by virtue of the authority vested in him by this article; that notice of his approval was published as required by section twenty-five of this article; that ten days have elapsed since the date of the last publication of such notice; that there has been no appeal from his decision to the supreme court of appeals; and that the bond has become incontestable and is a binding obligation upon the authority issuing the same and upon the taxable property within the political division, and that the validity of such bond

shall not be contested thereafter in any court or in any action or proceeding for any cause whatsoever.

Acts 1923, c. 14, § 24.

Library References

Key Numbers
Counties ⚷183(2).
Municipal Corporations ⚷927.
Schools ⚷97(6).
Westlaw Key Number Searches: 104k183(2); 268k927; 345k97(6).

Encyclopedias
C.J.S. Counties § 222.
C.J.S. Municipal Corporations § 1699.
C.J.S. Schools and School Districts § 551.

§ 13-1-29. Costs of proceedings and expenses of attorney general to be paid out of proceeds of bonds or general fund

The cost of publishing the notice to taxpayers as herein provided, and the costs of certifying and copying all records, papers and proceedings to be used by the attorney general in passing upon the validity of the bond issue, and all necessary expense incurred by the attorney general in connection with any bond issue, shall be paid by the authority issuing such bonds out of the proceeds arising from the sale thereof, if the same be finally approved, and if the bond issue be disapproved, such expense shall be paid out of the general fund of such authority.

Acts 1923, c. 14, § 24.

§ 13-1-30. Files and records to be kept by attorney general

The attorney general shall keep on file in his office the papers pertaining to any bond issue submitted to him, and shall record his findings of approval or disapproval in a well bound book kept for that purpose in his office, which shall be open for inspection by anyone in interest during business hours.

Acts 1923, c. 14, § 24.

§ 13-1-31. Proceedings to issue bonds under authority of prior statutes; debts heretofore incurred

Nothing contained in this article shall affect in any way proceedings heretofore begun by the governing body of any political division to issue bonds under the authority of any statutes of this State heretofore in force. Such proceedings may be completed under the statute under which the same were begun and under the provisions of this article so far as the same can be made applicable thereto. Nor shall anything contained in this article invalidate any indebtedness heretofore incurred under a law then existing.

Acts 1923, c. 14, § 25.

§ 13-1-32. Amount of indebtedness authorized by § 13-1-3 may be increased by special act as to municipalities and independent school districts; bonds for assessments against abutting property excepted from this article

Notwithstanding the provisions of section three of this article, when by a special act of the legislature any municipality or independent school district is authorized to become indebted for any purpose or purposes in a greater amount than is fixed by said section three, bonds may be issued under this article by such municipality or independent school district in an amount not exceeding that fixed by such special act. This article shall not affect any general or special law providing for the issuing of bonds for any improvement to be paid for in whole or in part by assessment against abutting property.

Acts 1923, c. 14, § 26.

Library References

Key Numbers

Counties ⚷173.1.
Municipal Corporations ⚷914.
Schools ⚷97(3).
Westlaw Key Number Searches: 104k173.1; 268k914; 345k97(3).

Encyclopedias

C.J.S. Counties § 219.
C.J.S. Municipal Corporations §§ 1654, 1656 to 1657.
C.J.S. Schools and School Districts §§ 525 to 526.

§ 13-1-33. Bonds exempt from taxation

All bonds of the State of West Virginia or of any political subdivision thereof issued hereunder, or under the provisions of chapter eight of this Code, shall be exempt from all taxation by the State or by any political subdivision thereof.

Library References

Key Numbers

Taxation ⚷218.
Westlaw Key Number Search: 371k218.

Encyclopedias

C.J.S. Taxation § 260.

Notes of Decisions

In general 1

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1. In general

Bonds issued by the political subdivisions of this state, not exempted from taxation by law or by contract, are taxable by the state in the same manner as other property. State v. Page, 1925, 130 S.E. 426, 100 W.Va. 166, 44 A.L.R. 501. Taxation ⚷ 190

§ 13-1-34. Bonded indebtedness of school districts; annual tax to be levied and collected to pay same; definition of value

(a) Notwithstanding any other provision of this article or of any other law to the contrary, every school district, by and through its board of education, shall levy and collect in each year a direct annual tax on all taxable property in such school district sufficient to pay the principal and interest maturing in such year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, on any bonded indebtedness of such school district, now or hereafter contracted, not to exceed five percent of the value of the taxable property

therein to be ascertained in accordance with section 8, article X of the Constitution, which levies shall be laid separate and apart and in addition to the maximum rates provided for tax levies by school districts on the several classes of property specified in section 1, article X of the Constitution, but in the same proportions as such maximum rates are levied on the several classes of property, and which tax may be levied outside the limits fixed by said section 1, article X of the Constitution.

(b) The term "value" as used in this section and in section 8, article X of the Constitution, is used in the same context that the term "value" is used in section 1, article X of the Constitution, and means the "worth in money" of a piece of property—its market value for ad valorem property tax purposes.

Acts 1959, c. 132; Acts 1988, 3rd Ex. Sess., c. 7.

Library References

Key Numbers
Schools ⚷97(9).
Westlaw Key Number Search: 345k97(9).

Encyclopedias
C.J.S. Schools and School Districts § 555.

Notes of Decisions

In general 1

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1. In general

The better schools amendment of constitution related only to levies for public school purposes, and did not authorize an airport bond levy in excess of maximum limits authorized by tax limitation amendment to the constitution, and statute, to extent it undertook to confer additional levying power upon county courts was unconstitutional, and levies made by county court in pursuance thereof were invalid. Const. art. 10, § 10; Code, 13–1–35. Appalachian Power Co. v. County Court of Mercer County, 1961, 118 S.E.2d 531, 146 W.Va. 118. Counties ⚷ 190.2

§ 13–1–35. Bonded indebtedness of counties, magisterial districts and municipal corporations; levy and collection of taxes to pay same

Notwithstanding any other provisions of this article or any other law to the contrary, every county, by and through its county court, either for or on behalf of the county, or for and on behalf of any magisterial district, or any group of magisterial districts therein, and any municipal corporation, by and through its council or other governing body in lieu thereof, shall levy and collect in each year a direct annual tax on all the taxable property in such county, magisterial district or districts, or municipality sufficient to pay the principal and interest maturing in such year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, on any bonded indebtedness of such county, magisterial district or districts, or municipality, as the case may be, now or hereafter contracted, not to exceed in the aggregate five percent of the value of the taxable property therein, to be ascertained in accordance with section 8, article X of the Constitution, which levies shall be laid separate and apart and in addition to the maximum rates provided for tax levies by such counties, magisterial district or districts, or municipalities, as the case may be, on the several classes of property specified in section 1, article X of the Constitution, but in the same proportions as such maximum rates are levied on the several classes of property, and which tax may be levied outside the limits fixed by said section 1, article X of the Constitution.

The order of the county court, either for or on behalf of the county or for and on behalf of any magisterial district, or any group of magisterial districts therein, or of any municipal corporation, by its council or other governing body in lieu thereof, hereafter adopted calling an election on the issuance of bonds of such county, magisterial district or districts, or municipality, as the case may be, which together with the existing bonded indebtedness of such county, magisterial district or districts, or municipality, as the case may be, will not exceed in the aggregate five percent of the value of the taxable property in such county, magisterial district or districts, or municipality, as the case may be, the value to be ascertained in accordance with section 8, article X of the Constitution, shall contain a statement in substantially the following form:

Such bonds, together with all existing bonded indebtedness of such county, magisterial district or districts, or municipality, as the case may be, will not exceed in the aggregate five percent of the value of the taxable property in such county, magisterial district or districts, or municipality, as the case may be, ascertained in accordance with section 8, article X of the Constitution; and that such bonds will be payable from a direct annual tax levied and collected in each year on all taxable property in such county, magisterial district or districts, or municipality, as the case may be, sufficient to pay the principal and interest maturing on such bonds in such year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, which tax levies will be laid separate and apart and in addition to the maximum rates provided for tax levies by counties, magisterial district or districts, or municipalities, as the case may be, on the several classes of property specified in section 1, article X of the Constitution, but in the same proportions as such maximum rates are levied on the several classes of property; and said tax may be levied outside the limits fixed by section 1, article X of the Constitution.

Acts 1959, c. 133.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers

Counties ⚷190.2.
Municipal Corporations ⚷964.
Westlaw Key Number Searches: 104k190.2; 268k964.

Encyclopedias

C.J.S. Counties § 227.
C.J.S. Municipal Corporations §§ 1745 to 1746.

Notes of Decisions

In general 1

1. In general

The better schools amendment of constitution related only to levies for public school purposes, and did not authorize an airport bond levy in excess of maximum limits authorized by tax limitation amendment to the constitution, and statute, to extent it undertook to confer additional levying power upon county courts was unconstitutional, and levies made by county court in pursuance thereof were invalid. Const. art. 10, § 10; Code, 13-1-35. Appalachian Power Co. v. County Court of Mercer County, 1961, 118 S.E.2d 531, 146 W.Va. 118. Counties ⚷ 190.2

West's

Annotated Code of West Virginia

Using the Classification and Numbering System of the 1931 Code of West Virginia, as Amended

Chapters 12 to 15

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Notes of Decisions

Validity 1

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1. Validity

Pension Liability Redemption Act, authorizing issuance of general revenue bonds for the redemption of unfunded actuarial accrued liability (UAAL) of the Judicial Retirement System, State Troopers Retirement System, and the Teachers Retirement System, was unconstitutional, in that implementation of its provisions would result in violation of debt clause of the State constitution. Perdue v. Wise, 2004, 607 S.E.2d 424, 216 W.Va. 318. States ⟹ 64.1(2); States ⟹ 115

State's issuance of $3.9 billion in general revenue bonds pursuant to the Pension Liability Redemption Act, in order to "redeem" the unfunded actuarial accrued liability (UAAL) of the Judicial Retirement System, State Troopers Retirement System, and the Teachers Retirement System, did not redeem a "previous liability of the State" within meaning of exception to constitutional ban on the State incurring debt, and thus issuance of the bonds violated debt clause of the State constitution; retirement funds were currently actuarially sound, and there was no present indebtedness resulting from the actual discharge of debt attributable to the funds. Perdue v. Wise, 2004, 607 S.E.2d 424, 216 W.Va. 318. States ⟹ 120

CHAPTER 13

PUBLIC BONDED INDEBTEDNESS

Article		Section
1.	BOND ISSUES FOR ORIGINAL INDEBTEDNESS	13-1-4
2C.	INDUSTRIAL DEVELOPMENT AND COMMERCIAL DEVELOPMENT BOND ACT	13-2C-3
2D.	AIRPORT DEVELOPMENT BOND ACT	13-2D-3
2G.	STATE REFUNDING BOND ACT	13-2G-14

ARTICLE 1

BOND ISSUES FOR ORIGINAL INDEBTEDNESS

Section	
13-1-4.	Bond issue proposal to be submitted to voters; election order.
13-1-14.	Resolution authorizing issuance and fixing terms of bonds.
13-1-15.	Bonds to be payable in annual or semi-annual installments.
13-1-15a.	Bonds may be subject to redemption.
13-1-16.	Recital of certification that bonds are issued in conformity with constitution and statutes; effect thereof with Attorney General's endorsement.
13-1-17.	Bonds shall be registered.
13-1-18.	Repealed.
13-1-19.	Signing, sealing and delivery of bonds.
13-1-21.	Advertisement and sale of bonds.

§ 13-1-2. Purposes for which bonds may be issued

Notes of Decisions

School board purchases 4

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4. School board purchases

County board of education may not issue general obligation bonds to purchase text books. 51 W.Va. Op.Atty.Gen. 323 (May 28, 1965) 1965 WL 92447.

§ 13-1-4. Bond issue proposal to be submitted to voters; election order

No debt shall be contracted or bonds issued under this article until all questions connected with the same are first submitted to a vote of the qualified electors of the political division for which the bonds are to be issued, and receive three fifths of all the votes cast for and against the same: *Provided,* That a county board of education may contract indebtedness and issue bonds for public school purposes when submitted to a vote of the people of the county if the

question of contracting indebtedness and issuing bonds is approved by a majority of all the votes cast for and against the same pursuant to section ten, article X of the constitution. The governing body of any political division referred to in this article may, and when requested so to do by a petition in writing, praying that bonds be issued and stating the purpose and amount thereof, signed by legal voters of the political division equal to twenty percent of the votes cast in a county for Governor, or in a municipal corporation or school district for mayor or member of the board of education, as the case may be, shall, by order entered of record, direct that an election be held for the purpose of submitting to the voters of the political division all questions connected with the contracting of debt and the issuing of bonds. The order shall state:

(a) The necessity for issuing the bonds or, if a petition has been filed as provided herein, that the petition has been filed;

(b) If for the construction of a county-district road or bridge thereon, a summary of the engineer's report provided for in the following section setting forth the approximate extent and the estimated cost of the proposed improvement and the kind or class of work to be done thereon;

(c) Purpose or purposes for which the proceeds of bonds are to be expended;

(d) Valuation of the taxable property as shown by the last assessment thereof for state and county purposes;

(e) Indebtedness, bonded or otherwise;

(f) Amount of the proposed bond issue;

(g) Maximum term of bonds;

(h) Maximum rate of interest;

(i) Date of election;

(j) That the levying body is authorized to lay a sufficient levy annually to provide funds for the payment of the interest upon the bonds and the principal at maturity and the approximate rate of levy necessary for this purpose;

(k) In the case of school bonds, that the bonds, together with all existing bonded indebtedness, will not exceed in the aggregate five percent of the value of the taxable property in the school district ascertained in accordance with section eight, article X of the constitution; and that the bonds will be payable from a direct annual tax levied and collected in each year on all taxable property in the school district sufficient to pay the principal and the interest maturing on the bonds in that year, together with any deficiencies for prior years, within, and not exceeding thirty-four years, which tax levies will be laid separate and apart and in addition to the maximum rates provided for tax levies by school districts on the several classes of property in section one, article X of the constitution, but in the same proportions as the maximum rates are levied on the several classes of property; and the tax may be levied outside the limits fixed by section one, article X of the constitution.

Any other provision which does not violate any provision of law, or transgress any principle of public policy, may be incorporated in the order.

Acts 1923, c. 14, § 4; Acts 1951, c. 153; Acts 1959, c. 132; Acts 2009, c. 23, eff. July 9, 2009.

§ 13–1–7. When election to be held

Notes of Decisions

In general 1

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1. In general

It is unconstitutional for school bond and/or levy questions to be voted upon at an election called by a county board of education to be held on the same day as that already designated by the Legislature for holding a special election for the purpose of considering the ratification or rejection of proposed constitutional amendments. 55 W.Va. Op. Atty.Gen. 98 (April 9, 1973) 1973 WL 159147.

§ 13–1–11. General election laws to apply; recorders and secretaries to act in lieu of circuit clerks

Notes of Decisions

Polling places 4

4. Polling places

The duty to provide polling places in a special election for school purposes is imposed on a county court rather than on the board of education of that county. 53 W.Va. Op.Atty.Gen. 263 (July 25, 1969) 1969 WL 100556.

§ 13–1–14. Resolution authorizing issuance and fixing terms of bonds

If the required amount of all the votes, pursuant to section four of this article, cast for and against the proposition to incur debt and issue negotiable bonds is in favor of the same, the governing body of the political division shall, by resolution, authorize the issuance of the bonds in an amount not exceeding the amount stated in the proposition; establish the maximum rate or rates of interest which the bonds shall bear within the maximum rate stated in the proposition submitted to vote; require that the bonds shall be made payable at the office of the Municipal Bond Commission and at any other place or places as the body issuing the same designates; provide for a sufficient levy to pay the annual interest on the bonds and the principal at maturity; fix the times within the maximum period, as contained in the proposition submitted to vote, when the bonds shall become payable, which shall not exceed thirty-four years from the date thereof; determine whether all or a portion of the bonds will be subject to redemption prior to the maturity thereof; and prescribe a form for executing the bonds authorized.

Acts 1923, c. 14, § 14; Acts 1970, c. 9; Acts 1980, c. 33; Acts 1981, 1st Ex. Sess., c. 2; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1994, c. 13; Acts 1998, c. 320, eff. March 14, 1998; Acts 2009, c. 23, eff. July 9, 2009.

§ 13–1–15. Bonds to be payable in annual or semiannual installments

Bonds shall be made payable in annual or semiannual installments beginning not more than three years after the date thereof and the amount payable in each year may be so fixed that when the annual interest is added to the principal amount to be paid, the total amount payable in each year in which part of the principal is payable shall be as nearly equal as practicable. Once principal payments commence, it shall be an immaterial variance if the difference between the largest and smallest amounts of principal and interest payable annually or semiannually during the term of the bonds shall not exceed five percent of the total authorized issue. Bonds may be payable in annual or semiannual installments beginning not more than three years after the date thereof, each installment being as nearly equal in principal amount as practicable.

Acts 1923, c. 14, § 14; Acts 2009, c. 23, eff. July 9, 2009.

§ 13–1–15a. Bonds may be subject to redemption

All or a portion of the bonds may be subject to redemption prior to the maturity thereof at the option of the body issuing the same as established by resolution of the governing body authorizing the bonds. The body issuing the bonds may not levy taxes in connection with the redemption of any bonds in excess of the taxes that would have been levied for the payment of principal of and interest on the bonds in any year.

Acts 1994, c. 13; Acts 2009, c. 23, eff. July 9, 2009.

§ 13–1–16. Recital of certification that bonds are issued in conformity with constitution and statutes; effect thereof with Attorney General's endorsement

The resolution authorizing the bonds provided for in section fourteen of this article may direct that they contain the following recital:

"It is certified that this bond is authorized by and is issued in conformity with the requirements of the Constitution and Statutes of the State of West Virginia."

The recital, when the bonds have been endorsed by the Attorney General as provided in section twenty-eight of this article, are considered an authorized declaration by the governing body of the political division and to import that there is constitutional and statutory authority for incurring the debts and issuing the bonds; that all the proceedings therefor are regular; that all the acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds have existed, happened and been performed in due time, form and manner as required by law; that the amount of the bond and the issue of which it forms a part, together with all other indebtedness, does not exceed any limit or limits prescribed by the constitution or statutes of this state; and that all questions connected with incurring the debt and issuing the bonds have been first submitted to a vote of the people and have received the required amount of all the votes, pursuant to section four of this article, cast for and against the same at an election regularly called and held for the purpose after notice published and posted in the manner required by law. If any bond be issued containing the recital, and also containing the endorsement of the Attorney General as aforesaid, it shall be conclusively presumed that the recital, construed according to the import hereby declared, is true and neither the political division nor any taxpayer thereof shall be permitted to question the validity or regularity of the obligation in any court or in any action or proceeding.

Acts 1923, c. 14, § 15; Acts 2009, c. 23, eff. July 9, 2009.

§ 13–1–17. Bonds shall be registered

The bonds issued hereunder shall be issued only in fully registered form and shall carry registration privileges as set forth in the resolution authorizing the bonds.

Acts 1923, c. 14, § 16; Acts 1990, 3rd Ex. Sess., c. 5; Acts 1998, c. 320, eff. March 14, 1998; Acts 2009, c. 23, eff. July 9, 2009.

§ 13–1–18. Repealed by Acts 2009, c. 23, eff. July 9, 2009

Historical and Statutory Notes

The repealed section, which related to the registration of coupon bonds as to interest and the exchange of registration bonds for coupon bonds, was derived from:

Acts 1923, c. 14, § 17.
Acts 1990, 3rd Ex. Sess., c. 5.
Acts 1998, c. 320.

§ 13–1–19. Signing, sealing and delivery of bonds

All bonds issued under this article by any county shall be signed by the president of the county commission and countersigned by the clerk of the county commission; bonds issued by any municipality shall be signed by the mayor or other chief executive and countersigned by the clerk, recorder or secretary; bonds issued by a county board of education shall be signed by the president of the board of education and countersigned by the secretary thereof. The seal of the political division shall be affixed to the bonds. The delivery of any bonds so executed at any time thereafter shall be valid, although before the date of delivery the person signing the bonds shall have ceased to hold office.

Acts 1923, c. 14, § 18; Acts 2009, c. 23, eff. July 9, 2009.

§ 13–1–21. Advertisement and sale of bonds

The governing body of the political division issuing bonds pursuant to this article shall sell the same and collect the proceeds, which proceeds shall be deposited with its treasurer. The governing body of the political division shall advertise such bonds for sale, on sealed bids or electronic bids if the governing body elects to utilize an electronic bidding procedure, which advertisement shall be published as a Class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code and the publication area for the publication shall be the political division. The first publication shall be made at least fourteen days before the date fixed for the reception of bids. The advertisement shall also be published in the *Bond Buyer* or similar publication and the advertisement may be published electronically: *Provided,* That all advertisements required by this section may consist of an abbreviated notice of the sale of the bonds. The governing body may reject any and all bids.

If the bonds are not sold pursuant to the advertisement, they may, within one hundred twenty days after the date advertised for the reception of bids, be sold by the governing body at private sale, but no private sale shall be made at a price less than the highest bid which is received. If not sold, the bonds shall be readvertised in the manner herein provided. In no event shall bonds be sold for less than their par value.

Acts 1923, c. 14, § 20; Acts 1967, c. 105; Acts 1981, 1st Ex. Sess., c. 2; Acts 1992, c. 29; Acts 2009, c. 23, eff. July 9, 2009.

§ 13-1-22. Purposes for which proceeds to be used; purchaser need not see to application thereof

Notes of Decisions

1. In general

A county court may not expend bond issue proceeds for a project unrelated to projects specifically approved by a vote of the people. 53 W.Va. Op.Atty.Gen. 215 (May 28, 1969) 1969 WL 100544.

ARTICLE 2C

INDUSTRIAL DEVELOPMENT AND COMMERCIAL DEVELOPMENT BOND ACT

Section

13-2C-3. Definitions.

13-2C-3a. Continuation of industrial revenue bond allocation review committee; appointment, terms of members; voting; expenses; duties.

13-2C-21. Ceiling on issuance of private activity bonds; establishing procedure for allocation and disbursements; reservation of funds; limitations; unused allocation; expirations and carryovers.

§ 13-2C-1. Short title

Notes of Decisions

In general 2

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1. Validity of article

By special legislation, Doddridge, Pleasants, and Tyler County courts may transfer property to Middle Island Development Authority without consideration. 51 W.Va. Op.Atty.Gen. 201 (February 19, 1965) 1965 WL 92422.

2. In general

County court authorized to issue bonds for acquiring industrial plants; can act with federal organizations in advancement of industrial development; may transfer county property for adequate consideration; may not condemn private property for industrial development; is not prohibited from using county finances as matching funds. 53 W.Va. Op.Atty.Gen. 276 (August 15, 1969) 1969 WL 100559.

§ 13-2C-3. Definitions

Unless the context clearly indicates otherwise, as used in this article:

(a) "Commercial project" means real or personal property or both, including any buildings, improvements, additions, extensions, replacements, appurtenances, lands, rights in land, water rights, franchises, machinery, equipment, furnishings, landscaping, utilities, railroad spurs and sidings, parking facilities, farms, parking wharfs, approaches and roadways or any number or combination of the foregoing necessary or desirable in connection with a commercial enterprise or incidental thereto and includes, without limiting the generality of the foregoing, hotels and motels and related facilities, nursing homes and other health care facilities, facilities for participatory or spectator sports, conventions or trade show facilities, airport facilities, shopping centers, office buildings, residential real property for family units, and mass commuting facilities, dormitories, apartments and other housing facilities for the students and faculties of institutions of higher education, instructional buildings and other facilities used in connection with nonpublic institutions of higher education, facilities providing

RAYMOND JAMES®

CLOSING MEMORANDUM

TO: **Berkeley County Bd. of Ed.**

Mr. Manny P. Arvon
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Fax: 304/267-3513

Mr. Jim Welton
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Steptoe & Johnson PLLC
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WV Municipal Bond Comm.
Sara Boardman
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Banc of America Merrill Lynch
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State Treasurer's Office
Diane Holcomb
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Phone: 304/340-1573
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United Bank
Kathy Smith
e-mail: Kathy.smith@ubsi-wv.com
Phone: 304/348-8427
Fax: 304/343-3058

FROM: Marie L. Prezioso
e-mail: Marie.Prezioso@RaymondJames.com
Phone: 304/346-1984
Fax: 304/346-1985

cc: e-mail: Joseph.Nassif@RaymondJames.com

DATE: February 10, 2010

RE: $51,500,000 The Board of Education of the County of Berkeley (West Virginia), Public School Bonds, Series 2010

On Wednesday, February 17, 2010, Merrill Lynch, Pierce, Fenner & Smith, Incorporated will wire $51,832,011.17 to the account of the Berkeley County Board of Education (wiring instructions follow).

	$51,500,000.00	Total Principal of Bonds
Plus	$ 1,362,011.17	Premium
Less	$ 1,030,000.00	Good Faith Deposit
	$51,832,011.17	

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RAYMOND JAMES®

Wiring instructions:

Merrill Lynch, Pierce, Fenner & Smith Incorporated will wire $51,832,011.17

To:	**BB&T, Charleston, WV**
ABA#:	**051503394**
Credit:	**State of West Virginia**
Account #:	**5174294463**
For further Credit to:	**Berkeley County Board of Education**
Contact Person:	**Diane Holcomb**
	304/340-1573

Raymond James & Associates, Inc.
Member New York Stock Exchange/SIPC
500 Lee Street, East, Suite 530, Laidley Tower, Charleston, WV 25301
304-346-1981 • Fax: 304-346-1985
www.RaymondJames.com

RAYMOND JAMES®

$51,500,000
The Board of Education of the County of Berkeley (West Virginia)
Public School Bonds, Series 2010

ESTIMATED COST OF ISSUANCE

Bond Counsel	$38,500.00
Financial Advisor	$21,000.00
Printing POS/Official Statement (Westerfield)	$1,600.00
Ideal - Prospectus	$1,500.00
Rating Agency Fee (S&P)	$21,000.00
Printing Notice of Sale in Bond Buyer (Source Media)	$2,515.50
Bank – United Bank:	
Registrar	$500.00
Annual DTC Fast Fee	$50.00
Continuing Disclosure Fee	$100.00
Printing other legal notes (local paper):	$200.00
Miscellaneous	$34.50
Estimated Total	**$87,000.00**

This does not include costs of election or any publication before the election.

Raymond James & Associates, Inc.
Member New York Stock Exchange/SIPC
500 Lee Street. East. Suite 530. Laidley Tower, Charleston, WV 25301
304-346-1981 • Fax: 304-346-1985
www.RaymondJames.com

BOND PRICING

$51,500,000
The Board Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

Bond Component	Maturity Date	Amount	Rate	Yield	Price
2025 Term Bond:					
	05/01/2011	2,025,000	3.000%	0.300%	103.246
	05/01/2012	2,660,000	3.000%	0.710%	105.001
	05/01/2013	2,770,000	2.000%	1.030%	103.050
	05/01/2014	2,890,000	4.000%	1.440%	110.408
	05/01/2015	3,010,000	2.000%	1.850%	100.740
	05/01/2016	3,140,000	2.500%	2.270%	101.322
	05/01/2017	3,275,000	4.000%	2.650%	108.799
	05/01/2018	3,415,000	4.000%	2.930%	107.750
	05/01/2019	3,560,000	4.000%	3.070%	107.405
	05/01/2020	3,710,000	4.000%	3.210%	106.824
	05/01/2021	3,865,000	3.250%	3.370%	98.884
	05/01/2022	4,030,000	3.375%	3.510%	98.665
	05/01/2023	4,205,000	3.500%	3.650%	98.435
	05/01/2024	4,380,000	4.000%	3.790%	101.759 C
	05/01/2025	4,565,000	3.750%	3.930%	97.949
		51,500,000			

Dated Date	02/17/2010	
Delivery Date	02/17/2010	
First Coupon	11/01/2010	
Par Amount	51,500,000.00	
Premium	1,538,111.15	
Production	53,038,111.15	102.986624%
Underwriter's Discount	-176,099.98	-0.341942%
Purchase Price	52,862,011.17	102.644682%
Accrued Interest		
Net Proceeds	52,862,011.17	

BOND DEBT SERVICE

$51,500,000
The Board Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

Dated Date 02/17/2010
Delivery Date 02/17/2010

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/17/2010					
11/01/2010			1,244,485.35	1,244,485.35	
05/01/2011	2,025,000	3.000%	881,918.75	2,906,918.75	4,151,404.10
11/01/2011			851,543.75	851,543.75	
05/01/2012	2,660,000	3.000%	851,543.75	3,511,543.75	4,363,087.50
11/01/2012			811,643.75	811,643.75	
05/01/2013	2,770,000	2.000%	811,643.75	3,581,643.75	4,393,287.50
11/01/2013			783,943.75	783,943.75	
05/01/2014	2,890,000	4.000%	783,943.75	3,673,943.75	4,457,887.50
11/01/2014			726,143.75	726,143.75	
05/01/2015	3,010,000	2.000%	726,143.75	3,736,143.75	4,462,287.50
11/01/2015			696,043.75	696,043.75	
05/01/2016	3,140,000	2.500%	696,043.75	3,836,043.75	4,532,087.50
11/01/2016			656,793.75	656,793.75	
05/01/2017	3,275,000	4.000%	656,793.75	3,931,793.75	4,588,587.50
11/01/2017			591,293.75	591,293.75	
05/01/2018	3,415,000	4.000%	591,293.75	4,006,293.75	4,597,587.50
11/01/2018			522,993.75	522,993.75	
05/01/2019	3,560,000	4.000%	522,993.75	4,082,993.75	4,605,987.50
11/01/2019			451,793.75	451,793.75	
05/01/2020	3,710,000	4.000%	451,793.75	4,161,793.75	4,613,587.50
11/01/2020			377,593.75	377,593.75	
05/01/2021	3,865,000	3.250%	377,593.75	4,242,593.75	4,620,187.50
11/01/2021			314,787.50	314,787.50	
05/01/2022	4,030,000	3.375%	314,787.50	4,344,787.50	4,659,575.00
11/01/2022			246,781.25	246,781.25	
05/01/2023	4,205,000	3.500%	246,781.25	4,451,781.25	4,698,562.50
11/01/2023			173,193.75	173,193.75	
05/01/2024	4,380,000	4.000%	173,193.75	4,553,193.75	4,726,387.50
11/01/2024			85,593.75	85,593.75	
05/01/2025	4,565,000	3.750%	85,593.75	4,650,593.75	4,736,187.50
	51,500,000		**16,706,691.60**	**68,206,691.60**	**68,206,691.60**

BOND SUMMARY STATISTICS

$51,500,000
The Board Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

Dated Date	02/17/2010
Delivery Date	02/17/2010
Last Maturity	05/01/2025
Arbitrage Yield	3.176084%
True Interest Cost (TIC)	3.220068%
Net Interest Cost (NIC)	3.289947%
All-In TIC	3.220068%
Average Coupon	3.581967%
Average Life (years)	9.057
Duration of Issue (years)	7.678
Par Amount	51,500,000.00
Bond Proceeds	53,038,111.15
Total Interest	16,706,691.60
Net Interest	15,344,680.43
Total Debt Service	68,206,691.60
Maximum Annual Debt Service	4,736,187.50
Average Annual Debt Service	4,485,642.85
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	3.419417
Total Underwriter's Discount	3.419417
Bid Price	102.644682

Bond Component	Par Value	Price	Average Coupon	Average Life
2025 Term Bond	51,500,000.00	102.987	3.582%	9.057
	51,500,000.00			**9.057**

	TIC	All-In TIC	Arbitrage Yield
Par Value	51,500,000.00	51,500,000.00	51,500,000.00
+ Accrued Interest			
+ Premium (Discount)	1,538,111.15	1,538,111.15	1,538,111.15
- Underwriter's Discount	-176,099.98	-176,099.98	
- Cost of Issuance Expense			
- Other Amounts			
Target Value	52,862,011.17	52,862,011.17	53,038,111.15
Target Date	02/17/2010	02/17/2010	02/17/2010
Yield	3.220068%	3.220068%	3.176084%

PROOF OF ARBITRAGE YIELD

$51,500,000
The Board Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

Date	Debt Service	Present Value to 02/17/2010 @ 3.1760843%
11/01/2010	1,244,485.35	1,217,122.06
05/01/2011	2,906,918.75	2,798,560.16
11/01/2011	851,543.75	806,986.24
05/01/2012	3,511,543.75	3,275,779.47
11/01/2012	811,643.75	745,314.26
05/01/2013	3,581,643.75	3,237,529.83
11/01/2013	783,943.75	697,547.37
05/01/2014	3,673,943.75	3,217,945.71
11/01/2014	726,143.75	626,074.80
05/01/2015	3,736,143.75	3,170,915.05
11/01/2015	696,043.75	581,507.04
05/01/2016	3,836,043.75	3,154,709.69
11/01/2016	656,793.75	531,694.62
05/01/2017	3,931,793.75	3,133,151.50
11/01/2017	591,293.75	463,822.02
05/01/2018	4,006,293.75	3,093,486.86
11/01/2018	522,993.75	397,520.38
05/01/2019	4,082,993.75	3,054,914.22
11/01/2019	451,793.75	332,749.90
05/01/2020	4,161,793.75	3,017,280.44
11/01/2020	377,593.75	269,474.29
05/01/2021	4,242,593.75	2,980,446.92
11/01/2021	314,787.50	217,683.16
05/01/2022	4,344,787.50	2,957,558.22
11/01/2022	246,781.25	165,361.47
05/01/2023	4,451,781.25	2,936,387.71
11/01/2023	173,193.75	112,452.52
05/01/2024	4,553,193.75	2,910,117.54
11/01/2024	85,593.75	53,851.01
05/01/2025	4,650,593.75	2,880,166.68
	68,206,691.60	**53,038,111.15**

Proceeds Summary

Delivery date	02/17/2010
Par Value	51,500,000.00
Premium (Discount)	1,538,111.15
Target for yield calculation	53,038,111.15

FORM 8038 STATISTICS

$51,500,000
The Board Education of the
County of Berkeley (West Virginia)
Public School Bonds, Series 2010

Dated Date	02/17/2010
Delivery Date	02/17/2010

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
2025 Term Bond:						
	05/01/2011	2,025,000.00	3.000%	103.246	2,090,731.50	2,025,000.00
	05/01/2012	2,660,000.00	3.000%	105.001	2,793,026.60	2,660,000.00
	05/01/2013	2,770,000.00	2.000%	103.050	2,854,485.00	2,770,000.00
	05/01/2014	2,890,000.00	4.000%	110.408	3,190,791.20	2,890,000.00
	05/01/2015	3,010,000.00	2.000%	100.740	3,032,274.00	3,010,000.00
	05/01/2016	3,140,000.00	2.500%	101.322	3,181,510.80	3,140,000.00
	05/01/2017	3,275,000.00	4.000%	108.799	3,563,167.25	3,275,000.00
	05/01/2018	3,415,000.00	4.000%	107.750	3,679,662.50	3,415,000.00
	05/01/2019	3,560,000.00	4.000%	107.405	3,823,618.00	3,560,000.00
	05/01/2020	3,710,000.00	4.000%	106.824	3,963,170.40	3,710,000.00
	05/01/2021	3,865,000.00	3.250%	98.884	3,821,866.60	3,865,000.00
	05/01/2022	4,030,000.00	3.375%	98.665	3,976,199.50	4,030,000.00
	05/01/2023	4,205,000.00	3.500%	98.435	4,139,191.75	4,205,000.00
	05/01/2024	4,380,000.00	4.000%	101.759	4,457,044.20	4,380,000.00
	05/01/2025	4,565,000.00	3.750%	97.949	4,471,371.85	4,565,000.00
		51,500,000.00			**53,038,111.15**	**51,500,000.00**

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	05/01/2025	3.750%	4,471,371.85	4,565,000.00			
Entire Issue			53,038,111.15	51,500,000.00	8.9674	3.1761%	3.1893%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	176,099.98
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING THE INVESTMENT OF PROCEEDS OF THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY'S PUBLIC SCHOOL BONDS, SERIES 2010 IN THE WEST VIRGINIA CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SERVICE ("CDARS")

WHEREAS, The Board of Education of the County of Berkeley, West Virginia (the "Issuer"), did, on February 17, 2010, issue its $51,500,000 aggregate principal amount Public School Bonds, Series 2010 (the "Bonds"); and

WHEREAS, the Issuer wishes to adopt this Second Supplemental Resolution in order to authorize the initial investment of proceeds of the Bonds in the West Virginia Certificate of Deposit Account Registry Service program (the CDARS Program").

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY, WEST VIRGINIA, AS FOLLOWS:

Section 1. The Issuer is hereby authorized and directed to invest proceeds of the Bonds in the CDARS Program in an amount and in the manner as shall be determined by the Superintendent and Treasurer of the Board.

Section 2. The bidding for provider of the certificates of deposit and the approval and acceptance of the award of the CDARS Program to the highest responsive bidder is hereby authorized, provided that the Board in its discretion, may reject any and all bids.

Section 3. This Second Supplemental Resolution shall be effective immediately.

Adopted this March 8, 2010.

THE BOARD OF EDUCATION OF
THE COUNTY OF BERKELEY

By: _____
Its President

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted, enacted and entered of record by THE BOARD OF EDUCATION OF THE COUNTY OF BERKELEY (West Virginia) at a regular meeting of the Board held at 7:00 p.m., on March 8, 2010, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Given under my hand this 3-8, 2010.

By: _____
Secretary of the Board of Education of the County of Berkeley

Request for Proposals – March 15, 2010

The Board of Education of Berkeley County is requesting Proposals for the investment of bond proceeds from its $51,500,000 Public School Bonds, Series 2010. The proceeds of this issuer were deposited in its Bond Construction Fund. The Board has approximately $48 million to invest. The Board is interested in laddering a portfolio through investments in the CDARS program.

PROVIDE THE FOLLOWING:

1) Please provide the name(s) of contact person(s) for your proposal, including mailing address, email and phone numbers.

2) Has your bank had any prior experience in investments through the CDARS program?

3) The Board wants to invest:

   $25 million for 52 weeks **and**
   $23 million for 13 weeks.

   Please provide your rates and the length of time they are good. Please discuss any fees or costs associated with this structure. You must bid on both amounts.

4) Does your bank plan to do Reciprocal or One-Way Sell? What implications do you think this will have?

5) Please provide any additional information you would like the Board to consider.

PROPOSAL SUBMISSION:

Please submit 3 copies of your proposal or email to the following:

Mr. Ken Marstiller, Treasurer
Berkeley County Board of Education
401 S. Queen Street
Martinsburg, WV 25401

kmarstil@access.k12.wv.us

DUE DATE: 2:00 pm on Monday, March 15, 2010

If you have any questions pertaining to this proposal, please contact Mr. Ken Marstiller at 304-267-3500

The Board reserves the right to reject any and all proposals, with or without cause, and waive any irregularities or information in the proposal.

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40B

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Summary of Investment Bids for Berkeley County Board of Education

1. **BB&T** bid REPO backed by US Agency Securities with changing rates.

   Current rates 13 weeks.16% and 52 weeks at .45%

2. **Bank of America Merrill Lynch** bid Reciprocal CDARS. Rates were around .3%, but not complete. Expressed that 13 week may have limited availability.

3. **Centra Bank** bid One Way Sell, but questioned if allowed by WV statute (8-13-22a). The rate for a 13 week is .07% and for 52 weeks is .37%.

4. **City National Bank** (from Jeff Bishop) No for the CDARS. Offered to do REPO backed by agencies. For 13 week the rate is .25% and for 52 weeks the rate is .70%

5. **First United Bank & Trust** Reciprocal CEDARS

   Rates: 13 weeks at .90% and 52 weeks at 1.25%. The Bank has participated in Program since 2005.

6. **Huntington Banks** does not currently participate in the CEDARS program. Will do a FHLB at yield of 17 basis points for 13 weeks and Freddie Mac notes for 1 year at 40 basis points.

7. **JP Morgan Chase** needed more time to get bid

8. **SunTrust** does not participate in the CDARs program. Would do 12 month CD collateralized at .3%APY and Municipal NOW account 25 basis points.

9. **United Bank** CDARs program and has experience is recognized as a CDARS Charter Bank

   13 weeks at .40% APY or 40 basis points

   52 weeks at .65% APY or 65 basis points

   It would be Reciprocal. Make note that they refer to 18-96 of the code that can only to Reciprocal.

   Also provides other information

10. **WesBanco Bank**, Inc is a member of the CEDARS network and would do a Reciprocal CEDARs.

    13 week rate is .6479 or .65 APY

    52 week is .9951 or 1.00 APY

    They would require a checking or savings account with the bank.

MyBank! FIRST UNITED Bank & Trust

First United Bank and Trust

Treasury Management CDARS Proposal for

Berkeley County Board of Education

March 15, 2010

On behalf of **First United Bank & Trust,** I wish to ***thank you*** for the opportunity to present our bid for handling the **Berkeley County Board of Education** investment of bond proceeds into the CDARS program.

First United Bank & Trust has been providing effective customized financial solutions to support and enhance the lives of the people and businesses in the communities we have served for over 106 years.

First United Bank & Trust will provide the following to the **Berkeley County Board of Education:**

1) **First United Bank** will provide a Community Office Manager that will be the contact for your banking relationship.
   Diane T. Broadwater
   Vice President
   Community Office Manager
   1286 Edwin Miller Blvd.
   Martinsburg, WV 25404
   304 267-3130 (ext 1310) office
   304 267-2865 fax
2) **First United Bank & Trust** has been participating and investing through the CDARS program since 2005.

3) **First United Bank & Trust** will provide the following annual percentage yields for the investments requested by the **Berkeley County Board of Education** as follows:

$25 million for 52 weeks @ 1.25% APY

$23 million for 13 weeks @ .90% APY

The annual percentage yield for each amount will be in effect March 15, 2010 through March 30, 2010. (Should you require a rate quote beyond 3/30/10, please contact Diane Broadwater at 304-267-3130).

4) **First United Bank & Trust** will do reciprocal investing through the CDARS program. This way the **Berkeley County Board of Education** money will stay working in your community.
5) **First United Bank & Trust** offers a full range of solutions to meet the needs of the **Berkeley County Board of Education.**

Again, **First United Bank & Trust** *thanks you* for this opportunity.

Tammy Bailey DB

Tammy Bailey
Treasury Management Specialist
First United Bank
301-988-1211

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PROVIDE THE FOLLOWING:

1) Please provide the name(s) of contact person(s) for your proposal, including mailing address, email and phone numbers. **John F. Beatty – Senior Vice President (304) 264-8023.**
BB&T - 148 South Queen Street
Martinsburg, WV 25401

2) Has your bank had any prior experience in investments through the CDARS program?
YES

3) The Board wants to invest:

$25 million for 52 weeks and
$23 million for 13 weeks.

Please provide your rates and the length of time they are good. Please discuss any fees or costs associated with this structure. You must bid on both amounts. **See attached Bid.**

4) Does your bank plan to do Reciprocal or One-Way Sell? What implications do you think this will have? **N/A**

5) Please provide any additional information you would like the Board to consider. **BB&T has found that the most competitive interest rates are through are Capital Markets Group and your deposits will be 105% Collateralized with AAA U.S. Agency Securities only.**

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401 S. Queen Street
Martinsburg, WV 25401

kmarstil@access.k12.wv.us
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There's opportunity here BB&T

PROPOSAL FOR REPURCHASE AGREEMENT

•COLLATERAL IS HELD AT BB&T CAPITAL MARKETS FREE OF CHARGE.
Current Rates: 13week term - .16% , 1year term - .45%,

•RATE IS SUBJECT TO CHANGE ON OPEN/DAILY REPO BASED ON MARKET CONDITIONS AND ON THE TERM OF THE REPURCHASE AGREEMENT. (does not apply for term)

•FUNDS CAN BE TRANSFERRED TO AND FROM A BB&T DEPOSIT ACCOUNT BY CASH WIRE OR AN ACH TRANSACTION.

•ADDITIONAL FLEXIBILITY FOR AN OPEN/DAILY REPURCHASE AGREEMENT WITH INCREASES/DECREASES ORDERED BY 1:00 PM EASTERN TIME. (does not apply for term)

•THE STANDARD BB&T MASTER REPURCHASE AGREEMENT MUST BE COMPLETED BY THE CLIENT BEFORE THE INITIAL TRANSACTION.

•BB&T CAPITAL MARKETS RESERVES THE RIGHT TO UNLIMITED COLLATERAL SUBSTITUTIONS. COLLATERAL WILL CONSIST OF AAA U.S. AGENCY SECURITIES ONLY (EX: GNMA, FNMA, FHLMC, FHLB)
USED AT *105%* OF CURRENT MARKET VALUE AS QUOTED ON BLOOMBERG.

NOT A DEPOSIT/NOT FDIC INSURED/MAY GO DOWN IN VALUE
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY/NOT GUARANTEED BY THE BANK

Ken Marstiller

From: Lisa (Alicia) Starliper [astarliper@cnbwv.com]
Sent: Thursday, March 11, 2010 9:23 AM
To: kmarstil@access.k12.wv.us
Subject: CNB CDARS Program
Attachments: Ivy.gif

Dear Mr. Marstiller:

Tom has received your "Request for Proposals" for banks that participate in the CDARS program. We would like to inform you that "yes" we do participate in the CDARS program. At this time we are only participating in One-Way Sells.

After reviewing the rates and fee schedule, we here at CNB Bank Inc. do not feel it would be advantageous for the Board of Ed to become involved in a one way sell at this time.

We would like to thank you for the opportunity and hope that you will please consider us for future transactions. If you have any further questions, please do not hesitate to contact me. Thank you and have a great day!

Lisa Starliper
AVP Customer Service Mgr.
101 S. Washington St.
P.O. Box 130
Berkeley Springs, WV 25411
PH: 304-258-7405
Fax: 304-258-3637
astarliper@cnbwv.com

This email and any files transmitted with it are confidential and are intended solely for the use of the individual or entity to whom they are addressed. This communication represents the originator's personal views and opinions, which do not necessarily reflect those of Cnb Bank, Inc.. If you are not the original recipient or the person responsible for delivering the email to the intended recipient, be advised that you have received this email in error, and that any use, dissemination, forwarding, printing, or copying of this email is strictly prohibited. If you received this email in error, please immediately notify postmaster@cnbwv.com

Ken Marstiller

From: Oliver, Richard [ROliver@wesbanco.com]
Sent: Monday, March 15, 2010 10:27 AM
To: kmarstil@access.k12.wv.us
Subject: CDARS Proposal
Attachments: Berkeley BOE Request for Proposals 030910.rtf

Mr. Marstiller,

Please see the attached CDARS proposal from WesBanco Bank, Inc.

Thanks,

Rick Oliver
Overdraft Honor Manager
WesBanco Bank
1-304-231-1268

DISCLAIMER:
This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, and disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

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1) Please provide the name(s) of contact person(s) for your proposal, including mailing address, email and phone numbers.

   Rick Oliver – Bank Operations
   1 Bank Plaza
   Wheeling WV 26003
   304-231-1268
   roliver@wesbanco.com

2) Has your bank had any prior experience in investments through the CDARS program?

   Yes, we are current participant and member of the CDARS network.

3) The Board wants to invest:

   $25 million for 52 weeks **and**
   $23 million for 13 weeks.

Please provide your rates and the length of time they are good. Please discuss any fees or costs associated with this structure. You must bid on both amounts.

	Rate	APY
13 week	0.6479	0.65
52 week	0.9951	1.00

3) Does your bank plan to do Reciprocal or One-Way Sell? What implications do you think this will have?

   We would do a Reciprocal transaction.

4) Please provide any additional information you would like the Board to consider.

   We would require an open checking or savings account at WesBanco. This could be opened at the time of the bid award. This account is used for holding funds prior to CDARS opening or after maturity.

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Ken Marstiller

From: Ruth.Sowers@huntington.com
Sent: Monday, March 15, 2010 11:01 AM
To: kmarstil@access.k12.wv.us
Cc: Nicole.Simpkins@huntington.com; Jenny.Parsons@huntington.com; Mike.Morris@huntington.com
Subject: Request for Proposal Berkeley County Schools Bond Fund
Attachments: Berkeley Co. BOE.DOC

Mr. Marstiller,

Attached is a proposal for investment of Berkeley County's Board of Education bond proceeds. The proposal is based on our discussion last week. Should you have any questions regarding the proposal, please don't hesitate to contact me.

thank you

Ruth Sowers

Ruth F Sowers, CCTS
Assistant Vice President
Trust Relationship Manager 2
The Huntington National Bank
7 Easton Oval, (EA4E63) , Columbus, OH 43219
Phone: 614/331-9559 Fax: 614/331-5862
Email: ruth.sowers@huntington.com

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Huntington Banks

The Huntington National Bank
Ruth F. Sowers, CCTS
Business Service Center
7 Easton Oval – EA4E63
Columbus, Ohio 43219

Phone (614) 331-9559
Fax (614) 331-5862
Ruth.sowers@huntington.com

March 15, 2010

Mr. Ken Marstiller, Treasurer
Berkeley County Board of Education
401 S. Queen Street
Martinsburg, WV 25401

RE: Request for Proposal – Investment of approximately $48,000,000 bond proceeds

Dear Mr. Marstiller,

Thank you for allowing The Huntington National Bank the opportunity to submit our proposal to provide an investment portfolio for approximately $48,000,000 of the $51,500,000 Public School Bonds, Series 2010 proceeds.

At this time, the CDARS program is no longer being offered at Huntington. Per our conversation, it is my understanding that you are requesting investments with a maturity date of approximately June 15, 2010 and approximately March 15, 2011. Currently what we investments we have to offer to meet your criteria would possibly be FHLB discount notes with an approximate yield of 17 basis points to mature around June 15, 2010 and Freddie Mac notes to mature around March 17, 2011 with an approximate yield of 40 basis points.

To invest and hold the funds in an escrow account at The Huntington, we would charge a one-time up-front fee of $500.00 based on the parameters listed above. Should any changes be made to the investing of the funds, we reserve the right to modify our proposal accordingly.

I look forward to working with you and the Board of Education of Berkeley County. Should you have any questions or comments regarding this proposal, please don't hesitate to contact me.

Sincerely,

Ruth F. Sowers
Assistant Vice President

Ken Marstiller

From: Howard.Dennis [Dennis.Howard@suntrust.com]
Sent: Monday, March 15, 2010 10:18 AM
To: kmarstil@access.k12.wv.us
Cc: Newcome.Ric
Subject: Proposal
Attachments: Berkeley BOE Proposal 031510.pdf

Please see the attached proposal for the investment of the Board of Education's bond funds. Thank you for the opportunity to make this proposal.

Dennis R. Howard
Senior Vice President
SunTrust Bank
P. O. Box 201
Lynchburg, VA 24505
Phone (434) 847-2356
Toll-free (866) 771-9401
Fax (434) 847-2122
dennis.howard@suntrust.com

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[ST:XCL]

SUNTRUST

Dennis R. Howard
Senior Vice President

SunTrust Bank
P. O. Box 201
Lynchburg, VA 24505
Tel 434. 847.2356
Fax 434. 847.2122
dennis.howard@suntrust.com

March 15, 2010

Mr. Ken Marstiller, Treasurer
Berkeley County Board of Education
401 S. Queen Street
Martinsburg, WV 25401

Re: Request For Proposal

Dear Mr. Marstiller:

SunTrust Bank is pleased to respond to your Request For Proposal for the investment of the proceeds of your 2010 Public School Bonds. You have asked for terms of 52 weeks for $25,000,000, and 13 weeks for $23,000,000.

Your RFP stated that you planned to utilize the CDARS program to ladder the maturities of the bond proceeds. SunTrust does not participate in the CDARS program, and as a result our proposal does not reflect that as an option. Instead, we propose a combination of one year Certificates of Deposit and our Municipal NOW (Negotiable Order of Withdrawal) account for your shorter term funds.

As required, we will collateralize 100% of the funds on deposit using appropriate securities. The securities will be deposited and maintained in a pledged account with the Boston Federal Reserve Bank. SunTrust utilizes this Fed office for such accounts where there is not a state-run pledging process that we participate with.

For the Certificates of Deposit, our current rate for 12 months is 0.30% APY. This rate is provided as an indication, and the exact rate that will be available will be determined and communicated on the date the funds are deposited. Rates on public finds deposits have been relatively static for the past few months, and while no assurance is provided, our expectation is that this rate will be good for the next week while the Board of Education determines its course of action.

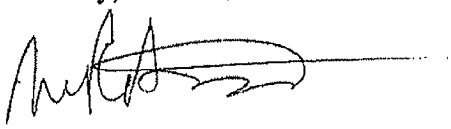
Our Municipal NOW Account earns interest based on the Federal Funds rate and a tiered balance plan. With that rate being targeted between zero and 25 basis points by the Federal Reserve for some time, we currently offer a floor rate of 0.22%. The floor rate is subject to change at any time. If the Federal Funds rate should increase while the funds are on deposit, we will move from the floor to the tiered plan. Under that plan, we will pay the then effective Federal Funds rate less 0.10% for account balances of $5,000,000 or more, and the Federal Funds rate less 0/25% for balances less than $5,000,000.

I will be pleased to serve as the Board of Education's primary contact with SunTrust. I have been with the Bank for over 30 years, and have worked in our Not For Profit and Governmental Group for the past 15 years serving local governments in the western part of Virginia and also in West Virginia.

SunTrust is headquartered in Atlanta, Georgia, and had assets of over $174 billion as of December 31, 2009. We operate in 11 states and the District of Columbia, and have over 1,600 branches and 2,800 ATMs within that footprint. For further information about SunTrust, please visit our website, www.SunTrust.com, and click on the link to Investor Relations.

Thank you for the opportunity to provide this proposal. Please contact me directly toll-free at (866) 771-9401 with any questions you may have.

Sincerely,



Dennis R. Howard
Senior Vice President

Ken Marstiller

From: Mark S Prince [mark.s.prince@jpmorgan.com]
Sent: Monday, March 15, 2010 1:13 PM
To: kmarstil@access.k12.wv.us
Cc: Saagar S Parikh
Subject: Berkeley County Board of Education RFP

Ken,

The RFP was sent to a JPMorgan representative in California, for some reason. I apologize for this. Just a few moments ago, we received it here in West Virginia, and I notice that our proposal is due at 2:00 p.m. Is there a possibility that we might receive an extension on the deadline?

One other question----would the board be receptive to investment vehicles other than the CDARS certificate of deposit program?

Thank you for your guidance.

Mark

Mark S. Prince
Managing Director & West Virginia CEO
JPMorgan Chase Bank, NA
304.348.5623 Office
304.348.5656 Fax
mark.s.prince@jpmorgan.com

This email is confidential and subject to important disclaimers and conditions including on offers for the purchase or sale of securities, accuracy and completeness of information, viruses, confidentiality, legal privilege, and legal entity disclaimers, available at http://www.jpmorgan.com/pages/disclosures/email.

Ken Marstiller

From: Larry Salyers [Larry.Salyers@bankwithunited.com]
Sent: Monday, March 15, 2010 1:42 PM
To: Ken Marstiller
Subject: {Fraud?} Re: Request for Proposal Berkeley County Schools Bond Fund
Attachments: IMAGE.jpeg; Berkeley County Board of Education RFP Bond Proceeds response 3 15 2010.pdf

Mr. Marstiller,

United Bank appreciates the opportunity to provide the attached response to your Bond Proceeds proposal. Feel free to contact me with any questions. Again, thank you very much for the opportunity.

Senior Vice President
United Bank
500 Virginia Street, East
PO Box 393
Charleston, WV 25301
304.348.8396
304.348.8327 fax

United Bank @ Your Service

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>>> "Ken Marstiller" <kmarstil@access.k12.wv.us> 3/9/2010 3:33 PM >>>

Proposal attached

Ken Marstiller

Treasurer, Department of Finance

Berkeley County Schools

401 S. Queen St., Martinsburg, WV 25401

Phone: 304.267.3500 | Fax: 304.267.3506

MailScanner has detected a possible fraud attempt from "about:blankwww.berkeleycountyschools.org" claiming to be

When responding to this email, **do not include personal information**, such as social security number or account number. If your response requires you to include personal information, email us through the secure Contact Us email link on our website.

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UNITED BANK

@ your service

United Bank

Response Specifications:

1. **Please provide the name(s) of contact person(s) for your proposal, including mailing address, email and phone numbers.**

   Larry Salyers
   Senior Vice President
   Treasury Services
   500 Virginia Street, East
   PO Box 393
   Charleston, WV 25301
   304.348.8396
   larry.salyers@bankwithunited.com

   Jacquie Stanley
   Assistant Vice President
   Treasury Services
   1085 Van Voorhis Road
   Suite 150
   Morgantown, WV 26508
   304.225.2408
   jacquie.stanley@bankwithunited.com

2. **Has your bank had any prior experience in investments through the CDARS program?**

   As West Virginia's first bank to join the Promontory Network, United Bank is recognized as one of its few CDARS Charter Banks.

   United Bank has nearly $200,000,000 invested in the CDARS program within West Virginia.

3. **The Board wants to invest:**

   $25 million for 52 weeks and
   $23 million for 13 weeks.

Please provide your rates and the length of time they are good. Please discuss any fees or costs associated with this structure. You must bid on both amounts.

United Bank is pleased to provide The Board of Education of Berkeley County the following maturities and rates (APY);

- 13 weeks .40% APY *(40 basis points)*
- 52 weeks .65% APY *(65 basis points)*

These rates are good for 30 days from the date of this response.

United Bank will not assess any fees or costs for providing the above structure.

4. **Does your bank plan to do Reciprocal or One-Way Sell? What implications do you think this will have?**

In accordance with *West Virginia Code §18-9-6*, United Bank will do a Reciprocal Sell. This Reciprocal Sell ensures dollar-for-dollar West Virginia funds remain fully invested in West Virginia.

5. **Please provide any additional information you would like the Board to consider.**

Additionally, United Bank will provide The Board of Education of Berkeley County a Public Funds Interest Bearing Account. This interest-bearing account will act as a conduit account for the CDARS placements and can receive deposits from both normal and electronic activity, providing the Board of Education maximum liquidity and no transactional limitations.

Interest Rate Calculation – The interest-bearing conduit account will earn a current annualized rate of **.25%.**

Collateralization of Public Funds – Consistent with West Virginia Code United Bank will ensure the entire Board of Education's deposits in excess of current

UNITED BANK

@ your service

FDIC coverage will be adequately protected. United Bank has chosen to participate in the FDIC's Temporary Liquidity Guarantee Program, whereby, all non-interest bearing and certain interest-bearing transaction accounts are fully FDIC insured regardless of the amount through June 31, 2010.

In the event the FDIC does not continue this extended FDIC coverage, United Bank will continue to ensure the entire Board of Education's deposits are fully protected per *West Virginia Code §18-9-6.*

United Bank appreciates having been afforded this opportunity. Should we have the privilege of being selected, our Treasury Management Team looks forward to working with The Board of Education of Berkeley County as we implement the proposed banking services.

We are confident that you will find our level of service exceptional in every way.

United Bank @ your service

By _____

Its Senior Vice President

Date March 15, 2010

Ken Marstiller

From: Bishop, Jeff [Jeff.Bishop@cityholding.com]
Sent: Monday, March 15, 2010 11:56 AM
To: Ken Marstiller
Subject: RE: Request for Proposal Berkeley County Schools Bond Fund
Attachments: image001.jpg

Hello Ken,
After careful review, City will not be able to participate in this CDARS Request for Proposal. I will call you to discuss in detail.
Thank you,
Jeff

From: Ken Marstiller [mailto:kmarstil@access.k12.wv.us]
Sent: Tuesday, March 09, 2010 5:04 PM
To: Ian.P.Macdonald@JPMChase.com; frisbie@wesbanco.com; jjacot@summitfgi.com; melody.wise@susquehanna.net; bpainter@jeffersonsecuritybank.com; dbroadwater@mybank4.com; thefner@mybct.com; abender@cnbwv.com; tkearns@centrabank.com; Bishop, Jeff
Subject: Request for Proposal Berkeley County Schools Bond Fund

*****If you Do Not Recognize the Source of this Email, Please be Cautious*****
DO NOT click Any LINKS in the Message unless you are Certain of the Destination

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Proposal attached

Ken Marstiller
Treasurer, Department of Finance
Berkeley County Schools
401 S. Queen St., Martinsburg, WV 25401
Phone: 304.267.3500 | Fax: 304.267.3506
www.berkeleycountyschools.org

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Ken Marstiller

From: Bishop, Jeff [Jeff.Bishop@cityholding.com]
Sent: Monday, March 15, 2010 1:22 PM
To: Ken Marstiller
Subject: RE: Request for Proposal Berkeley County Schools Bond Fund
Attachments: image001.jpg; Sweep Agreement.doc; document2010-03-15-005612.pdf

Ken,
Per our conversation, City National Bank would like to offer Berkeley County Schools the following proposal.

	Rate
13 week $23MM -	.25%
52 week $25MM -	.70%

The 13 week investment would actually qualify for our daily repurchase agreement which is a liquid investment account with no fees. A copy of this "Master Security Sale and Repurchase Agreement" is attached.

The 52 week investment would be a term repurchase agreement. This investment would be secured with securities such as Fannie Mae, Freddie Mac, Ginnie Mae, and Mortgage Backed. A copy of this "Repurchase Agreement" is attached as well and this account does not have any fees.

Thank you for the opportunity to participate in your RFP and feel free to contact me with any questions.

Jeff F. Bishop
Vice President
Cash Management
City National Bank
25 Gatewater Road
Cross Lanes, WV 25313

jeff.bishop@cityholding.com
(304) 769-1174 office
(304) 769-1325 fax

From: Ken Marstiller [mailto:kmarstil@access.k12.wv.us]
Sent: Tuesday, March 09, 2010 5:04 PM
To: Ian.P.Macdonald@JPMChase.com; frisbie@wesbanco.com; jjacot@summitfgi.com; melody.wise@susquehanna.net; bpainter@jeffersonsecuritybank.com; dbroadwater@mybank4.com; thefner@mybct.com; abender@cnbwv.com; tkearns@centrabank.com; Bishop, Jeff
Subject: Request for Proposal Berkeley County Schools Bond Fund

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DO NOT click Any LINKS in the Message unless you are Certain of the Destination

---

Proposal attached

Ken Marstiller
Treasurer, Department of Finance
Berkeley County Schools
401 S. Queen St., Martinsburg, WV 25401
Phone: 304.267.3500 | Fax: 304.267.3506
www.berkeleycountyschools.org

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Agreement Number _____

Primary Acct Number _____

Reviewed by: _____

City National Bank of West Virginia **(BANK)**

MASTER SECURITY SALE AND REPURCHASE AGREEMENT

Name and Address **Tax I.D. No.:** _____

_____ **(BUYER)**
_____
_____

Effective Date: _____ __, 2___

Compensating Balance: $0.00 (Minimum – on a collected basis) **Note: Only Collected Funds are placed into the overnight Repurchase Agreement. Uncollected Funds will not be placed into the overnight repurchase agreement and will remain in the Demand Deposit Account until they become Collected Funds.**

In consideration of the above compensating balance maintained in a Demand Deposit with the Bank, this date received from the above-named Buyer, Bank agrees to sell and Buyer agrees to purchase with funds in excess of the compensating balance a security or securities from the Bank at par. The Bank will provide Buyer with a description of the specific security or securities purchased via a Confirmation Ticket. Said Confirmation Ticket will be provided to Buyer at the end of the day in which transactions are initiated. The security or securities that are purchased by the Buyer will be held in safekeeping, specifically identified and segregated, as Buyer's securities at a third party custodian. Furthermore, the Bank agrees that securities sold to Buyer will maintain a market value of at least One Hundred Percent (100%) of the funds swept from the Demand Deposit Account as calculated on a daily basis.

Buyer is purchasing the security or securities pursuant to an agreement that the Bank will repurchase the same security or securities at par on the scheduled date of repurchase, which is the following business day. On a daily basis, this repurchase agreement will automatically renew under the same terms and conditions unless either party gives written notification of termination.

Interest will accrue at the **Federal Funds Effective Rate Monthly Average** as published in Report H.15 of the Federal Reserve Bank, **less 100 basis points.** The Federal Funds Effective Rate Monthly Average is a floating index, which is subject to change on a monthly basis without notice. Interest will be paid on the monthly anniversary date when the sweep account was opened following the month of accrual by deposit into the Demand Account from which funds are being swept. The rate of interest paid will bear no relationship to fluctuations in the market price of the underlying security or securities.

In consideration for additional securities, buyer may from time to time add funds to this agreement. Buyer may from time to time remove funds from this agreement and consents to the removal of a like amount of securities from this agreement. You will be advised via Confirmation Ticket of the security or securities sold to you pursuant to this agreement.

REQUIRED DISCLOSURE

The Bank is not permitted to substitute other securities for those subject to this agreement and therefore must keep the Buyer's securities segregated at all times, unless in this agreement, the Buyer grants the bank the right to substitute other securities. If the Buyer grants the right to substitute, this means that the customer's securities will likely be commingled with the Bank's own securities only during the trading day. The Buyer is advised that, during any trading day that the Buyer's securities are commingled with the Bank's securities, they may be subject to liens granted by the bank to third parties and may be used by the bank for deliveries on other securities transactions. Whenever, the securities are commingled, the Bank's ability to resegregate substitute securities for the Buyer will be subject to the Bank's ability to satisfy any lien or to obtain substitute securities. The Bank will not substitute the underlying securities.

At Buyer's request and to facilitate this transaction, the securities described in the daily confirmation, held by the bank or by Bank's correspondent banks are being controlled on Bank's books for Buyer's account.

The Bank warrants that said securities are free and clear of all liens, encumbrances, pledges, and hypothecation.

Bank: City National Bank of West Virginia

By: _____ Its: _____ Date: _____

Buyer agrees to purchase the attached securities and agrees to resell these same securities to Bank on the stated repurchase date or sooner and agrees to the terms and conditions stated above.

BUYER UNDERSTANDS THAT THIS REPURCHASE AGREEEMENT IS NOT A DEPOSIT AND IS THEREFORE NOT COVERED BY FDIC INSURANCE AND IS NOT GUARANTEED IN ANY WAY BY THE U.S. GOVERNMENT OR ANY AGENCY THEREOF BUT IS AN OBLIGATION OF THE BANK FOR WHICH THE UNDERLYING SECURITY SERVES AS COLLATERAL. BUYER ALSO UNDERSTANDS THAT THE STATED INTEREST RATE OF THIS REPURCHASE AGREEMENT DOES NOT NECESSARILY REPRESENT THE INTEREST RATE OF THE UNDERLYING SECURITY AND THAT THE BUYER MAY BE ONLY AN UNSECURED CREDITOR OF THE BANK IF THE VALUE OF THE UNDERLYING SECURITY FALLS BELOW THE FUNDS INVESTED. THE MARKET VALUE OF THE UNDERLYING SECURITY CAN BE OBTAINED FROM THIS BANK OR FROM VARIOUS PUBLICATIONS OR SOURCES AVAILABLE FROM THIS BANK OR FROM VARIOUS PUBLICATIONS OR SOURCES AVAILABLE TO THE GENERAL PUBLIC.

THIS REPURCHASE AGREEMENT IS AN OBLIGATION OF THE BANK. UNDER FDIC RECEIVERSHIP RULES AND POLICIES, THE BUYER WILL BE THE OWNER OF, OR HOLD A PERFECTED SECURITY INTEREST IN, THE SPECIFIC SECURITIES ALLOCATED TO THE SWEPT FUNDS. THE BANK WILL ACT SOLELY AS AGENT FOR THE BUYER, AND IN THE EVENT OF DEFAULT, THE BUYER WILL HAVE THE RIGHT TO DIRECT THE BANK TO TRANSFER THE

SECURITIES TO THE BUYER OR TO SELL THE SECURITIES AND APPLY THE PROCEEDS IN SATISFACTION OF ANY BANK LIABILITY TO THE BUYER. BUYER MAY BECOME UNSECURED CREDITOR TO THE EXTENT THE VALUE OF BUYER'S INTEREST IN THE UNDERLYING SECURITY IS LESS THAN THE AMOUNT OF BUYER'S FUNDS INVESTED UNDER THIS AGREEMENT

Buyer: _____

By: _____ Its: _____ Date: _____

REPURCHASE AGREEMENT
NOT NEGOTIABLE

PURCHASER(S) NAME(S) AND MAILING ADDRESS

PURCHASE PRICE

THIS IS A _____ DAY REPURCHASE AGREEMENT.

"We" means the bank and "you" means the purchaser(s). If two or more natural persons are listed as purchasers, your rights in this agreement shall, as between each other, be as joint tenants with right of survivorship unless specifically indicated to the contrary.

In consideration of the purchase price, we are selling to you an undivided share of a United States Government Security which is hereafter referred to as the "collateral." This collateral is specifically described in the portion of this form titled as such. By this agreement, you also agree to sell to us and we agree to repurchase your share of the collateral on the repurchase date for the repurchase price. The repurchase price is the sum of the purchase price plus interest at the interest rate stated to the repurchase date.

This agreement is not automatically renewable. You must present this agreement for payment on or soon after the repurchase date as no interest accrues after the repurchase date. Unless a greater number of endorsements is required and indicated below, we may pay the repurchase price upon the endorsement of any one of you.

Interest is not compounded, and the interest rate we pay on this agreement is not necessarily the same as the rate on the collateral.

THIS AGREEMENT IS NOT A SAVINGS ACCOUNT OR DEPOSIT AND IS NOT INSURED BY THE UNITED STATES GOVERNMENT, THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER INSURER.

THE TERMS AND CONDITIONS OF THIS AGREEMENT ARE CONTINUED ON THE REVERSE SIDE.

PURCHASER(S) SIGNATURE(S)

X _____

X _____

SOC. SEC. or FED. ID No.	
1	
2	
ENDORSEMENTS REQ.	

By

ADDITIONAL TERMS AND CONDITIONS

The market price of the collateral may change during the term of this agreement, but any such change will not affect our collateral for the price agreed. Our general assets may be used to satisfy our obligation rather than proceeds from the sale the market value of the collateral falls below the purchase price plus accrued interest.

No additions may be made to this repurchase agreement. If you request, we may agree to repurchase all or any portion the right to condition our early repurchase upon the imposition of a penalty. We also reserve the right to repurchase your you and payment of the purchase price plus accrued interest to the day of repurchase.

This agreement may not be transferred or assigned in whole or in part except to us or to your legal representative, heir use this repurchase agreement as security for any other debt.

We reserve the right to sell the collateral prior to the repurchase date upon notice to you (without accelerating our right, however, we will substitute other collateral for this agreement, and the value of your share of the substitute orignal collateral for this agreement on the day of substitution.

Notice by mail to any one of you at the address listed on the other side of this agreement shall constitute n

ENDORSEMENTS

CAUTION: Do not endorse this agreement until you request payment

X _____ X _____

Instructions for Payment

☐ Deposit to Account _____

☐ Mail check to Purchasers at address on reverse side of this agreement

☐ _____

Ken Marstiller

From: Henry Kayes [HKayes@centrabank.com]
Sent: Monday, March 15, 2010 1:50 PM
To: kmarstil@access.k12.wv.us
Subject: FW: Emailing: Bd of Education 002.tif
Attachments: Bd of Education 002.tif

<<Bd of Education 002.tif>> Please find attached our proposal.
Please acknowledge receipt

Thanks
Henry Kayes
Centra Bank

-----Original Message-----
From: Deborah Frye
Sent: Monday, March 15, 2010 1:47 PM
To: Henry Kayes
Subject: Emailing: Bd of Education 002.tif

The message is ready to be sent with the following file or link attachments:

Bd of Education 002.tif

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CentraBank

450 Foxcroft Avenue/P.O. Box 1109 • Martinsburg, WV 25402 • Phone (304) 262-6500 • Fax (304) 260-0414

March 15, 2010

Kenneth W. Marstiller, Treasurer
The Berkeley County Board of Education
401 S Queen St
Martinsburg, WV 25401

RE: INVESTMENT OF BOND PROCEEDS

Dear Mr. Marstiller:

We are pleased to provide this proposal for the investment of bond proceeds. The following is our response to your bid requirements:

1. **Contact Persons**
   Henry Kayes, President.
   Centra Bank
   450 Foxcroft Ave
   Martinsburg, WV 25401
   hkayes@centrabank.com
   304-262-9924

2. **CDARS**
   Centra Bank currently offers all aspects of the CDARS program.

3. **Rates and Length of Time**
   13 wk CD .07%
   26 wk CD .12%
   52 wk CD .37%

   These rates are good until 10:00 am Wednesday, March 17, 2010, after which they are subject to CDARS repricing, set each Wednesday. There are no additional costs associated with the transaction. Amounts in the above investment terms may be determined by the board, but subject to certain volume limitations set by CDARS. Please note that these rates are for "one-way sell" transactions ***only***.

4. **Reciprocal or One-Way Sell**
   The proposed transaction is a One-Way Sell only due to the nature and size of the transaction.

5. **Other Information**
   We are providing this proposal as one way sell transaction through CDARS based on the Board's response to us that a One Way Sell transaction is permissible under current law. However, we have been informed by CDARs that under Section 8-13-22a of the West Virginia code, public funds are required to be placed in CDARS Reciprocal transactions only. Please consult your financial and/or legal advisors regarding the permissibility of such a transaction.

We have enjoyed our relationship with Berkeley County Board of Education and look forward to assisting the board in any way possible.

Sincerely,

Henry M. Kayes
President
(304)262-9924

Ken Marstiller

From: Murphy, John - 2 [john.a.murphy@baml.com]
Sent: Monday, March 15, 2010 10:47 AM
To: kmarstil@access.k12.wv.us
Cc: Godwin, Janice
Subject: Board of Education of Berkeley County - Request for Proposal
Attachments: Berkeley BOE Request for Proposals 030910.rtf

Dear Mr. Marstiller,
At the direction of Ms. Janice Godwin, please find attached our proposal to provide investment management for the Board of Education of Berkeley County for investment of bond proceeds. As you go through our proposal, please feel free to call me or Dileep Nair with any questions.
With best regards, John

John A. Murphy
Director
Philanthropic Management
Retirement & Philanthropic Services
Bank of America, N.A.
Bank of America Merrill Lynch
730 15th Street, N.W.
Washington, DC 20005-1012
DC1-701-01-04
T: 202-442-3940
M: 202-420-0324
F: 804-264-1245
John.a.murphy@baml.com

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Request for Proposals – March 15, 2010

The Board of Education of Berkeley County is requesting Proposals for the investment of bond proceeds from its $51,500,000 Public School Bonds, Series 2010. The proceeds of this issuer were deposited in its Bond Construction Fund. The Board has approximately $48 million to invest. The Board is interested in laddering a portfolio through investments in the CDARS program.

PROVIDE THE FOLLOWING:

1) Please provide the name(s) of contact person(s) for your proposal, including mailing address, email and phone numbers.

John A. Murphy
Bank of America Merrill Lynch
Suite 600
730 15th Street, NW
Washington, DC 20005
(202) 442-3940
John.a.murphy@baml.com

Dileep Nair
Merrill Lynch
Suite 600
1150 15th Street, NW
Washington, DC 20005
(202) 659-7299
Dileep_nair@ml.com

2) Has your bank had any prior experience in investments through the CDARS program?
Yes, Bank of America Merrill Lynch has extensive experience with investments the CDARS program.

3) The Board wants to invest:

$25 million for 52 weeks **and**
$23 million for 13 weeks.

Please provide your rates and the length of time they are good. Please discuss any fees or costs associated with this structure. You must bid on both amounts.

Bank	Amount	52 Week Rate
Allied Bank	$9.6 million	0.30%
Bank of Baroda	$9.2 million	0.35%
Bank of India	$4.2 million	0.35%
Beal Bank of Nevada	$2 .0 million	0.30%
Total	**$25 million**	

Bank	Amount	13 week Rate
Bank of America	$4.0 million	0.35
Allied Bank	$6,2 million	0.20
*Additional inventory	?	

4) Does your bank plan to do Reciprocal or One-Way Sell? What implications do you think this will have?

Bank of America Merrill Lynch typically has reciprocal selling agreements. This should enhance our capabilities to meet the needs of the Board of Education.

5) Please provide any additional information you would like the Board to consider.

13 week CDs may have limited availability from day to day, based on inventory from participating banks and other financial institutions. We will make every effort to acquire whatever inventory is available inter-day or over a period of time to meet the investment needs of the Board and will communicate same as necessary.

PROPOSAL SUBMISSION:

Please submit 3 copies of your proposal or email to the following:

Mr. Ken Marstiller, Treasurer
Berkeley County Board of Education
401 S. Queen Street
Martinsburg, WV 25401

kmarstil@access.k12.wv.us

DUE DATE: 2:00 pm on Monday, March 15, 2010

If you have any questions pertaining to this proposal, please contact Mr. Ken Marstiller at 304-267-3500

The Board reserves the right to reject any and all proposals, with or without cause, and waive any irregularities or information in the proposal.

West Virginia State Treasurer's Office
Non-Repetitive Wire Form

Participant Accounting
1 Players Club Drive, Lobby Level
Charleston, WV 25311
Phone: 340-1577
Fax: 340-1507

Date to be wired: March 25, 2010 **Document Number:**

Agency Requesting Wire Release: Berkeley County Board of Education

Bank Name: My Bank! First United Bank & Trust

Bank Phone Number: (304) 267-3130

ABA/Routing #: 052100987

Bank Account #: 867338896

Beneficiary Name: Berkeley County Board of Education

Beneficiary Address: 401 S. Queen Street
Martinsburg, WV 25401

Additional Wiring Information: 48 Million will be wired to be placed into the CDARS program.

Correspondent Bank Information: None

Contact Person/Additional Information: Kenneth W. Marstiller, Treasurer
kmarstil@access.k12.wv.us

If wire must be received by a specific time, please note: 12:00 noon on 3/25/2010

*See attached

Signature of Agency Representative: Kenneth W. Marstiller, Treas.

40D

West Virginia State Treasurer's
Internet Participant Access System (*iPAS*)
Powered by QED

Logged on as **Kenneth Marstiller**

- Home
- Deposit
- Withdrawal
- Interfund Transfer
- Account Statements
- Account Maintenance
- Log Off
- Help
- Contact Information

Withdrawal

The transaction was processed successfully.

Originator	Kenneth Marstiller [kmarstiller]
Entry Date	03/24/2010 09:36:02 AM
Source	5249-7917
Payment Method	Wire []
Amount	$48,000,000.00
Effective Date	03/25/2010
Confirmation Number	2796098/MARK

Times are in Eastern Standard Time

3-24-2010

Powered by QED

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CDARS® Deposit Placement Agreement

You, the undersigned, and
First United Bank

(referred to in this agreement as "we" and "us") are entering into this agreement to set forth the terms and conditions under which we will assist you from time to time in placing your funds in time deposits with depository institutions (each an "Insured Institution") whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC"). Through an arrangement with Promontory Interfinancial Network, LLC ("Promontory"), we will endeavor to place your funds in time deposits ("CDs") issued by Insured Institutions through Promontory's Certificate of Deposit Account Registry Service®, or CDARS®; in principal amounts that, when aggregated with interest to accrue over the term of the CD, will not exceed the Standard Maximum Deposit Insurance Amount ("SMDIA") for deposits of one depositor at one Insured Institution (currently $100,000). Although certain "self-directed" retirement accounts, such as IRAs, may be eligible for coverage under a higher FDIC insurance limit (currently $250,000) for deposits of one depositor at one Insured Institution, CDs for these retirement accounts will be placed using CDARS in amounts that will not exceed the SMDIA. We will also act as your custodian with respect to your CDs pursuant to the custodial agreement that we have separately entered into with you ("Custodial Agreement"). The terms of our custodial relationship with you are set forth in the Custodial Agreement. Funds held in an account with us pending placement through CDARS or resulting from payments on CDs are subject to the SMDIA applicable to your deposits with us and therefore may not be fully insured by the FDIC.

CDARS is a proprietary process owned by Promontory that allocates orders submitted by participating financial institutions on behalf of their depositors on dates ("Order Dates") specified by Promontory. On each Order Date participating institutions submit orders requesting that Promontory allocate funds for their depositors to Insured Institutions that are willing to accept deposits through CDARS. On the "Order Allocation Date" Promontory allocates orders submitted on the Order Date.

CDARS offers different types of transactions through which we may place your funds with Insured Institutions. In a "CDARS Reciprocal℠ Transaction," we receive funds for deposit in an amount equal to the amount of your funds that we have placed using CDARS with respect to the Order Date for which your Order was submitted to Promontory, but we do not receive a fee. In a "CDARS One-Way℠ Transaction," we do not receive funds for deposit, but we receive a fee from one or more Insured Institutions that received deposits through CDARS with respect to the corresponding Order Date. Funds that we place for you through a CDARS transaction may be placed at an Insured Institution without regard to whether the Insured Institution is participating in CDARS on that Order Date through a CDARS Reciprocal Transaction or through a CDARS One-Way Transaction or otherwise. **We will place your funds through a CDARS Reciprocal Transaction unless we notify you that we will place your funds through a CDARS One-Way Transaction and you consent to our doing so. If you wish to have us place your funds only through a CDARS Reciprocal Transaction, you may check a box provided for this purpose at the end of this Agreement. If you do not check this box we will not place your funds through a CDARS One-Way Transaction without your consent.**

This agreement sets forth important information about the placement process. By signing this agreement you agree to be bound by its terms each time that you submit funds to us for placement. Please read it carefully. Some of the features of the CDs and the placement process are:

- When we place your funds, you will be issued CDs by Insured Institutions that have entered into agreements with Promontory.
- We will act as your custodian with respect to those CDs.
- The CDs issued to you by Insured Institutions will have the interest rates and annual percentage yields ("APY") you have agreed to with us.
- You will not be charged a fee in connection with CD placements.
- You may select the maturities and payment terms of your CDs from those that are available through CDARS at the time that you submit your funds for placement.
- You may designate any Insured Institution as ineligible to receive your funds.
- Early withdrawal of any CD you purchase may be available, but may be subject to substantial penalties.
- No secondary market for the CDs currently exists, but early withdrawal of any CD you purchase is available, subject to applicable penalties.

Section 1. Your Relationship With Us

(a) Agency and Custodial Relationship

We have entered into a contract with Promontory pursuant to which we will use CDARS to assist us in endeavoring to place your funds at other Insured Institutions that have also entered into contracts with Promontory. Pursuant to our contract with Promontory, we will adhere to Promontory's policies and procedures in placing your funds.

We will act as your agent in connection with the placement of your funds in CDs. As set forth above, we will place your funds through a CDARS Reciprocal Transaction unless you agree to having your funds placed through a CDARS One-Way Transaction. **Although we will act as your agent in connection with the placement of your funds, we are not acting as your investment adviser and have no obligation to advise you of alternative investments available through CDARS or otherwise. Further, we make no representations with respect to the interest rates on deposits available on an Order Date through us or through CDARS, and we may receive greater benefits when we place your funds through one type of CDARS transaction than when we do so through another type of CDARS transaction or than we would if you instructed us to make a deposit other than through a CDARS transaction.**

We will act as your custodian with respect to your CDs acquired through CDARS. We have entered into an agreement with The Bank of New York to act as our sub-custodian with respect to the CDs for which we are acting as your custodian. No physical certificates evidencing the CDs will be issued. Each CD for which we act as your custodian will be recorded on the records of the Insured Institution that issues the CD in the name of our sub-custodian, will be recorded on the records of the sub-custodian in our name, and will be recorded on our records in your name, all in a manner that will permit your CD to be FDIC insured to the same extent as if you held it directly with the Insured Institution. You will receive from us a written confirmation of the issuance of your CDs and periodic account statements that will reflect your ownership of your CDs. The confirmation of CD issuance and the account statement(s) will be the only evidence that you will receive of your ownership of the CDs. You should retain the confirmation and the account statement(s) for your records.

While we are acting as your custodian, (i) all payments with respect to the CDs by the Insured Institutions that issue the CDs will be made to us, and we will credit the funds to an account or accounts you maintain with us or disburse the funds pursuant to your instructions, and (ii) you can enforce your rights in the CDs through us. You may not transfer the CDs directly to another custodian. At your election, you may dismiss us as custodian, and your ownership of a CD may be recorded in your name on the books of the Insured Institution that issued the CD. If you choose to have the CD maintained in your name on the books of the Insured Institution that issued the CD, you will be able to enforce your rights in the CD directly against that Insured Institution.

(b) Fees

You will not pay a fee in connection with your placement of funds. If we place your funds through a CDARS Reciprocal Transaction, we will pay a fee to Promontory for using the CDARS order allocation services and certain other services. If we place your funds through a CDARS One-Way Transaction, we and Promontory will receive fees from one or more Insured Institutions receiving deposits through CDARS in respect of that Order Date. We may, in our discretion, waive some or all of our fee, and Promontory may, in its discretion, waive some or all of its fee. We and Promontory may receive different fees from different Insured Institutions in connection with the same transaction. Promontory may offer us and our employees non-cash incentives in connection with our placement of funds through CDARS.

(c) Limits on Placements

Although we, through our arrangement with Promontory, will endeavor to place your funds, on a particular Order Allocation Date Promontory may not be able to allocate orders in a way that results in the placement of some or any of your funds. The allocation process utilized by Promontory may reflect considerations of federal and state law, funding needs of Insured Institutions, economic conditions, Promontory's objectives or other factors determined by Promontory in its sole discretion.

If any of your funds cannot be placed, the unplaced funds will be returned to you. You may ask us to resubmit unplaced funds for placement through CDARS on another day on which Promontory performs its allocation service.

(d) Each CD Will Be an Obligation of the Issuer

Each CD will be a deposit obligation of the Insured Institution that issued the CD and will not be, either directly or indirectly, our obligation or an obligation of Promontory.

Your CD will not be issued until the issuing Insured Institution receives and accepts your funds.

(e) APY

If you are not a "consumer" for purposes of the Truth-in-Savings Act ("TSA"), or if our communication with you in connection with your placement of funds through CDARS is not an "advertisement" for purposes of TSA, we are not obligated to provide you with an APY on your CDs.

(f) Mutual Institution Voting and Subscription Rights

If a CD is issued to you by an Insured Institution in the mutual form of organization ("mutual institution") for funds placed for you through CDARS, you may receive through us a notice of a meeting of the depositor members of that mutual institution. Because your CD is identified on the books of the mutual institution in the name of the sub-custodian and not in your name, you will not be entitled to attend the meeting or vote by proxy. Under agreements that we have entered into with the sub-custodian that holds your CDs in its name on your behalf, the sub-custodian will forward meeting notices to us (for delivery to you) but it will not attend the meeting or vote by proxy.

It is possible that the mutual institution also may send notice of its intention to convert to a stock institution, and provide for priority, non-transferable subscription rights for depositor members of the mutual institution to purchase stock in the conversion. Because of the nature of our agreement with the sub-custodian, your CD will be identified on the books of the mutual institution in the name of the sub-custodian, and not in your name, and thus, you will not be entitled to exercise any subscription right to purchase the stock, or to vote on the conversion. The sub-custodian, which will own the subscription right, also will not purchase any stock in the conversion.

Accordingly, if you wish to receive meeting notices directly, attend meetings and vote (to convert from the mutual to stock form of ownership, form a mutual holding company or otherwise) with respect to a CD you have acquired from a mutual institution through CDARS, or wish to receive subscription rights in the event the mutual institution converts from mutual to stock form, you will have to dismiss us as custodian prior to the applicable record date (a date usually at least a year in advance from the date the mutual institution's board of directors adopts a plan of conversion) and have your ownership of the CD recorded in your name directly on the books of the mutual institution that issued the CD.

Section 2. Promontory

(a) General

Promontory is not your agent and is responsible solely to us for performing the services for which we have retained it. Promontory uses the proprietary process included in CDARS to allocate orders submitted on a specified Order Date by Insured Institutions to other Insured Institutions that are willing to accept deposits through CDARS.

On an Order Allocation Date, Promontory uses the CDARS allocation process to propose placements of funds with Insured Institutions wishing to receive funds, subject to your approval as set forth in the procedures set forth in Section 3 of this agreement ("Placement Procedures"). CDs for funds placed through CDARS will be issued to you on the business day immediately following the Order Allocation Date (the "Settlement Date"). A "business day" means any day other than a Saturday, a Sunday or a day on which banks in New York, New York are authorized or required by law or regulation to close.

In addition to the fees payable to it in connection with CDARS Reciprocal Transactions and CDARS One-Way Transactions, Promontory may realize profits or incur losses in connections with the placement of your funds at one or more Insured Insured Institutions on the terms you have selected.

(b) CDARS Reciprocal Transaction

When we notify Promontory that we wish to submit your funds for placement through a CDARS Reciprocal Transaction on an Order Date, we will agree to accept for deposit an equal or greater amount of deposits through CDARS. On the Settlement Date, CDs will be issued to you and we will accept deposits placed by other participating institutions.

Your funds may be placed at Insured Institutions that are submitting funds for placement through a CDARS Reciprocal Transaction or at Insured Institutions that have requested deposits through CDARS with respect to the same Order Date. When your funds are placed through a CDARS Reciprocal Transaction, we may make or receive payments based upon the difference between the interest rate we have agreed upon with you for your CDs and the interest rate we pay on CDs that we issue to customers of other Insured Institutions. These payments will be calculated pursuant to a formula that uses the projected volume-weighted average interest rate for deposits placed through CDARS Reciprocal Transactions on the same day your funds are placed. These payments are intended to provide us with the same interest cost on the CDs we issue to depositors of other Insured Institutions through a CDARS Reciprocal Transaction as we would have incurred had we issued the CDs directly to you.

Any payments made or received by us, or fees received by Promontory, will not change the terms we have agreed with you for your CDs.

(c) CDARS One-Way Transaction

On any Order Date, Promontory may receive commitments from Insured Institutions wishing to receive funds through a CDARS One-Way Transaction. Based on these commitments, Promontory communicates to us the maximum amount of funds that can be submitted for placement through CDARS One-Way Transactions in each CD maturity on that Order Date.

If we place your funds through a CDARS One-Way Transaction, we will not receive deposits on the Settlement Date, and we will not make or receive payments as described under "CDARS Reciprocal Transactions" above. Your funds may be placed at Insured Institutions that are submitting funds for placement through CDARS Reciprocal Transactions or that have requested funds for deposit on that Order Date.

As set forth above, we and Promontory each will receive a fee when we place your funds through a CDARS One-Way Transaction, and we or Promontory may waive all or part of this fee. Any fees received by us or Promontory will not change the terms we have agreed to with you for your CDs.

Section 3. Placement Procedures

(a) Order Dates and Terms of CDs

Each time you notify us that you wish to place funds through CDARS, we will inform you of (i) the available Order Dates, (ii) the CD maturities and payment terms available on each Order Date, (iii) whether early withdrawal of the CDs is available and whether any penalties (and processing fees, if applicable) will be imposed on you for early withdrawal, (iv) any limits with respect to placing funds and (v) whether we intend to submit the funds for placement through a CDARS One-Way Transaction.

The terms and conditions available for CDs may change from time to time. Each CD issued by an Insured Institution will have a principal amount that, when aggregated with interest to accrue during the term of the CD, will not exceed the basic FDIC insurance limit. You may obtain information about the terms of the CDs made available through CDARS on an Order Date at www.CDARS.com/products.

The interest rates and APYs for the CDs we offer to obtain for you through CDARS will be agreed upon by you and us. For placements through CDARS Reciprocal Transactions, the interest rate and APY we agree upon with you will reflect the interest rate and APY we are willing to pay, after paying a fee to Promontory. For placements through CDARS One-Way Transactions, the interest rate and APY we agree upon with you will reflect the interest rate and APY that Insured Institutions requesting funds through CDARS One-Way Transactions for that Order Date are willing to pay after paying fees to Promontory and us.

Interest on your CDs will compound daily. Payment options may vary based on the maturity of the CD. You may have the option with some CDs to choose between monthly payments of interest and payment of interest at maturity or other available interest payment terms. In addition, depending on the terms and conditions of a particular CD, you may be able to change the payment terms of the CD during the term of the CD. If you choose to have interest paid to you during the term of the CD, you may not be able to re-invest the interest you are paid at an interest rate as favorable to you as the interest rate paid on the CD.

Each CD will earn interest from the day your funds are deposited at the Insured Institution that issues the CD up to, but not including, the day your CD matures. If the date on which a payment with respect to a CD is due is not a business day, that payment will be made on the next business day.

(b) Presumption of CDARS Reciprocal Transaction

We will submit your funds for placement through a CDARS Reciprocal Transaction unless we inform you that we will place your funds through a CDARS One-Way Transaction and you agree to our doing so. If we submit your funds for placement through a CDARS One-Way Transaction and Promontory is not able to allocate our order, we may resubmit an order for your funds on that Order Date through a CDARS Reciprocal Transaction, unless you instruct us not to do so at the time you request that we submit your funds. If we so resubmit your funds through a CDARS Reciprocal Transaction, the CDs issued to you will have the same terms as the CDs that would have been issued to you through the CDARS One-Way Transaction.

If you are a public funds depositor or a non-profit institution submitting funds for placement and wish your funds to be placed only through CDARS Reciprocal Transactions, please inform us by checking the box at the end of this agreement.

(c) List of Insured Institutions

Each time you notify us that you desire to place funds through CDARS, you may obtain from us a list of Insured Institutions at which your funds may be placed. Not all of these Insured Institutions may be available to issue CDs with respect to an Order Date, and, before the list is provided to you, we may have designated some Insured Institutions as ineligible to receive funds from our depositors. You should

review the list provided to you and inform us of the name(s) of any Insured Institution(s) at which you do not want to make a deposit, for any reason. At your option, you may also provide us with the names of Insured Institutions not then on the list at which you do not want to make a deposit. Once you have informed us of the name of an Insured Institution at which you do not want to make a deposit, your funds – whether submitted for placement through CDARS at the time you sign this agreement or in the future – will not be placed at that Insured Institution until you notify us in writing that funds may be placed in the Insured Institution. (For your convenience, at the time you sign this agreement you may indicate to us on Schedule 1 the names of Insured Institutions at which you do not want to make a deposit.) Upon your request, we will obtain from Promontory the list it maintains of Insured Institutions at which you do not wish to make a deposit. As set forth below, you are responsible for monitoring your deposits at each Insured Institution for purposes of FDIC insurance coverage.

(d) Request for Placement of Funds

When you request that we place your funds through CDARS, we will submit to Promontory a request for placement of your funds (an "Order"), including the type of CDARS transaction through which we are submitting the funds, the Order Date, the amount of funds to be placed and the terms (including interest rate and APY) of the CDs you are seeking. The Order will be in a form established by Promontory. In order for us to submit an Order, you must provide us with all information required by Promontory no later than the time specified in paragraph 1 of Schedule 2.

(e) Approval of Proposed Placements

We will not know the name(s) of Insured Institution(s) at which your funds will be placed at the time we submit an Order for your funds. On each Order Allocation Date for which we submitted an Order for your funds, we will make available to you a list of the names of Insured Institutions at which your funds are proposed to be placed, the proposed deposit amount at each Insured Institution and the names of proposed alternate Insured Institutions at which your funds may be placed. You may obtain that list from us on the Order Allocation Date at or after the time specified in paragraph 3 of Schedule 2, and, at any time prior to the time specified in paragraph 4 of Schedule 2, you may notify us of the name or names of any of the proposed or proposed alternate Insured Institutions at which you do not want to make a deposit. Although you may direct us not to place funds at a proposed or alternate proposed Insured Institution, you cannot direct us to place funds at a specific Insured Institution or specify the amount to be placed at any Insured Institution.

If you eliminate one or more of the proposed or proposed alternate Insured Institutions from the list, or if one or more of them becomes unavailable for placement for any reason, your funds will be placed at the Insured Institutions that were not eliminated. If a sufficient number of proposed and proposed alternate Insured Institutions are eliminated or become unavailable so that not all of your funds can be placed, only as much of your funds will be placed as can be deposited at the remaining Insured Institutions in CDs with principal amounts that, when aggregated with interest to accrue during the term of the CDs, will not exceed the SMDIA. Your remaining funds will not be allocated on the Order Allocation Date. In such case, we will inform you of the amount of your funds that will not be placed and you may request that we resubmit an Order for your unplaced funds on another Order Date by repeating the procedure outlined above.

If in connection with any placement of your funds using CDARS, you eliminate a proposed or proposed alternate Insured Institution in accordance with the above procedures, funds that you subsequently submit for placement will not be placed in that Insured Institution until you notify us otherwise in writing.

(f) Your Consent to Placement

Your funds will not be placed unless you have consented to their placement. You will be deemed to have consented to the placement of your funds at the proposed or proposed alternate Insured Institutions as of the time specified in paragraph 4 of Schedule 2 if by that time you:

(i) communicate your approval to us;
(ii) do not request the list of proposed and proposed alternate Insured Institutions from us;
(iii) request the list of proposed and proposed alternate Insured Institutions from us, but do not respond to the proposed list; or
(iv) respond to the list of proposed and proposed alternate Insured Institutions by eliminating one or more of the Insured Institutions, in which case you will be deemed to have consented to the placement of your funds at those Insured Institutions that you have not eliminated.

(g) Time by Which We Must Have Your Funds; Settlement of Transactions

Unless we have made other arrangements, each time that you agree to a placement of funds under this agreement you also agree that, by the time specified in paragraph 5 of Schedule 2, you will have in an account with us immediately available funds, which under applicable law are irreversible and are not subject to any lien, claim or encumbrance, equal to the amount of funds you have informed us that you are seeking to place. On the Settlement Date, your funds will be deposited at Insured Institutions, payments to be made in connection with the placement of CDs will be made, and the CDs will be issued.

(h) Additions and Early Withdrawal

No additions may be made to any CD. Insured Institutions impose a penalty on withdrawal of a CD prior to its maturity. However, no penalty will be charged for early withdrawal upon the death of an individual who is the sole account holder of the CD. This exception applies to an individual who is the named account holder as well as an individual who is the sole current mandatory or discretionary income beneficiary of a trust, including the sole current beneficiary of a unitrust or annuity trust. Written verification acceptable to the Insured Institution that issued the CD may be required in such an event. We will inform you of the early withdrawal penalty applicable to your CDs when you submit funds for placement. For a CD with a term of 4 or 13 weeks, the early withdrawal penalty is equal to 28 or 90 days, respectively, of simple interest calculated at the CD rate. The penalties for early withdrawal of 4 or 13 week CDs are equivalent to substantially all of the interest that would have been earned over the full term and will invade principal. For a CD with a term of 26 weeks or longer, the early withdrawal penalty is equal to simple interest calculated at the CD rate for approximately half the number of days in the full term. The penalties for early withdrawal of CDs with a term 26 weeks and longer are equivalent to half of the interest that would have been earned over the full term and may invade principal. The current schedule of products available and applicable early withdrawal penalties may be viewed at www.CDARS.com\products.

Pursuant to the Internal Revenue Code of 1986, as amended, the beneficiary of an Individual Retirement Account ("IRA") (but not a Roth IRA) may incur a penalty if the beneficiary does not begin making withdrawals from the IRA after age 70-1/2. A CD held in an IRA is not eligible for early withdrawal without penalty simply because the beneficiary must withdraw the CD to avoid a tax penalty.

Early withdrawal of a CD may be made only in whole, not in part. You may request early withdrawal by contacting us, at which time you may specify which of your CDs you would like us to withdraw. If you choose not to specify which of your CDs to withdraw, early withdrawals will be made using an automated process that generates random selections based on amount. In general, early withdrawal proceeds will be available to you two business days after we receive your early withdrawal request.

Neither we nor Promontory will advance funds in connection with early withdrawals, and early withdrawal proceeds will not be available to you until they are paid to us by the Insured Institution that issued the CD being withdrawn.

(i) No Automatic Renewal or Rollover

The CDs will mature on the date shown on the confirmation of CD issuance. Upon maturity, the principal amount of, and unpaid accrued interest on, the CD will be paid to you. The CDs will not be automatically renewed or rolled over, and interest on the CDs will not continue to accrue after the maturity date. If upon maturity you wish to re-deposit your funds in CDs through CDARS, you must instruct us to re-submit the funds as a new placement or you must take advantage of our preauthorized re-submission process.

(j) Preauthorized Re-submission

At the time you submit funds to us for placement through CDARS, you may request that we re-submit those funds for placement through CDARS upon the maturity of your CDs. Unless we have entered into a written re-submission arrangement with you, you must contact us before we re-submit your funds through CDARS to establish the new terms (including interest rate and APY) and the other specifics of your Order for your re-submitted funds.

(k) No Physical Certificates

As set forth in Section 1, no physical certificate evidencing a CD will be issued. You should not purchase a CD through CDARS if you need to take physical possession of a certificate.

Section 4. Important Considerations

(a) Compare Features

You should compare the rates of return and other features of a CD to other available deposit accounts before deciding to purchase CDs using the CDARS service. Although the CDs are issued by other Insured Institutions, the rates of interest paid on the CDs are determined by us based on (i) the interest rates and APYs we are willing to pay on deposits that we accept through CDARS on the Settlement Date (if your funds are placed by us through a CDARS Reciprocal Transaction) or (ii) the interest rate and APY that Insured Institutions that have requested funds through CDARS One-Way Transactions for that Settlement Date are willing to pay after paying fees to Promontory and us (if your funds are placed by us through a CDARS One-Way Transaction). These rates may be higher or lower than the rates on

CDs available through a CDARS One-Way Transaction (if we are placing your funds through a CDARS Reciprocal Transaction) or a CDARS Reciprocal Transaction (if we are placing your funds through a CDARS One-Way Transaction) or on comparable deposits available directly from us, from Insured Institutions that issue the CDs through CDARS, from other Insured Institutions, or from insured depository institutions not participating in CDARS.

(b) Uninsured Deposits With Us

Funds held in an account with us prior to placement using CDARS or prior to payment of CD interest and principal us may not be covered by FDIC insurance if, when aggregated with other deposits you maintain with us in the same capacity, the total amount of your deposits in accounts with us exceeds the FDIC insurance limit applicable to your deposits with us. You should discuss with us the options for holding your funds prior to placement and for having the payments on the CDs deposited with us or elsewhere.

(c) Insolvency of an Insured Institution

In the event an Insured Institution approaches insolvency or becomes insolvent, the Insured Institution may be placed in a regulatory conservatorship or receivership in which the FDIC is typically appointed as conservator or receiver. The FDIC may thereafter pay off the CDs issued by that Insured Institution prior to maturity or transfer the CDs to another insured depository institution. If the CDs are transferred to another institution, you may be offered a choice of retaining the CDs at a lower interest rate or having the CDs paid off. See Section 5 below, "FDIC Insurance Information."

(d) Reinvestment Risk

If your CD is paid prior to maturity as a result of the issuing Insured Institution's insolvency or a voluntary early withdrawal (see Section 3(h) above, "Additions and Early Withdrawal"), you may not be able to reinvest your funds at the same interest rate that you received on the original CD. Neither we nor Promontory is responsible to you for any losses you may incur as a result of a lower interest rate on an investment replacing your CD.

(e) Investment Restrictions

If you are subject to restrictions with respect to the placement of funds in depository institutions, it is your responsibility to determine whether the placement of your funds by us using CDARS satisfies those restrictions. For example, when placing funds for deposit using CDARS, some governmental unit depositors may be required by law or policy to place funds only using a CDARS Reciprocal Transaction, in which the institution placing the funds for deposit using CDARS receives funds for deposit in an amount equal to the amount of funds that was placed by the depositor using CDARS with respect to the corresponding Order Date. When we place funds for deposit using a CDARS One-Way Transaction, we will not receive matching funds using CDARS.

Section 5. FDIC Insurance Information

(a) Deposit Insurance Coverage

In general, all accounts and deposits that you maintain with an Insured Institution in the same insurable capacity (whether you are acting directly or through an intermediary) would be aggregated for purposes of the applicable FDIC insurance limit. Insurable capacities include individual accounts, joint accounts and individual retirement accounts. A tax identification number is not evidence of, and does not establish, an insurable capacity that is separate from another tax identification number used by the same person or entity. Upon request, we will provide you with a copy of the FDIC brochure "Your Insured Deposits – FDIC's Guide to Deposit Insurance Coverage." You may also obtain information about deposit insurance coverage by contacting the FDIC, Office of Consumer Affairs, by letter (550 17th Street, N.W., Washington, D.C. 20429), by telephone (877-275-3342, 800-925-4618 (TDD) or 202-942-3100), or by e-mail (dcainternet@fdic.gov), or by visiting the FDIC website at www.fdic.gov. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one capacity.

FDIC deposit insurance coverage applies to the principal and accrued interest on all CDs and other deposit accounts maintained by you in the same insurable capacity at a single Insured Institution. The records maintained by the Insured Institution, us and our sub-custodian regarding ownership of CDs will be used to establish your eligibility for federal deposit insurance payments in respect of CDs issued through CDARS. In addition, you could be required to provide certain documentation to the FDIC before insurance payments would be released to you.

(b) Government Unit Deposits

The requirements for deposit insurance coverage of the deposits of the United States government, state, county and municipal governments and their political subdivisions, the District of Columbia and the Commonwealth of Puerto Rico are specifically set forth in regulations of the FDIC (12 C.F.R. 330.15). In general, such deposits will be insured up to the SMDIA and individual departments and political subdivisions within a governmental unit may be eligible for separate insurance if certain requirements are met. The use of separate tax identification numbers by different departments or political subdivisions of the same governmental unit will not by itself cause the deposits of such departments or political subdivisions to be eligible for separate FDIC insurance.

It is the obligation of each governmental entity to determine whether the requirements for deposit insurance have been met. Neither we, Promontory, nor the Insured Institution issuing CDs to you are responsible for uninsured losses resulting from placement of funds that are not eligible for deposit insurance.

(c) Deposit Insurance Payments

In the event that deposit insurance payments become necessary for your CDs, the FDIC is required to pay the original principal amount plus accrued interest to the date of the closing of the relevant Insured Institution, as prescribed by law, subject to the limits on FDIC deposit insurance coverage. No interest is earned on deposits from the time an Insured Institution is closed until insurance payments are received. We will notify you if we receive any payments from the FDIC with respect to your CDs.

As an alternative to a direct deposit insurance payment from the FDIC, the FDIC may transfer the insured deposits of an insolvent institution to a healthy institution. Subject to insurance verification requirements and the limits on FDIC deposit insurance coverage, the healthy institution may assume your CDs under their original terms or offer you a choice between either receiving payment of the CDs or maintaining the deposits at a different rate. We will advise you of your options in the event of a deposit transfer.

As with all federally insured deposits, if it becomes necessary for federal deposit insurance payments to be made on the CDs, there is no specific time period during which the FDIC must make the insurance payments available. Neither we nor Promontory will be obligated to make any payments to you in satisfaction of a loss you might incur as a result of (i) a delay in insurance payouts applicable to a CD, (ii) your receipt of a decreased interest rate on an investment replacing a CD that is repaid prior to its scheduled maturity, or (iii) payment in cash of the principal and accrued interest of a CD prior to maturity in connection with the liquidation of an Insured Institution or the assumption of all or a portion of its deposit liabilities. Also, neither we nor Promontory will be obligated to advance funds to you prior to payment from the FDIC.

Section 6. Responsibility to Monitor Deposits at Insured Institutions; Publicly Available Information

Funds we submit for placement on your behalf on any Settlement Date are placed in CDs at enough different Insured Institutions to prevent the principal amount and any interest to accrue over the term of each CD placed on that Settlement Date from exceeding the FDIC insurance limit. It is your responsibility, however, to monitor the total amount of deposits that you hold with each Insured Institution in order for you to determine the extent of FDIC deposit insurance coverage available to you on deposits at that Insured Institution, including the CDs issued through CDARS. See Section 5 above, "FDIC Insurance Information," for more information on FDIC insurance coverage. The Insured Institution at which a deposit is made is responsible for the full amount deposited with it, and neither we nor Promontory is responsible for any insured or uninsured portion of any CD or any other deposit.

Publicly available financial information concerning the proposed and proposed alternate Insured Institutions can be obtained by you at the website of the National Information Center of the Federal Reserve System maintained at www.ffiec.gov/nic/. Neither we nor Promontory guarantees the financial condition of any Insured Institution or the accuracy of any publicly available financial information about the Insured Institution.

Section 7. Confidentiality of Information

We will provide your name, tax identification number and other pertinent identifying information to Promontory, our sub-custodian, and other parties providing services in connection with the placement of your funds and the issuance and holding of your CDs. We may also release such information to (i) an Insured Institution that has issued a CD to you, but only to the extent necessary to comply with any applicable law, rule or regulation or a judicial order, and (ii) the FDIC in connection with a claim for deposit insurance on your CD. You hereby consent to the release of that information to and its use by (a) Promontory, our sub-custodian, and other parties providing services in connection with the placement of your funds and the issuance and custodying of your CDs, (b) Insured Institutions that have issued CDs to you to the extent necessary to comply with any applicable law, rule, regulation or judicial order, and (c) the FDIC in connection with a claim for deposit insurance on your CDs. The information will not be disclosed to other Insured Institutions except as set forth herein and will not be used by Promontory, our sub-custodian, or any other parties to

whom we release the information for any other purpose except as set forth herein or directed by you. Nothing in this section shall be deemed to prevent us from disclosing information to a third party if permitted or required by law.

Section 8. Disputes

Any disputes arising out of or in connection with this agreement will be governed by the dispute resolution, arbitration, choice of law, venue, waiver of jury trial, and costs related to dispute provisions, if any, contained in your Custodial Agreement with us under which we act as custodian for your CDs.

Section 9. Miscellaneous

Any information we are required to deliver to you pursuant to this agreement may be given to you by mail, facsimile or other electronic transmission.

This agreement:

- constitutes the entire agreement between us relating to the placement of deposits through CDARS and the other matters contained herein,
- supersedes all prior contracts or agreements relating to the placement of funds through CDARS, whether oral or written, and
- may not be amended by any oral representation made or oral agreement reached after the execution of this agreement.

We may amend this agreement or any related document prospectively by modifying or rescinding any of its existing provisions or by adding any new provisions at any time by sending written notice of the amendment to you. We may provide written notice of an amendment to this agreement by means of a letter, an entry on your account statement or other means. Any amendment will be effective as of the date established by us in the written notice of the amendment, subject to applicable law, provided that any amendment may not become effective until ten days after the written notice has been sent by us.

This agreement is not assignable, in whole or in part, by either party except by operation of law or as required by law.

The headings in this agreement are inserted for convenience and identification only, and are not intended to describe, interpret, define or limit the scope or intent of this agreement or any clause hereof.

By signing below, you acknowledge that you have received this agreement, that you have read and understood this agreement and that you were given the opportunity to ask us any questions you may have had with respect to this agreement, the transactions contemplated by it, the CDs and FDIC insurance coverage of the CDs and deposits maintained with us.

☑ **Check this box if you are a governmental unit or other depositor and wish your funds to be placed only through CDARS Reciprocal Transactions.**

DEPOSITOR(S)

Name of Depositor: School Board of Berkeley County
By: [signature]
Name: Manuel P. Arvon
Title: Secretary of Bd
Depositor Tax ID or Other Depositor ID: 55-6000297
ID Type: EIN

Name of Depositor: School Board of Berkeley Co.
By: [signature]
Name: Kenneth W. Marstiller
Title: Treasurer
Depositor Tax ID or Other Depositor ID: 55-6000297
ID Type: EIN

Signed this 18 day of MARCH, 2010

DEPOSITORY INSTITUTION

First United Bank & Trust
(Print Name of Institution)
By: [signature]
Name: TAMMY S. BAILEY
Title: BDO
Acknowledged this 18 day of MARCH, 2010

SCHEDULE 1

INITIAL LIST OF INSURED INSTITUTIONS AT WHICH YOU DO NOT WANT TO MAKE A DEPOSIT (ATTACH ADDITIONAL PAGES AS NECESSARY)

Please include the city and state of the institution's main office (rather than the city and state of a branch location). You may include the institution's routing number and/or FDIC certificate number, if you have this information.

Name of Institution	City and State	Routing or FDIC No.
Jefferson Security Bank		
Citizens National Bank		
City National Bank		
BB&T		
Central Bank		
Susquehanna Bank		

SCHEDULE 2

IMPORTANT TIMES AND DEADLINES IN CONNECTION WITH THE PLACEMENT OF YOUR FUNDS

This schedule contains important times and deadlines with respect to the placement of your funds. These times may change from time to time or on any particular Order Date or Order Allocation Date (which are currently the same business day), and we will inform you of any change in times, as applicable, before you submit your funds for placement. You may also obtain information about any changes to times set forth in paragraphs 2, 3 and 4 below or about any scheduling change resulting in the Order Allocation Date taking place on the business day immediately following an Order Date at www.CDARS.com/products.

1. Time and day by which your request to have your funds placed must be submitted: March 25,2010 on Thursday by 12:00 ☒.
2. Time and day by which we must submit your Order to Pomontory: 1:00 p.m. ET on the Order Date.
3. Time and day at or after which you may obtain the list of names of the Insured Institutions at which your funds are proposed to be placed: 3:00 p.m. ET on the Order Allocation Date.
4. Time and day by which you must inform us of the name or names of any proposed Insured Institution at which you do not want to make a deposit: 4:00 p.m. ET on the Order Allocation Date.
5. Time and day by which we must have your available funds on account: 12:00 noon on Thursday March 25,2010

whom we release the information for any other purpose except as set forth herein or directed by you. Nothing in this section shall be deemed to prevent us from disclosing information to a third party if permitted or required by law.

Section 8. Disputes

Any disputes arising out of or in connection with this agreement will be governed by the dispute resolution, arbitration, choice of law, venue, waiver of jury trial, and costs related to dispute provisions, if any, contained in your Custodial Agreement with us under which we act as custodian for your CDs.

Section 9. Miscellaneous

Any information we are required to deliver to you pursuant to this agreement may be given to you by mail, facsimile or other electronic transmission.

This agreement:

- constitutes the entire agreement between us relating to the placement of deposits through CDARS and the other matters contained herein,
- supersedes all prior contracts or agreements relating to the placement of funds through CDARS, whether oral or written, and
- may not be amended by any oral representation made or oral agreement reached after the execution of this agreement.

We may amend this agreement or any related document prospectively by modifying or rescinding any of its existing provisions or by adding any new provisions at any time by sending written notice of the amendment to you. We may provide written notice of an amendment to this agreement by means of a letter, an entry on your account statement or other means. Any amendment will be effective as of the date established by us in the written notice of the amendment, subject to applicable law, provided that any amendment may not become effective until ten days after the written notice has been sent by us.

This agreement is not assignable, in whole or in part, by either party except by operation of law or as required by law.

The headings in this agreement are inserted for convenience and identification only, and are not intended to describe, interpret, define or limit the scope or intent of this agreement or any clause hereof.

By signing below, you acknowledge that you have received this agreement, that you have read and understood this agreement and that you were given the opportunity to ask us any questions you may have had with respect to this agreement, the transactions contemplated by it, the CDs and FDIC insurance coverage of the CDs and deposits maintained with us.

☐ **Check this box if you are a governmental unit or other depositor and wish your funds to be placed only through CDARS Reciprocal Transactions.**

DEPOSITOR(S)

Name of Depositor: School Board of Berkeley County
By: [signature]
Name: William F. Gibson
Title: Bd Member
Depositor Tax ID or Other Depositor ID: 55-6000297
ID Type: EIN

Name of Depositor: _____
By: _____
Name:
Title:
Depositor Tax ID or Other Depositor ID: _____
ID Type: _____

Signed this 18 day of March, 2010

DEPOSITORY INSTITUTION

First United Bank & Trust
(Print Name of Institution)
By: [signature]
Name: Tammy S Bailey
Title: BSO

Acknowledged this 18 day of March, 2010

SCHEDULE 1

INITIAL LIST OF INSURED INSTITUTIONS AT WHICH YOU DO NOT WANT TO MAKE A DEPOSIT (ATTACH ADDITIONAL PAGES AS NECESSARY)

Please include the city and state of the institution's main office (rather than the city and state of a branch location). You may include the institution's routing number and/or FDIC certificate number, if you have this information.

Name of Institution	City and State	Routing or FDIC No.

SCHEDULE 2

IMPORTANT TIMES AND DEADLINES IN CONNECTION WITH THE PLACEMENT OF YOUR FUNDS

This schedule contains important times and deadlines with respect to the placement of your funds. These times may change from time to time or on any particular Order Date or Order Allocation Date (which are currently the same business day), and we will inform you of any change in times, as applicable, before you submit your funds for placement. You may also obtain information about any changes to times set forth in paragraphs 2, 3 and 4 below or about any scheduling change resulting in the Order Allocation Date taking place on the business day immediately following an Order Date at www.CDARS.com/products.

1. Time and day by which your request to have your funds placed must be submitted: March 25,2010 on Thursday by 12:00 ET.
2. Time and day by which we must submit your Order to Promontory: 1:00 p.m. ET on the Order Date.
3. Time and day at or after which you may obtain the list of names of the Insured Institutions at which your funds are proposed to be placed: 3:00 p.m. ET on the Order Allocation Date.
4. Time and day by which you must inform us of the name or names of any proposed Insured Institution at which you do not want to make a deposit: 4:00 p.m. ET on the Order Allocation Date.
5. Time and day by which we must have your available funds on account: 12:00 noon on Thursday March 25,2010.

My Bank!
FIRST UNITED
Bank & Trust

March 19, 2010

The Board of Education of Berkeley County, by signing below, agree in accordance with the First United Bank & Trust CDARS agreement signed on 03/17/10, to pay any fees and or penalties associated with the non –placement of all funds agreed upon.

First United Bank & Trust expects to receive $25,000,000 for CDARS placement for 52 weeks and $23,000,000 for CDARS placement for 13 weeks in accordance with the successful bid proposal dated 03/15/10. Orders will be placed on Wednesday, 03/24/10, with the understanding that funding must be received by First United Bank & Trust by noon the following day, Thursday, 03/25/10.

If funds are not received in the Berkeley County Board of Education account at First United Bank & Trust and First United Bank & Trust is assessed penalties by CDARS, The Board of Education of Berkeley County agrees to pay 100% of assessed fees.

Diane J. Brookwalter, VP
First United Bank & Trust

3/19/10
Date

The Board of Education of Berkeley County

3-19-2010
Date

Customer Service Center: Telephone 1-888-MYBANK4 (1-888-692-2654)
Corporate Office: P.O. Box 9, Oakland, MD 21550-0009 Telephone 1-301-334-4715
www.mybankfirstunited.com

40E

Attn: Diane Emory **Fax:** 301-334-1421
Date: **Time:**

CDARS

Request for Placement of Funds

Date:	March 24, 2010
Originating Branch:	Edwin Miller Blvd
Name:	Berkeley County Board of Education
Contact Name:	Ken Marstiller
Soc. Sec./Tax ID:	55-6000297
Address:	401 S. Queen Street Martinsburg, WV. 25401
Order Placed:	Wed. March 24, 2010
Place Funds:	Thurs. March 25, 2010
Term:	52 weeks
Interest:	1.25% Annual Percentage Yield
Amount:	$25 Million Dollars
Interest Paid:	Compound and pay at maturity
Other Banks:	Jefferson Security Bank Citizens National Bank City National Bank BB&T Centra Bank Susquehanna
Notes:	
Completed By:	Tammy Bailey

Attn: Diane Emory Fax: 301-334-1421
Date: Time:

CDARS

Request for Placement of Funds

Date:	March 24, 2010
Originating Branch:	Edwin Miller Blvd
Name:	Berkeley County Board of Education
Contact Name:	Ken Marstiller
Soc. Sec. / Tax ID:	55-6000297
Address:	401 S. Queen Street Martinsburg, WV. 25401
Order Funds:	Wed. March 24, 2010
Have Funds:	Thurs. March 25, 2010
Term:	13 weeks
Interest:	.90% Annual Percentage Yield
Amount:	$23 Million Dollars
Interest Paid:	Compound and pay at maturity
Other Banks:	Jefferson Security Bank Citizens National Bank City National Bank BB&T Centra Bank Susquehanna
Notes:	
Completed By:	Tammy Bailey

CERTIFICATE OF INVESTMENT PROVIDER

First United Bank & Trust (the "Provider") has agreed pursuant to its response to the Request for Proposals dated March 15, 2010 (the "RFP") of the Berkeley County (West Virginia) Board of Education (the "Board") to provide for the investment of certain of the Board's funds in certificates of deposit (the "CDs") issued by CDARS member institutions under the "CDARS Program" in the amounts, at the interest rates and for the time periods provided in the Provider's response to the RFP. The funds being invested are portion of the proceeds of the Board's $51,500,000 Public School Bonds, Series 2010 (the "Bonds").

I hereby certify as follows on behalf of the Provider:

1. I am the duly chosen, qualified and acting officer of the Provider for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Provider. I am the officer of the Provider charged, along with other officers of the Provider, with responsibility for the investment of the Board's funds in the CDs pursuant to the CDARS Program.

2. The Board's investment in CDs pursuant to the CDARS Program through the Provider is being entered into by the Board and the Provider in an arm's length transaction. The Provider did not consult with any other potential provider about its bid in response to the RFP. The Provider's bid was determined without regard to any other formal or informal agreement that the potential provider has with the Board or any other person (whether or not in connection with the Bonds).

3. No payments will be made by or on behalf of the Provider to or for the benefit of the Board other than the repayment of the principal and the payment of the interest due on the CDs as specified in the Provider's response to the RFP.

4. No payments have been or will be made by or on behalf of the Provider to any person in connection with the providing of the CDs or submitting a bid therefore.

5. The CDs have a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal.

6. The yield on the CDs is not less than (a) the highest yield that is published or posted by the Provider to be currently available from the Provider on reasonably comparable certificates of deposit offered to the public and (b) the yield on reasonably comparable direct obligations of the United States.

7. The Provider does not have a material financial interest in the Bonds.

The Provider understands that the Board will rely on the statements made herein in connection with its maintaining the tax-exempt status of the Bonds.

EXECUTED as of the 17 day of March, 2010

First United Bank & Trust
[NAME OF PROVIDER]

By: Tammy S Bailey

Name: Tammy S Bailey

Title: BDO Treasury Management Specialist