

TOWN OF JUNIOR

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

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TOWN OF JUNIOR

**WATER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)**

BOND ORDINANCE

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TOWN OF JUNIOR

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF JUNIOR AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF JUNIOR:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The Town of Junior (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State.

B. The Issuer presently owns and operates a public Waterworks system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the existing

public waterworks facilities of the Issuer, to construct additions and improvements to its waterworks distribution system, consisting of extending its waterworks distribution lines in six (6) areas within its service territory to serve approximately fifty-two (52) new customers together with all necessary appurtenances (the "Project") (the existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Recorder of the Issuer.

C. The Issuer intends to permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund (the "Infrastructure Fund") for the West Virginia Infrastructure and Jobs Development Council (the "Council") pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund) in the total aggregate principal amount of not more than \$1,000,000 as a single bond (the "Series 2009 A Bonds"), permanently finance the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2009 A Bonds prior to and during acquisition and construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Account (as hereinafter defined) for the Series 2009 A Bonds; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2009 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2009 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2009 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the Council, in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. The Issuer has no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Issuer's Series 2009 A Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law, the Loan Agreement (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2009 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2009 A Bonds or such final order will not be subject to appeal.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2009 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2009 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2009 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer, or any other officer of the Issuer specifically designated by resolution of the Governing Body.

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

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

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

"Bonds" means, collectively, the Series 2009 A Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Closing Date" means the date upon which there is an exchange of the Series 2009 A Bonds for all or a portion of the proceeds of the Series 2009 A Bonds from the Authority.

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

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

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

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

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

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

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

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

"Governing Body" means the Town Council of the Issuer, as it may now or hereafter be constituted.

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

"Grants" means any grants committed to the Project.

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

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

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

"Issuer" means the Town of Junior, a municipal corporation and political subdivision of the State of West Virginia, in Barbour County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body and of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered into, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2009 A Bonds, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2009 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2009 A Bonds Reserve Account.

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other

reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority and the Council.

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

"Qualified Investments" means and includes the following:

(a) Government Obligations;

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

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

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National

Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended, including, without limitation, authorized pools of investments operated by such State Board of Investments; and

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

"Recorder" means the Recorder of the Issuer.

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Ordinance and continued hereby.

"Reserve Accounts" means the reserve account established for the Series 2009 A Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account.

"Revenue Fund" means the Revenue Fund established by established by Section 5.01 hereof.

"Series 2009 A Bonds" means the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2009 A Bonds Construction Trust Fund" means the Series 2009 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2009 A Bonds Reserve Account" means the Series 2009 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2009 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2009 A Bonds in the then current or any succeeding year.

"Series 2009 A Bonds Sinking Fund" means the Series 2009 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means the sinking funds established for the Series 2009 A Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2009 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2009 A Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means the complete existing public waterworks system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

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

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

ARTICLE II

AUTHORIZATION OF THE PROJECT

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of not to exceed \$1,810,000, of which a portion will be paid from proceeds of the Series 2009 A Bonds, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2009 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount compatible with the financing plan submitted to the Council and the Authority.

The cost of the project is estimated not to exceed \$1,810,000 of which not more than \$1,000,000 will be obtained from the proceeds of the Series 2009 A Bonds and approximately \$810,000 will be obtained as a grant from the United States Department of Agriculture.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2009 A Bonds, funding the reserve account for the Series 2009 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2009 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2009 A Bonds of the Issuer. The Series 2009 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund)", in the principal amount of not more than \$1,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2009 A Bonds remaining after funding of the Series 2009 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2009 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2009 A Bonds shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2009 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2009 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond

Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2009 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2009 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest as specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2009 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2009 A Bonds shall cease to be such officer of the Issuer before the Series 2009 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2009 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2009 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2009 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2009 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2009 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive

Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2009 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2009 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2009 A Bonds are exercised, all Series 2009 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2009 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2009 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2009 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2009 A Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2009 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2009 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2009 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2009 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the Series 2009 A Bonds shall be secured by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2009 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2009 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2009 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2009 A Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinions of bond counsel on the Series 2009 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2009 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2009 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
Town OF Junior
WATER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2009, the Town of Junior, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__ to and including _____ 1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the public waterworks system of the Issuer (the "Project"); (ii) fund the Series 2009 A Bonds Reserve Account; and (iii) to pay certain costs of issuance

hereof and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 2009, and a Supplemental Resolution duly adopted by the Issuer on _____, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THERE ARE NO OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2009 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2009 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that, so long as there exists in the Series 2009 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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

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

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

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 2009.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2009 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, and is hereby approved and incorporated in this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Council and the Authority a schedule for the Series 2009 A Bonds, the form of which will be provided by the Authority and the Council, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Ordinance);
- (2) Renewal and Replacement Fund (established by the Prior Ordinance as Depreciation Reserve); and
- (3) Series 2009 A Bonds Construction Trust Fund.

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

- (1) Series 2009 A Bonds Sinking Fund; and

(2) Series 2009 A Bonds Reserve Account.

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

(1) The Issuer shall first, each month, transfer from the Revenue Fund to the Operation and Maintenance Fund an amount sufficient to pay current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2009 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2009 A Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2009 A Bonds, if not fully funded upon issuance of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2009 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof.

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

Monies in the Series 2009 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2009 A Bonds, as the same shall become due. Monies in the Series 2009 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2009 A Bonds, as the same shall come due, when other monies in the Series 2009 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2009 A Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2009 A Bonds.

Any withdrawals from the Series 2009 A Bonds Reserve Account, which result in a reduction in the balance of such accounts to below the Reserve Requirements thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2009 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2009 A Bonds Sinking Fund or the Series 2009 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2009 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2009 A Bonds under the conditions and restrictions set forth herein.

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

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2009 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

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

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

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

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds.
From the monies received from the sale of the Series 2009 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2009 A Bonds, there shall first be deposited with the Commission in the Series 2009 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2009 A Bonds for the period commencing on the date of issuance of the Series 2009 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2009 A Bonds, there shall be deposited with the Commission in the Series 2009 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2009 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2009 A Bonds.

D. After completion of the construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2009 A Bonds shall be expended as directed by the Council.

Section 6.02. Disbursements of Bond Proceeds. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Series 2009 A Bonds from the Series 2009 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Council of a certificate, signed by an Authorized Officer stating that:

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

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

- (3) Each of such costs has been otherwise properly incurred; and
- (4) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2009 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2009 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer, if applicable.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2009 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2009 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2009 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2009 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2009 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2009 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the Series 2009 A Bonds shall be secured by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

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

certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted February 19, 2009, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2009 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2009 A Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Series 2009 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2009 A Bonds Sinking Fund, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2009 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Series 2009 A Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of \$50,000, the Issuer shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$50,000 but not in excess of \$200,000, the Issuer shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Governing Body may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$50,000 and not in excess of \$200,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of the Prior Ordinance and this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the source fiscal year for such sales, leases or other dispositions of such properties, shall be in excess of \$200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2009 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2009 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2009 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2009 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2009 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2009 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided.

No such additional Parity Bonds shall be issued except for the purposes of financing the costs of the acquisition and construction of extensions, additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

So long as the Series 2009 A Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues

actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which has expired (without successful appeal) prior to the issuance of such Parity Bonds.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and

under the conditions provided in this section, equally, as to the lien on and source of and security for payment from such revenues, with the Bonds.

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

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

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

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

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

The Issuer shall file with the Authority and the Council, or any other original purchaser of the Series 2009 A Bonds and shall mail in each year to any Holder or Holders of the Series 2009 A Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2009 A Bonds and shall submit the report to the Authority and the Council, or any other original purchaser of the Series 2009 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of test disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer or the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

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

Section 7.09. Rates. Prior to the issuance of the Series 2009 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in

income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2009 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2009 A Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Series 2009 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2009 A Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2009 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2009 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

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

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the Council and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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

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

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

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

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

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

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

allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders thereof.

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2009 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the prime contractor and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the Council. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the Issuer, the prime contractor and all subcontractors, as their interests may appear. The Issuer shall verify such insurance prior to commencement of construction.

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

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the acquisition and construction of the Project as promptly as possible and operate and maintain the

System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2009 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal and shall supply an opinion of counsel to such effect.

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

Section 7.19. [RESERVED]

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

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2009 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2009 A Bonds held in "contingency" as set forth in the Schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2009 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2009 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2009 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2009 A Bonds as a condition to issuance of the Series 2009 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2009 A Bonds as may be necessary in order to maintain the status of the Series 2009 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2009 A Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2009 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure

compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2009 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2009 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2009 A Bonds; or

(2) If default occurs in the Issuer or the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2009 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2009 A Bonds, and such default shall have continued for a period of 30 days after the Issuer or Issuer, as appropriate, shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

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

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2009 A Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2009 A Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2009 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2009 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2009 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2009 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2009 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2009 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2009 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2009 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2009 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and

Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder and members of the Governing Body and the Issuer were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

[Remainder of Page Intentionally Blank]

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Barbour Democrat*, a qualified newspaper published and of general circulation in the Town of Junior, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2009 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading: July 20, 2009

Passed on Second Reading: August 3, 2009

Passed on Final Reading
Following Public
Hearing: September 8, 2009



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of the Town of Junior on the 8th day of September, 2009.

Dated: September 10, 2009.

[SEAL]

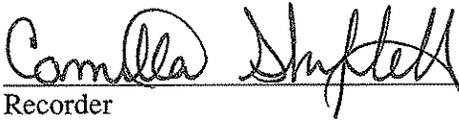

Recorder

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

TOWN OF JUNIOR

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE TOWN OF JUNIOR; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; APPROVING A BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the Town of Junior (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective September 8, 2009 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATER SYSTEM OF THE TOWN OF JUNIOR AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, in the aggregate principal amount not to exceed \$1,000,000 (the "Bonds" or the "Series 2009 A Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE TOWN OF JUNIOR:

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$690,000. The Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2049, and shall bear no interest. The principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011, to and including September 1, 2049, and in the amounts as set forth in the "Schedule Y"

attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of a redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

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

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

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar"), for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate Freedom Bank, Belington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2009 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2009 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2009 A Bonds proceeds in the amount of \$17,808 shall be deposited in the Series 2009 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 2009 A Bonds Construction Trust Fund as received from the Council from time to time for payment of costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about September 10, 2009, to the Authority pursuant to the Loan

Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

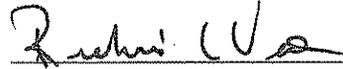
Section 13. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Series 2009 A Bonds Sinking Fund, including the Series 2009 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 14. The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

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

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Adopted this 8th day of September, 2009.



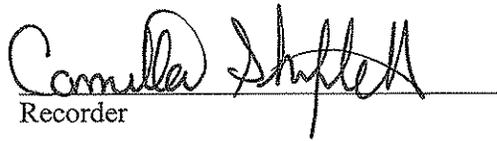
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Junior on the 8th day of September, 2009.

Dated: September 10, 2009.

[SEAL]


Recorder

08.27.09
461180.00003

IC-1
(08/09)

LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the governmental agency designated below (the "Governmental Agency").

TOWN OF JUNIOR
(2001W-645)

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Governmental Agency and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "Council," "governmental agency," "project," "waste water facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

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

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

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

1.5 "Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

2.7 The Governmental Agency shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract and shall verify or have verified such bonds prior to commencement of construction.

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Council and the Authority and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent

(100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

(a) The Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and the Council; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

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

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

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Governmental Agency under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law;

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and

the Council, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Governmental Agency's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

(xiv) That the proceeds of the Local Bonds, advanced from time to time, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Governmental Agency and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing of such Governmental Agency, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and the Council, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

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

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

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

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

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

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

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

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

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

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin,

sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

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

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, validity, sale and delivery of the Local Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit B.

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

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

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

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the

Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

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

ARTICLE V

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

5.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

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

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

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under the Act and State law, including, without limitation, the right to an appointment of a receiver.

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

7.8 The Authority acknowledges that certain terms and requirements in this Loan Agreement may not be applicable when the Project is financed in part by the West Virginia Department of Environmental Protection, Office of Abandoned Mine Lands and under that circumstance those terms and requirements are specifically waived or modified as agreed to by the Authority and set forth in the Local Act.

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

7.10 This Loan Agreement shall terminate upon the earlier of:

- (i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;
- (ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or
- (iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

TOWN OF JUNIOR

(SEAL)

Attest:

Camille Shyft
Its: Recorder

By: Richard W. [Signature]
Its: Mayor
Date: September 10, 2009

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

Attest:

Carol A. Cummings
Its: Secretary-Treasurer

By: [Signature]
Its: Executive Director
Date: September 10, 2009

{C1582288.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and my firm¹ has ascertained that all

¹If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____,

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

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

[SEAL]

By: _____
West Virginia License No. _____

Esq.] and delete "my firm has ascertained that".

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

Ladies and Gentlemen:

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

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

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

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

to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

 Name of Person Completing Form

 Address

 Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ($\$1,200/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ($\$900/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

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

EXHIBIT D

MONTHLY PAYMENT FORM

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	\$
Principal	\$
Total:	\$
Reserve Account:	\$

Witness my signature this ___ day of _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$690,000
Purchase Price of Local Bonds \$690,000

The Local Bonds shall bear no interest. Commencing March 1, 2011, principal on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Governmental Agency: none

Number of New Customers to Be Served: 59
Location: Southwest and northeast areas around the Town of Junior

SCHEDULE Y DEBT SERVICE SCHEDULE

Town of Junior			
40 Years			
0% Interest Rate			
	Dated Date	9/10/09	
	Delivery Date	9/10/09	
Period Ending	Principal	Interest	Debt Service
9/10/09			
3/1/11	4,452		4,452
6/1/11	4,452		4,452
9/1/11	4,452		4,452
12/1/11	4,452		4,452
3/1/12	4,452		4,452
6/1/12	4,452		4,452
9/1/12	4,452		4,452
12/1/12	4,452		4,452
3/1/13	4,452		4,452
6/1/13	4,452		4,452
9/1/13	4,452		4,452
12/1/13	4,452		4,452
3/1/14	4,452		4,452
6/1/14	4,452		4,452
9/1/14	4,452		4,452
12/1/14	4,452		4,452
3/1/15	4,452		4,452
6/1/15	4,452		4,452
9/1/15	4,452		4,452
12/1/15	4,452		4,452
3/1/16	4,452		4,452
6/1/16	4,452		4,452
9/1/16	4,452		4,452
12/1/16	4,452		4,452
3/1/17	4,452		4,452
6/1/17	4,452		4,452
9/1/17	4,452		4,452
12/1/17	4,452		4,452
3/1/18	4,452		4,452
6/1/18	4,452		4,452
9/1/18	4,452		4,452
12/1/18	4,452		4,452
3/1/19	4,452		4,452
6/1/19	4,452		4,452
9/1/19	4,452		4,452
12/1/19	4,452		4,452
3/1/20	4,452		4,452
6/1/20	4,452		4,452
9/1/20	4,452		4,452
12/1/20	4,452		4,452
3/1/21	4,452		4,452
6/1/21	4,452		4,452
9/1/21	4,452		4,452
12/1/21	4,452		4,452

Town of Junior			
40 Years			
0% Interest Rate			
	Period Ending	Principal	Debt Service
	3/1/22	4,452	4,452
	6/1/22	4,452	4,452
	9/1/22	4,452	4,452
	12/1/22	4,452	4,452
	3/1/23	4,452	4,452
	6/1/23	4,452	4,452
	9/1/23	4,452	4,452
	12/1/23	4,452	4,452
	3/1/24	4,452	4,452
	6/1/24	4,452	4,452
	9/1/24	4,452	4,452
	12/1/24	4,452	4,452
	3/1/25	4,452	4,452
	6/1/25	4,452	4,452
	9/1/25	4,452	4,452
	12/1/25	4,452	4,452
	3/1/26	4,452	4,452
	6/1/26	4,452	4,452
	9/1/26	4,452	4,452
	12/1/26	4,452	4,452
	3/1/27	4,452	4,452
	6/1/27	4,452	4,452
	9/1/27	4,452	4,452
	12/1/27	4,452	4,452
	3/1/28	4,452	4,452
	6/1/28	4,452	4,452
	9/1/28	4,452	4,452
	12/1/28	4,452	4,452
	3/1/29	4,452	4,452
	6/1/29	4,452	4,452
	9/1/29	4,452	4,452
	12/1/29	4,452	4,452
	3/1/30	4,452	4,452
	6/1/30	4,452	4,452
	9/1/30	4,452	4,452
	12/1/30	4,452	4,452
	3/1/31	4,452	4,452
	6/1/31	4,452	4,452
	9/1/31	4,452	4,452
	12/1/31	4,452	4,452
	3/1/32	4,452	4,452
	6/1/32	4,452	4,452
	9/1/32	4,452	4,452
	12/1/32	4,452	4,452
	3/1/33	4,452	4,452
	6/1/33	4,452	4,452
	9/1/33	4,452	4,452
	12/1/33	4,452	4,452
	3/1/34	4,452	4,452

Town of Junior				
40 Years				
0% Interest Rate				
Period Ending	Principal	Interest	Debt Service	
6/1/34	4,452		4,452	
9/1/34	4,451		4,451	
12/1/34	4,451		4,451	
3/1/35	4,451		4,451	
6/1/35	4,451		4,451	
9/1/35	4,451		4,451	
12/1/35	4,451		4,451	
3/1/36	4,451		4,451	
6/1/36	4,451		4,451	
9/1/36	4,451		4,451	
12/1/36	4,451		4,451	
3/1/37	4,451		4,451	
6/1/37	4,451		4,451	
9/1/37	4,451		4,451	
12/1/37	4,451		4,451	
3/1/38	4,451		4,451	
6/1/38	4,451		4,451	
9/1/38	4,451		4,451	
12/1/38	4,451		4,451	
3/1/39	4,451		4,451	
6/1/39	4,451		4,451	
9/1/39	4,451		4,451	
12/1/39	4,451		4,451	
3/1/40	4,451		4,451	
6/1/40	4,451		4,451	
9/1/40	4,451		4,451	
12/1/40	4,451		4,451	
3/1/41	4,451		4,451	
6/1/41	4,451		4,451	
9/1/41	4,451		4,451	
12/1/41	4,451		4,451	
3/1/42	4,451		4,451	
6/1/42	4,451		4,451	
9/1/42	4,451		4,451	
12/1/42	4,451		4,451	
3/1/43	4,451		4,451	
6/1/43	4,451		4,451	
9/1/43	4,451		4,451	
12/1/43	4,451		4,451	
3/1/44	4,451		4,451	
6/1/44	4,451		4,451	
9/1/44	4,451		4,451	
12/1/44	4,451		4,451	
3/1/45	4,451		4,451	
6/1/45	4,451		4,451	
9/1/45	4,451		4,451	
12/1/45	4,451		4,451	
3/1/46	4,451		4,451	
6/1/46	4,451		4,451	

SCHEDULE Z

None.

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

Entered: June 25, 2009

FINAL

7/15/2009

CASE NO. 09-0113-W-CN

TOWN OF JUNIOR

a municipal utility, Barbour County,

**Application for a certificate of convenience
and necessity to construct certain additions
and improvements to its existing waterworks
distribution system and for approval of financing.**

RECOMMENDED DECISION

On February 10, 2008, the Town of Junior (Applicant), Barbour County, West Virginia, filed with the West Virginia Public Service Commission (Commission) an application for a certificate of convenience and necessity for construction of an extension of its existing water distribution system and for approval of the proposed financing for the project. The project consists of the installation of approximately 31,740 linear feet of six-inch, 6,980 linear feet of four-inch and 2,700 linear feet of three-inch water line; one (1) 43 gallons per minute duplex hydro-pneumatic booster station with VFD; a 422-gallon hydro-pneumatic tank; and all necessary valves and appurtenances. The facilities will serve sixty-three (63) potential customers along Routes 250/12, 15/1, 52, 52/1, and 17/1; U.S. Route 250; and the Mountain View Cemetery area in or near the Town of Junior. The Applicant has obtained user agreements from fifty-two (52) individuals. The project is estimated to cost \$1,500,000. The proposed project funding is a \$690,000 loan from the West Virginia Infrastructure and Jobs Development Council (WV IJDC), for a term of forty (40) years, at an interest rate of 0.0%, and a United States Department of Agriculture Rural Utilities Service grant in the amount of \$810,000.

A Notice of Filing was issued by the Commission on February 10, 2009.

On February 25, 2009, a Referral Order was entered by the Commission in this matter which referred the case to the Division of Administrative Law Judges for resolution. The Referral Order provided that, if no public protests to the application were received by the Commission within thirty (30) days after the required notice has been provided, the Administrative Law Judge's decision would be required on or before June 25, 2009. If public protest was filed with the Commission within the

thirty (30) day period after the required notice was provided, the Administrative Law Judge's decision would be required on or before September 8, 2009.

On February 25, 2009, the Applicant's attorney filed an affidavit of publication from the *Barbour Democrat*, a weekly newspaper, published in the City of Philippi, Barbour County, West Virginia, which demonstrated that the Notice of Filing was published therein on February 18, 2009.

On March 16, 2009, Staff Attorney Cassius H. Toon of the Commission's Legal Division filed Staff's first set of interrogatories and data requests of the Applicant. Staff directed that the District file its responses within twenty (20) days following service upon it of the interrogatories and data requests.

On March 16, 2009, Staff Attorney Toon filed the Initial Joint Staff Memorandum, along with the Initial Staff Internal Memorandum, prepared by Utilities Analyst Bob Cadle of the Commission's Water and Wastewater Division. Staff reported that the Applicant was in the process of adopting a rate ordinance and did file a Rule 42 Exhibit in support of those proposed rates with approximately a 12% increase. Staff indicated that the Applicant did not submit funding commitment letters, the bond ordinance or calculations supporting the increase in operation and maintenance expenses associated with this proposed project. Staff advised that, unless said items were filed within ten (10) days, Staff would have no alternative but to recommend that the certificate application be dismissed.

On April 6, 2009, the Applicant filed responses to Staff's first set of data requests and interrogatories, including the commitment letter for the RUS funding.

Also on April 6, 2009, the Applicant filed a motion to toll the statutory deadlines in this certificate application case. In support of its motion, the Applicant explained that additional time was needed by the Applicant to secure the WV IJDC funding commitment letter. The Applicant requested that the statutory deadlines be tolled for a period of ninety (90) days.

On April 30, 2009, an Order was entered by the Commission in which the Applicant's motion to toll the statutory deadlines for a period of ninety (90) days in this matter was denied. The Commission stated that, "If the Town's pending request for funding before the West Virginia Infrastructure and Jobs Development Counsel is denied the Town may resubmit a motion to toll for the consideration of the Commission."

On May 1, 2009, the Applicant filed a letter with the Commission in which it reported that, on April 28, 2009, the WV IJDC Funding Committee met and voted to recommend that a funding commitment letter be issued to the Town for a \$690,000 loan. The Town advised that it expected to receive the commitment letter from the WV IJDC following its May 6, 2009 meeting. The Town stated that the funding commitment letter would be filed with the Commission as soon as it was received by the Applicant.

On May 11, 2009, Staff Attorney Toon filed the Further Joint Staff Memorandum in which he advised that Technical Staff would be filing a final written recommendation in this case in the next few days.

On May 22, 2009, the funding commitment letter from the WV IJDC was filed on behalf of the Applicant by Angela Chestnut, PE, Executive Director of the WV IJDC. Ms. Chestnut reported that the original commitment letter signed by Chairman Lowe was not available that day due to the fact that the WV IJDC was in the process of relocating its offices. She stated that the WV IJDC had approved this funding and a letter signed by Kenneth Lowe, Chairman of the Council, would be filed with the Commission on Tuesday, May 26, 2009.

On June 2, 2009, Staff Attorney Toon filed the Final Joint Staff Memorandum, along with the Final Staff Internal Memorandum, prepared by Utilities Analyst Cadle and Technical Analyst Marakovits. Staff made the following recommendations:

- (1) The Town of Junior be granted a Certificate of Convenience and Necessity to construct certain additions and improvements and an extension of its existing water system in Barbour County in the amount of \$1,500,000 and as more fully described in the engineering plans and contract documents submitted with this filing;
- (2) Approval of project funding, consisting of a United States Department of Agriculture Rural Utilities Service grant in the amount of \$810,000 and a West Virginia Infrastructure and Jobs Development Council loan in the amount of \$690,000 for a term of forty (40) years at an interest rate of 0.0%, contingent upon the Applicant filing the signed commitment letter from Kenneth Lowe, Chairman of the West Virginia Infrastructure and Jobs Development Council;
- (3) Since this project has received approval from the West Virginia Infrastructure and Jobs Development Council, if there are any changes in the plans or scope of the project, the Applicant must seek Commission approval of such changes. Further, Staff recommends that, if there are changes in the rates to be charged associated with the project, the Applicant must follow the appropriate procedures in passing the necessary Ordinances and notify the Commission of such changes. As long as project-related rates remain unchanged, it is not necessary for the Applicant to seek further Commission approval of changes in project costs or financing. However, under such circumstances, Staff recommends that the Applicant be required to file an affidavit executed by its certified public accountant verifying that its rates and charges are not affected;
- (4) The Applicant provide a copy of the Engineer's certified bid tabulations for all contracts to be awarded for this project as soon as they become available;

- (5) The Town submit a copy of the "Certificate of Substantial Completion" issued for each construction contract associated with the project as soon as they become available; and
- (6) The Applicant adopt the Staff Recommended Tariff shown in Attachment 2 in its next ordinance to bring its tariff language into conformance with the Commission's current recommended tariff provision language, set forth in the Commission's current *Rules for the Construction and Filing of Tariffs*.

On June 11, 2009, the Applicant's attorney, John C. Stump, Esq., notified the Commission that his client had received Staff's Final Joint Staff Memorandum, filed on June 2, 2009, and that the Applicant had no objections to any of Staff's recommendations. Enclosed with the letter was a commitment letter from the West Virginia Infrastructure and Jobs Development Council signed by its Chairman, Kenneth Lowe, Jr.

DISCUSSION

On June 2, 2009, Commission Staff recommended approval of the Applicant's certificate application and approval of the proposed funding. Those recommendations, along with several related recommendations, were set forth in Staff's Final Joint Staff Memorandum. Staff's recommendations were provided to the Applicant by mail. In a cover letter accompanying the Staff memoranda, the Applicant was advised that, "If you wish to respond to the enclosed Staff memorandum, you may do so in writing, within 10 days, unless directed otherwise, of this date." The record in this case reflects that the Applicant notified the Commission on June 11, 2009, that it had no objection to Staff's final recommendations in this matter, filed on June 2, 2009.

The Commission issued the Notice of Filing in this case on February 10, 2009, which the Applicant was required to publish as a Class I legal advertisement. On February 25, 2009, the Applicant filed an affidavit of publication from the *Barbour Democrat*, which established that the Notice of Filing had been published therein, as a Class I legal advertisement, on February 18, 2009. The thirty (30) day public protest period provided for in the Notice of Filing has expired and, as of the date of this Recommended Decision, no public protests have been received.

FINDINGS OF FACT

1. The Town of Junior filed an application with the West Virginia Public Service Commission for a certificate of convenience and necessity to construct additions and improvements to its existing water distribution system to serve a potential of sixty-three (63) new customers. Fifty-two (52) customers have signed user agreements. The project consists of the installation of 31,740 linear feet of six-inch line; 6,980 linear feet of four-inch water main; 2,700 linear feet of three-inch water main; one 43 gallons-per-minute duplex hydro-pneumatic booster station with VFD; a 422-gallon hydro-pneumatic tank; and all necessary valves, controls and appurtenances. (See, February 10, 2009 filing).

2. The Town of Junior intends to purchase water from the Norton-Harding-Jimtown Public Service District, at a contractual rate of \$2.05 per thousand gallons, to supply the customers who will be served by this extension. (See, Final Joint Staff Memorandum; Final Staff Internal Memorandum, and attachments).

3. Norton-Harding-Jimtown Public Service District has adequate capacity to serve the additional customers. (See, Final Joint Staff Memorandum; Final Staff Internal Memorandum, and attachments).

4. A Notice of Filing was issued to the Applicant by the Public Service Commission on February 10, 2009, which described the proposed project and rates and notified the public that anyone desiring to protest or intervene in this matter should file a written protest or notice of intervention within thirty (30) days following the date of publication of the Notice of Filing. The Notice of Filing required that it be published by the Applicant once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Barbour County, West Virginia. (See, Notice of Filing, issued February 10, 2009).

5. The Applicant published the Notice of Filing regarding this certificate application in the *Barbour Democrat*, a newspaper of general circulation, published at Philippi, Barbour County, West Virginia, on February 18, 2009. (See, February 25, 2009 filing).

6. No protests were filed in response to the Notice of Filing, either within the 30-day protest period or as of the date of this Order. (See, case file generally).

7. The total estimated project cost is \$1,500,000 and will be financed through a \$690,000 loan from the West Virginia Infrastructure and Jobs Development Council, for a term of forty (40) years, at an interest rate of 0.0%, and a grant from the United States Department of Agriculture Rural Utilities Service in the amount of \$810,000. All of the funding has been committed. (See, data request responses filed April 6, 2009; commitment letter filed June 11, 2009).

8. The proposed project will provide safe and adequate potable drinking water to customers who have inadequate, unsustainable on-site systems. Also, the project will bring fire protection to the areas served and provide a fire hydrant for the existing Junior Elementary School. (See, Final Joint Staff Memorandum; Final Staff Internal Memorandum, and attachments).

9. The total annual operation and maintenance expenses estimated by the Applicant are \$19,753. (See, Final Joint Staff Memorandum; Final Staff Internal Memorandum, and attachments).

10. The total expense associated with the proposed project, including operation and maintenance expenses, debt service and reserves, is approximately \$43,433. (See, Final Joint Staff Memorandum; Final Staff Internal Memorandum, and attachments).

11. The Applicant's current water rates became effective for service rendered on and after April 3, 2009. The municipal rate ordinance contained an additional rate schedule that will apply to the new customers to be served through this proposed project. Those rates will become effective for the new customers served by the proposed extension project upon substantial completion of the project. (See, Final Joint Staff Memorandum; Final Staff Internal Memorandum, and attachments).

12. The rates to become effective upon substantial completion of the project should generate a de minimis surplus of \$300 and debt service coverage of 132.06%.

13. Staff determined that the proposed project is financially feasible and should be approved. (See, Final Joint Staff Memorandum; Final Staff Internal Memorandum, and attachments).

14. The Applicant was in agreement with the final recommendations of Commission Staff. (See, June 11, 2009 filing).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the construction of the proposed extension of the Town of Junior's existing public water distribution system to serve the areas known as Shale Road, Stone Coal Road, Mountain View Cemetery area, South of Junior Elementary School, North of Junior on County Road 52, and U.S. Route 250 from Dartmoor to the Belington corporate limits.

2. It is reasonable to approve the proposed funding for the project, consisting of a \$690,000 loan from the West Virginia Infrastructure and Jobs Development Council, for a term of forty (40) years, at an interest rate of 0.0%, and a grant in the amount of \$890,000 from the United States Department of Agriculture Rural Utilities Service.

3. The rates enacted by the Applicant are sufficient, but not more than sufficient, to cover the Applicant's operation and maintenance expenses, taxes, debt service requirements and necessary capital additions.

4. It is reasonable to grant the application filed by the Town of Junior for a certificate of public convenience and necessity to construct an extension of its existing public water distribution system, which will provide public water service to approximately fifty-two (52) customers.

ORDER

IT IS, THEREFORE, ORDERED that the Town of Junior's application for a certificate of convenience and necessity to construct an extension of its water distribution system to provide public water service to the areas identified in the application as Shale Road, Stone Coal Road, Mountain View Cemetery, South of the Junior Elementary School, the area North of Junior on County Road 52,

and U.S. Route 250 from Dartmoor to the Belington corporate limit, filed herein on February 10, 2009, be, and hereby is, granted.

IT IS FURTHER ORDERED that the financing for the project, consisting of a West Virginia Infrastructure and Jobs Development Council loan in the amount of \$690,000, for a term of forty (40) years, at an interest rate of 0.0%, and a United States Department of Agriculture Rural Utilities Service grant in the amount of \$810,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Town of Junior submit a Certificate of Substantial Completion from its professional engineer for each contract associated with this water distribution project, as soon as each becomes available.

IT IS FURTHER ORDERED that, should there be any changes in the design, scope or plans of the project, or if a change in project cost or financing affects the project's rates, the Applicant obtain Public Service Commission approval of such project changes, prior to commencing construction.

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

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

IT IS FURTHER ORDERED that the Applicant file with the Commission, within ten (10) days of the bid opening date, a copy of the engineer's certified tabulation of bids, for each contract to be awarded for this project.

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

The Commission's Executive Secretary shall serve a copy of this Recommended Decision upon all parties of record by United States Certified mail, return receipt requested, and upon the Commission by hand delivery.

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

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

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



Cecelia Gail Jarrell
Administrative Law Judge

CGJ:s:cdk
090113a.wpd



Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
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todd.swanson@step-toe-johnson.com

February 27, 2009

Via Hand Delivery

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

Re: CASE NO.: 09-0113-W-CN
TOWN OF JUNIOR, BARBOUR
COUNTY, WEST VIRGINIA

Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing waterworks distribution system; and for approval of the financing thereof.

RECEIVED
09 FEB 27 PM 3:49
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Dear Ms. Squire:

Enclosed herein for filing on behalf of the Town of Junior, please find the original and twelve (12) copies of an affidavit of publication evidence notice of the Commission's February 10, 2009 Notice of Filing for the above captioned certificate proceeding.

I ask that you please file the enclosed affidavit and distribute the additional copies to the appropriate parties at the Commission. Additionally, please date stamp the file copy provided and return it with our messenger. Thank you in advance for your attention to this matter, and should you have any questions please contact me at (304) 353-8148.

Best Regards,

Todd M. Swanson
WVSB No. 10509

TMS

Enclosure

cc: Honorable Gary Miller (w/o enclosure)
Caton N. Hill, Jr., Esquire (w/o enclosure)
Zachary D. Dobbins, CPA (w/o enclosure)
Michael Green, P.E. (w/o enclosure)

461180.00003

CH5099948.1

10EBS VV 2 Jashin
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OFFICE OF THE BARBOUR DEMOCRAT

I, LARS O. BYRNE, Editor of the BARBOUR DEMOCRAT, a weekly newspaper published in the City of Philippi, County of Barbour, and State of West Virginia, do certify that the annexed:

LEGAL NOTICE

was duly printed in said paper one week commencing on Wednesday, the 18th day of February, 2009.

Given under my hand at Philippi, West Virginia, this 18th day of February, 2009.

Lars O. Byrne Editor

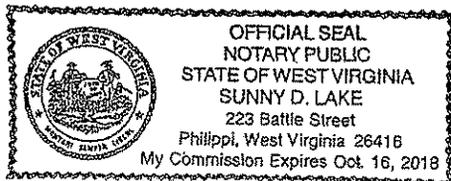
Printer's Fee.....\$ 319.52

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this 18th day of February, 2009.

Sunny D. Lake
NOTARY PUBLIC

My Commission Expires October 16, 2018.



SCHEDULE NO. 2 TARIFF
Effective Upon Substantial Completion of Water Infrastructure Project
APPLICABILITY

Applicable to customers in expansion project area.

AVAILABILITY OF SERVICE

Available for general domestic, consumer, and industrial service.

METER RATE

First 2,000 gallons used per month \$14.70 per 1,000 gallons
 Next 3,000 gallons used per month \$8.92 per 1,000 gallons
 Next 15,000 gallons used per month \$3.96 per 1,000 gallons
 All over 20,000 gallons \$4.91 per 1,000 gallons

MINIMUM CHARGE

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

- 5/8 inch meter - \$29.40 per month
- 3/4 inch meter - \$44.10 per month
- 1 inch meter - \$73.50 per month
- 1 1/4 inch meter - \$107.31 per month
- 2 inch meter - \$235.20 per month
- 3 inch meter - \$441.00 per month
- 4 inch meter - \$735.00 per month
- 6 inch meter - \$1,470.00 per month

MULTIPLE OCCUPANCY

Apartment buildings and other multiple-occupancy buildings shall be required to pay not less than the minimum monthly charge for each unit, multiplied by the number of units in such building at the time the meter is read, or the actual charge for the water used, whichever is greater.

Hotels and motels shall pay according to the amount of water used.
 House trailer courts (including mobile and immobile units) served through a single meter shall be required to pay the minimum charge per month multiplied by the number of units on site at the time the meter is read or the actual charge for the water used, whichever is greater.

DELAYED PAYMENT PENALTY

The above rates and charges are net. A ten percent (10%) penalty shall be added to all charges not paid within 20 days from the date of the billing. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

CONNECTION CHARGE

There shall be charged a connection fee of \$400.00 for each connection into the waterworks system. This fee is to pay for damage to, inspection of, extension of and right-of-way for water lines within the system.

RECONNECTION CHARGE

The reconnection charge is twenty-five dollars (\$25.00). (Non-refundable, not applicable to account)

LEAK ADJUSTMENT INCREMENT

\$3.25 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

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

Pursuant to W.Va. Code 24-2-11, IT IS ORDERED that the Town of Junior give notice of the filing of said application, by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Barbour County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

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

FOR THE COMMISSION.

Sandra Squire
 Executive Secretary

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 10th day of February 2009.

CASE NO. 08-0113-W-CN

TOWN OF JUNIOR
 Post Office Box 237
 Junior, WV 26275

Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing waterworks distribution system and for approval of the financing for the project.

NOTICE OF FILING

On February 10, 2009, the town of Junior ("Town") filed an application, duly verified, for a Certificate to construct certain additions, improvements and extensions to its existing waterworks distribution system in Barbour County, West Virginia. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street in Charleston, West Virginia.

The Town estimates that construction is not expected to exceed \$1,500,000.00. It is proposed that construction be financed by a West Virginia Infrastructure and Jobs Development Council loan in the amount of \$690,000.00 and a Rural Utilities Service grant in the amount of \$810,000.00.

The Town proposes to construct additions and improvements to its existing waterworks distribution system, consisting of extending its waterworks distribution lines in six areas within its service territory to serve approximately fifty-two new customers, with a potential to serve up to sixty-three new customers ("Project").

The Town anticipates charging the following rates and charges:

SCHEDULE NO. 1 TARIFF
(Effective 45 days from issuance)

APPLICABILITY

Applicable to existing territory served before expansion customers were added.

AVAILABILITY OF SERVICE

Available for general domestic, consumer, and industrial service.

METER RATE

First 2,000 gallons used per month \$10.06 per 1,000 gallons
 Next 3,000 gallons used per month \$6.10 per 1,000 gallons
 Next 15,000 gallons used per month \$4.08 per 1,000 gallons
 All over 20,000 gallons \$3.36 per 1,000 gallons

MINIMUM CHARGE

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

- 5/8 inch meter - \$20.12 per month
- 3/4 inch meter - \$30.18 per month
- 1 inch meter - \$50.30 per month
- 1 1/4 inch meter - \$73.44 per month
- 2 inch meter - \$160.60 per month
- 3 inch meter - \$301.80 per month
- 4 inch meter - \$503.00 per month
- 6 inch meter - \$1,006.00 per month

MULTIPLE OCCUPANCY

Apartment buildings and other multiple-occupancy buildings shall be required to pay not less than the minimum monthly charge for each unit, multiplied by the number of units in such building at the time the meter is read, or the actual charge for the water used, whichever is greater.

Hotels and motels shall pay according to the amount of water used.
 House trailer courts (including mobile and immobile units) served through a single meter shall be required to pay the minimum charge per month multiplied by the number of units on site at the time the meter is read or the actual charge for the water used, whichever is greater.

DELAYED PAYMENT PENALTY

The above rates and charges are net. A ten percent (10%) penalty shall be added to all charges not paid within 20 days from the date of the billing. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

CONNECTION CHARGE

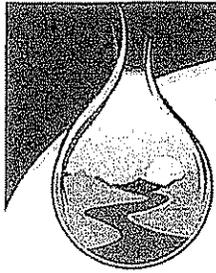
There shall be charged a connection fee of \$400.00 for each connection into the waterworks system. This fee is to pay for damage to, inspection of, extension of and right-of-way for water lines within the system.

RECONNECTION CHARGE

The reconnection charge is twenty-five dollars (\$25.00). (Non-refundable, not applicable to account.)

LEAK ADJUSTMENT INCREMENT

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



WEST VIRGINIA

Infrastructure & Jobs Development Council

Gov. Joe Manchin, III
Chairman

Kenneth Lowe, Jr.
Public Member

Dwight Cathoun
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Angela K. Chestnut
Executive Director

Barbara J. Pauley
Administrative Secretary

May 11, 2009

The Honorable Gary Miller
Mayor, Town of Junior
P.O. Box 274
Junior, WV 26275

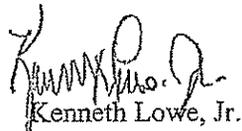
Re: Town of Junior
2001W-645 Binding Commitment
(Action Required by May 31, 2009)

Dear Mayor Miller:

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council), at its May 6, 2009 meeting, determined that the Town of Junior (Town) utilize a \$810,000 Rural Utilities Service grant and voted to offer a binding commitment for a \$690,000 Infrastructure Fund loan (Loan) to finance this \$1,500,000 project (Project). This Project will extend waterlines to serve 53 potential customers in six areas just outside of the Town's corporate limits. The Loan will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan amount will be established after the Town has received acceptable bids for the Project.

If the Town has any questions regarding this commitment, please contact the Council at the below-referenced telephone number.

Sincerely,



Kenneth Lowe, Jr.

KL:bjp

Enclosure

cc: Bob DeCrease, P.E., BPH (w/o enclosure) (via e-mail)
Michael Green, P.E., Green Engineering, Inc.
John Stump, Steptoe & Johnson
Region 7-Planning & Development Council

NOTE: This letter is sent in triplicate. Please acknowledge receipt and immediately return two copies to the Infrastructure Council.

Town of Junior

By: _____

Its: _____

Date: _____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Town of Junior
Water Project 2001W-645

SCHEDULE A

- A. Approximate Amount: \$690,000 Loan
- B. Loan: \$690,000
1. Maturity Date: 40 years from date of closing.
 2. Interest Rate: 0%
 3. Loan Advancement Date(s): Monthly, upon receipt of proper requisition.
 4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.
- NOTICE:** The terms set forth above are subject to change following the receipt of construction bids.
- C. Special Conditions: The funding package may be reduced prior to closing if an additional grant source is procured.
- D. Other Funding:
RUS grant \$ 810,000
- E. Total Project Cost: \$1,500,000
- F. Proposed User Rates: Approximately \$40.86 / 4000 gallons

TOWN OF JUNIOR

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On this 10th day of September, 2009, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the Town of Junior (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the entire original issue of \$690,000 principal amount of the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds"), issued as a single, fully registered Bond, numbered AR-1, and dated September 10, 2009.
2. At the time of such receipt of the Bonds upon original issuance, the Bonds had been executed by the Mayor and the Recorder of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.
3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the sum of \$73,780, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer by the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first above written.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: Carol A. Cummins
Its: Authorized Representative

TOWN OF JUNIOR

By: Richard Ves
Its: Mayor

08.24.09
461180.00003

TOWN OF JUNIOR

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

On this 10th day of September, 2009, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the Town of Junior Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), in the principal amount of \$690,000, dated September 10, 2009 (the "Bonds"), executed by the Mayor and the Recorder of the Town of Junior (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on September 8, 2009, and a Supplemental Resolution duly adopted by the Issuer on September 8, 2009 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the loan agreement dated September 10, 2009 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council; and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of \$73,780, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the date first written above.

TOWN OF JUNIOR

By: Richard West
Its: Mayor

08.24.09
461180.00003

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF JUNIOR
WATER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$690,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 10th day of September, 2009, the Town of Junior, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of SIX HUNDRED NINETY THOUSAND DOLLARS (\$690,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011 to and including September 1, 2049, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated September 10, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the public waterworks system of the Issuer (the "Project"); (ii) fund the Series 2009 A Bonds Reserve Account; and (iii) to pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of

West Virginia, including particularly Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on September 8, 2009, and a Supplemental Resolution duly adopted by the Issuer on September 8, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THERE ARE NO OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2009 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2009 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that, so long as there exists in the Series 2009 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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

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

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

[SEAL]

~~SPECIMEN~~
Richard C. [Signature]
Mayor

ATTEST:

~~SPECIMEN~~
Com [Signature]
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: September 10, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

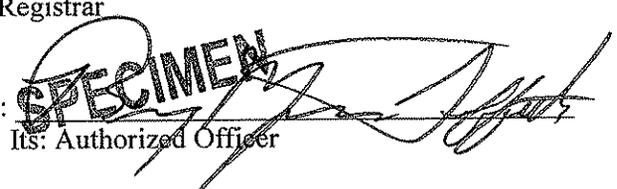
By: 
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$73,780	September 10, 2009	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

SCHEDULE Y DEBT SERVICE SCHEDULE

Town of Junior				
40 Years				
0% Interest Rate				
	Dated Date	9/10/09		
	Delivery Date	9/10/09		
Period Ending	Principal	Interest	Debt Service	
9/10/09				
3/1/11	4,452		4,452	
6/1/11	4,452		4,452	
9/1/11	4,452		4,452	
12/1/11	4,452		4,452	
3/1/12	4,452		4,452	
6/1/12	4,452		4,452	
9/1/12	4,452		4,452	
12/1/12	4,452		4,452	
3/1/13	4,452		4,452	
6/1/13	4,452		4,452	
9/1/13	4,452		4,452	
12/1/13	4,452		4,452	
3/1/14	4,452		4,452	
6/1/14	4,452		4,452	
9/1/14	4,452		4,452	
12/1/14	4,452		4,452	
3/1/15	4,452		4,452	
6/1/15	4,452		4,452	
9/1/15	4,452		4,452	
12/1/15	4,452		4,452	
3/1/16	4,452		4,452	
6/1/16	4,452		4,452	
9/1/16	4,452		4,452	
12/1/16	4,452		4,452	
3/1/17	4,452		4,452	
6/1/17	4,452		4,452	
9/1/17	4,452		4,452	
12/1/17	4,452		4,452	
3/1/18	4,452		4,452	
6/1/18	4,452		4,452	
9/1/18	4,452		4,452	
12/1/18	4,452		4,452	
3/1/19	4,452		4,452	
6/1/19	4,452		4,452	
9/1/19	4,452		4,452	
12/1/19	4,452		4,452	
3/1/20	4,452		4,452	
6/1/20	4,452		4,452	
9/1/20	4,452		4,452	
12/1/20	4,452		4,452	
3/1/21	4,452		4,452	
6/1/21	4,452		4,452	
9/1/21	4,452		4,452	
12/1/21	4,452		4,452	

Town of Junior			
40 Years			
0% Interest Rate			
Period Ending	Principal	Interest	Debt Service
3/1/22	4,452		4,452
6/1/22	4,452		4,452
9/1/22	4,452		4,452
12/1/22	4,452		4,452
3/1/23	4,452		4,452
6/1/23	4,452		4,452
9/1/23	4,452		4,452
12/1/23	4,452		4,452
3/1/24	4,452		4,452
6/1/24	4,452		4,452
9/1/24	4,452		4,452
12/1/24	4,452		4,452
3/1/25	4,452		4,452
6/1/25	4,452		4,452
9/1/25	4,452		4,452
12/1/25	4,452		4,452
3/1/26	4,452		4,452
6/1/26	4,452		4,452
9/1/26	4,452		4,452
12/1/26	4,452		4,452
3/1/27	4,452		4,452
6/1/27	4,452		4,452
9/1/27	4,452		4,452
12/1/27	4,452		4,452
3/1/28	4,452		4,452
6/1/28	4,452		4,452
9/1/28	4,452		4,452
12/1/28	4,452		4,452
3/1/29	4,452		4,452
6/1/29	4,452		4,452
9/1/29	4,452		4,452
12/1/29	4,452		4,452
3/1/30	4,452		4,452
6/1/30	4,452		4,452
9/1/30	4,452		4,452
12/1/30	4,452		4,452
3/1/31	4,452		4,452
6/1/31	4,452		4,452
9/1/31	4,452		4,452
12/1/31	4,452		4,452
3/1/32	4,452		4,452
6/1/32	4,452		4,452
9/1/32	4,452		4,452
12/1/32	4,452		4,452
3/1/33	4,452		4,452
6/1/33	4,452		4,452
9/1/33	4,452		4,452
12/1/33	4,452		4,452
3/1/34	4,452		4,452

Town of Junior			
40 Years			
0% Interest Rate			
Period Ending	Principal	Interest	Debt Service
6/1/34	4,452		4,452
9/1/34	4,451		4,451
12/1/34	4,451		4,451
3/1/35	4,451		4,451
6/1/35	4,451		4,451
9/1/35	4,451		4,451
12/1/35	4,451		4,451
3/1/36	4,451		4,451
6/1/36	4,451		4,451
9/1/36	4,451		4,451
12/1/36	4,451		4,451
3/1/37	4,451		4,451
6/1/37	4,451		4,451
9/1/37	4,451		4,451
12/1/37	4,451		4,451
3/1/38	4,451		4,451
6/1/38	4,451		4,451
9/1/38	4,451		4,451
12/1/38	4,451		4,451
3/1/39	4,451		4,451
6/1/39	4,451		4,451
9/1/39	4,451		4,451
12/1/39	4,451		4,451
3/1/40	4,451		4,451
6/1/40	4,451		4,451
9/1/40	4,451		4,451
12/1/40	4,451		4,451
3/1/41	4,451		4,451
6/1/41	4,451		4,451
9/1/41	4,451		4,451
12/1/41	4,451		4,451
3/1/42	4,451		4,451
6/1/42	4,451		4,451
9/1/42	4,451		4,451
12/1/42	4,451		4,451
3/1/43	4,451		4,451
6/1/43	4,451		4,451
9/1/43	4,451		4,451
12/1/43	4,451		4,451
3/1/44	4,451		4,451
6/1/44	4,451		4,451
9/1/44	4,451		4,451
12/1/44	4,451		4,451
3/1/45	4,451		4,451
6/1/45	4,451		4,451
9/1/45	4,451		4,451
12/1/45	4,451		4,451
3/1/46	4,451		4,451
6/1/46	4,451		4,451

(Form of)

ASSIGNMENT

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

Dated: _____, 2009.

In the presence of:



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

Writer's Contact Information

September 10, 2009

Town of Junior
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

Town of Junior
Junior, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Junior (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its \$690,000 Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated September 10, 2009, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011, to and including September 1, 2049, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public water system of the Issuer (the "Project"); (ii) funding the Series 2009 A Bonds reserve Account; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on September 8, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 8, 2009 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System.

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws

affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,


STEPHENS & JOHNSON PLLC

Caton N. Hill, Jr.
Attorney at Law
P. O. Box 10
Philippi, West Virginia 26416

Telephone 304-457-3580

State Bar ID #1723

Fax 304-457-3581

September 10, 2009

Town of Junior
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

Town of Junior
Junior, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia.

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the Town of Junior in Barbour County, West Virginia (the "Issuer"), in connection with the above-captioned bond issue. As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement dated September 10, 2009, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), a Bond Ordinance duly enacted by the Issuer on September 8, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 8, 2009 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

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

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

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

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

5. The Issuer has received all permits, licenses, approvals, exemptions, consents, registrations, certificates and authorizations required by law for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Bureau for Public Health, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of ordinances prescribing such rates and charges. The time for appeal of such rate ordinances has expired prior to the date hereof without any appeal.

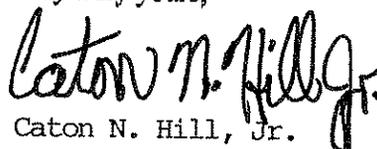
6. The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on June 25, 2009, which became final order on July 15, 2009, in Case No. 09-0113-W-CN, granting the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof. Such Order remains in full force and effect.

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

8. All successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (v) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,


Caton N. Hill, Jr.

Caton N. Hill, Jr.
Attorney at Law
P. O. Box 10
Philippi, West Virginia 26416

Telephone 304-457-3580

State Bar ID #1723

Fax 304-457-3581

September 10, 2009

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Town of Junior

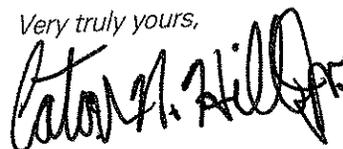
Dear Ladies & Gentlemen:

I represent the Town of Junior (the "Town") with regard to a proposed project to construct additions and improvements to its waterworks distribution system, consisting of extending its waterworks distribution lines in six (6) areas within its service territory, together with all appurtenant facilities (the "Project"), and provides this title opinion on behalf of the Town to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") with regard to the financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the Town is a duly created and existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the Bureau for Public Health.
2. That the Town has obtained approval for all necessary permits and approvals for the construction of the Project.
3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Green Engineering, Inc. the consulting engineers for the Project.
4. That I have examined the records on file in the Office of the Clerk of the County Commission of Barbour County, West Virginia, the county in which the Project is to be located, and, in my opinion, the Town has acquired legal title or such other estate or interest in the necessary site components for the Project, including 100% of the easements and/or rights-of-way, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Caton N. Hill, Jr.", with a stylized flourish at the end.

Caton N. Hill, Jr.

TOWN OF JUNIOR

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

On this 10th day of September, 2009, we, the undersigned MAYOR and RECORDER of the Town of Junior in Barbour County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with the Town of Junior Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2009 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as in the Bond Ordinance of the Issuer duly enacted September 8, 2009, and the Supplemental Resolution duly adopted September 8, 2009 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the

Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System and the issuance of the Bonds have been obtained and remain in full force and effect, and competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the loan agreement (the "Loan Agreement") entered into by and between the Issuer and the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"). The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete and operate the Project.

There are no outstanding obligations of the Issuer which will rank on a parity with the Series 2009 A Bonds as to liens, pledge and source of and security for payment.

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

Bond Ordinance

Supplemental Resolution

Loan Agreement

Public Service Commission Order

Infrastructure Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Councilmembers

Water Rate Ordinance

Minutes on Adoption and Enactment of Water Rate Ordinance

Affidavits of Publication of Rate Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Bond Ordinance and Adoption of Supplemental Resolution

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

Evidence of Insurance

Bureau for Public Health

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Town of Junior." The Issuer is a municipal corporation in Barbour County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its council, consisting of a Mayor, a Recorder and 5 councilmembers, all duly elected, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Ricky Vest, Mayor	July 1, 2009	June 30, 2011
Camilla Shiflett, Recorder	July 1, 2009	June 30, 2011
Bob Skidmore, Councilmember	July 1, 2009	June 30, 2011
Jack Skidmore, Councilmember	July 1, 2009	June 30, 2011
Charlie Bohan, Councilmember	July 1, 2009	June 30, 2011
Tabitha Shomo, Councilmember	July 1, 2009	June 30, 2011
Barbara Lyle, Councilmember	July 1, 2009	June 30, 2011

The duly appointed and acting Counsel to the Issuer is Caton Hill, Jr., Esquire, of Philippi, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the

Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

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

11. RATES: The Issuer has duly enacted a water rate ordinance on February 17, 2009 setting forth the respective rates and charges for the services of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal, and such rate ordinance is currently in effect.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by her manual signature, and the undersigned Recorder did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by her manual signature, and the Registrar did officially authenticate, register and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

13. BOND PROCEEDS: On the date hereof, the Issuer received \$73,780 from the Authority and the Council, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in *The Barbour Democrat*, a newspaper published and of general circulation in the Town of Junior, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of the Governing Body on the 8th day of September, 2009, at 6:00pm, at the Town Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia in Case No. 09-0113-W-CN entered on June 25, 2009 which became final order on July 15, 2009, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof. Such Order is in full force and effect.

16. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bond.

17. CONFLICT OF INTEREST: No officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

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

[Remainder of Page Intentionally Left Blank]

WITNESS our signatures and the official seal of the TOWN OF JUNIOR as of the date first written above.

[CORPORATE SEAL]

SIGNATURE

Richard W. Lee
Camella Shiflett
Anton N. Hill Jr.

OFFICIAL TITLE

Mayor Richard W. Lee
Recorder Camella Shiflett
Counsel to Issuer

TOWN OF JUNIOR

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

On this 10th day of September, 2009, I, Michael Green, Registered Professional Engineer, West Virginia License No. 7621, of Green Engineering, Inc., Consulting Engineers, in Clarksburg, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the existing public water system (the "System") of the Town of Junior (the "Issuer"), to be constructed in Barbour County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Series 2009 A Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Ordinance enacted by the Issuer on September 8, 2009, and the Supplemental Resolution adopted by the Issuer on September 8, 2009, and the loan agreement dated September 10, 2009 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council").

2. The Bonds are being issued for the purposes of (i) paying the costs of acquisition and construction of the Project; (ii) funding the Series 2009 A Bonds Reserve Account; and (iii) paying costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing described in Schedule B, attached hereto as Exhibit A and the Issuer's counsel, Caton Hill, Jr., esquire, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all applicable permits required by the laws of the State of West

Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) in reliance upon the certificate of Bennett & Dobbins, PLLC, as of the effective date thereof, the rates and charges for the System enacted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

4. The Project will serve 59 new customers in the southwest and northeast areas around the Town.

[Remainder of Page Intentionally Blank]

WITNESS my signature and seal as of the date first written above.

GREEN ENGINEERING, INC.

[SEAL]





Michael Green, P.E.
West Virginia License No. 7621

08.24.09
461180.00003

SCHEDULE B
Town of Junior
POST BID

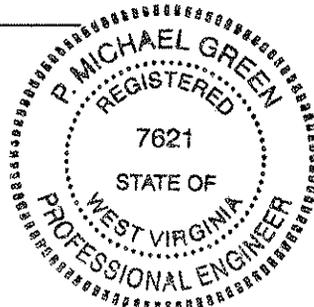
A. COST OF PROJECT	TOTAL	IJDC	RUS
1 Construction			
a Construction Pro Contracting	988,965.00	582,745.00	406,220.00
b. Contingency	60,030.00	0.00	60,030.00
c Fencing	16,000.00	0.00	16,000.00
d Future Change Order			
i. Extension (including engineering)	120,000.00	0.00	120,000.00
ii. Permitting / inspection	8,500.00	0.00	8,500.00
iii. Legal	2,500.00	0.00	2,500.00
2 Technical Services - Green			
a Basic	82,000.00	0.00	82,000.00
b. Inspection	65,700.00	0.00	65,700.00
c. Special	5,000.00	0.00	5,000.00
3 Legal & Accounting			
a. Legal	21,500.00	21,500.00	0.00
b Special PSC Counsel	7,500.00	7,500.00	0.00
c. Legal - Rate Ordinances	2,500.00	2,500.00	0.00
d Accounting	16,447.00	16,447.00	0.00
4 Administrative	12,000.00	12,000.00	0.00
5 Sites & Other Lands	4,000.00	4,000.00	0.00
6 Miscellaneous / permits	5,000.00	5,000.00	0.00
7 Project Contingency	44,050.00	0.00	44,050.00
8 TOTAL of Lines 1 through 7	1,461,692.00	651,692.00	810,000.00
B. COST OF FINANCING			
9 Funded Reserve	17,808.00	17,808.00	0.00
10 Registrar	500.00	500.00	0.00
11 Bond Counsel	20,000.00	20,000.00	0.00
12 Cost of Financing	38,308.00	38,308.00	0.00
13 TOTAL PROJECT COST line 8 plus line 12	1,500,000.00	690,000.00	810,000.00
C. SOURCES OF OTHER FUNDS			
14 Federal Grants RUS	810,000.00	0.00	810,000.00
15 State Grants	0.00	0.00	0.00
16 Other Grants	0.00	0.00	0.00
17 TOTAL GRANTS Lines 14 through 16	810,000.00	0.00	810,000.00
18 Size of Bond Issue (Line 13 minus line 17)	690,000.00	690,000.00	0.00

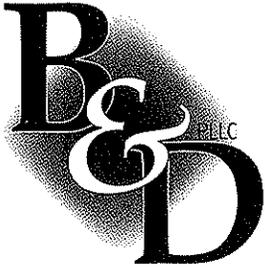
Richard Uwe
 Town of Junior

9/10/09
 Date

Michael Green
 Green Engineering

9/10/09
 Date





Bennett & Dobbins PLLC

CERTIFIED PUBLIC ACCOUNTANTS

317 Cleveland Avenue
Fairmont, WV 26554-1604
Telephone: (304) 366-4295 Fax: (304) 366-4311

GARY K. BENNETT, MBA-CPA
ZACHARY D. DOBBINS, CPA

September 10, 2009

Town of Junior
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

Town of Junior
Junior, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure & Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges as set forth in the water rate ordinance of the Town of Junior (the "Issuer") enacted February 17, 2009, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Green Engineering (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will (i) provide for all reasonable expenses of operation, repair and maintenance of the System; and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Series 2009 A Bonds and all other obligations secured by or payable from such revenues.

Very truly yours,

Bennett & Dobbins PLLC

BENNETT & DOBBINS PLLC

TOWN OF JUNIOR

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

On this 10th day of September, 2009, the undersigned Mayor of the Town of Junior in Barbour County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of \$690,000 Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, dated September 10, 2009 (the "Bonds" or the "Series 2009 A Bonds"), hereby certifies as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on September 8, 2009, as supplemented by Supplemental Resolution duly enacted by the Issuer on September 8, 2009, (collectively, the "Bond Ordinance"), authorizing the Bonds.
2. This certificate may be relied upon as the certificate of the Issuer.
3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on September 10, 2009, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Series 2009 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.
4. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Infrastructure and Jobs Development Council (the "Council"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.
5. The Series 2009 A Bonds were sold on September 10, 2009, to the Authority, pursuant to a Loan Agreement dated September 10, 2009, by and among the Issuer, the Authority and the Council, for an aggregate purchase price of \$690,000 (100% of par), at which time, the Issuer received \$73,780 from the Authority and the Council, being the first advance of the principal amount of the Series 2009 A Bonds. No accrued interest has been or will be paid on the Series 2009 A Bonds. The balance of

the principal amount of the Series 2009 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2009 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public water of the Issuer (the "Project"), (ii) funding the Series 2009 A Bonds Reserve Account; and (iii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2009 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before October 1, 2010. The acquisition and construction of the Project is expected to be completed by April 1, 2010.

8. The total cost of the Project is estimated at \$1,500,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2009 A Bonds	\$690,000
RUS Grant	<u>\$810,000</u>
Total Sources	<u>\$1,500,000</u>

USES

Costs of Project	\$1,461,692
2009 A Bonds Reserve Account	\$17,808
Costs of Issuance	<u>\$20,500</u>
Total Uses	<u>\$1,500,000</u>

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created relative to the Series 2009 A Bonds:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2009 A Bonds Construction Trust Fund;

- (4) Series 2009 A Bonds Sinking Fund; and
- (5) Series 2009 A Bonds Reserve Account.

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

- (1) From the proceeds of the Series 2009 A Bonds, there shall first be deposited with the Commission in the Series 2009 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2009 A Bonds for the period commencing on the date of issuance of the Series 2009 A Bonds and ending 6 months after the estimated date of completion of construction of the Project;

- (2) Next, from the proceeds of the Series 2009 A Bonds, there shall be deposited with the Commission in the Series 2009 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2009 A Bonds Reserve Account.

- (3) The remaining proceeds of the Series 2009 A Bonds shall be deposited in the Series 2009 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2009 A Bonds and related costs.

11. Moneys held in the Series 2009 A Bonds Sinking Fund will be used solely to pay principal of the Series 2009 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2009 A Bonds Sinking Fund and Series 2009 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2009 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 6 months of the date hereof.

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

14. With the exception of the amount deposited in the Series 2009 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 12 months from

the date of issuance thereof.

15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

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

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

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

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

20. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Bonds are not federally guaranteed.

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

23. The Issuer has either (a) funded the Series 2009 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2009 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2009 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2009 A Bonds Reserve Account and the Series 2009 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

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

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

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

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WITNESS my signature as of the date first written above.

TOWN OF JUNIOR

By: Richard W. [Signature]
Its: Mayor

08.24.09
461180.00003

TOWN OF JUNIOR

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

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

1. Regular Meetings. A notice shall be posted and maintained by the Recorder at the front door or bulletin board of the Town Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Recorder not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the Recorder at the front door or bulletin board of the Town Hall not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

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

Adopted this 17th day of May, 2004.

Mary Miller
Mayor

ATTEST:

R. De. Smith
Recorder

CERTIFICATION

I, DeDe Smith, duly appointed Recorder of the Town of Junior do hereby certify that the foregoing is a true and accurate copy of a Resolution adopted by the Town Council of the Town of Junior at a regular meeting of Town Council held May 17, 2004, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 17th day of May, 2004.

[SEAL]

DeDe Smith
Recorder

ORDINANCES AND BY-LAWS
OF THE
TOWN OF JUNIOR, BARBOUR COUNTY, WEST VIRGINIA

To which is appended the
CERTIFICATION OF INCORPORATION

CHAPTER I.

STATE OF WEST VIRGINIA:
At a Circuit Court held for the County of Barbour, at the
Court House thereof on the 13th day of November, 1897.
In re.

THE INCORPORATION OF THE TOWN OF JUNIOR

Application and motion have been and docketed on a former day of this term, for the incorporation of the town of Junior; and the Court having maturely considered the said application and motion upon the papers filed herein, this is to say: Upon the survey, map and census made of the territory proposed to be incorporated, the notice given of the application for said incorporation, in which the boundaries of the proposed incorporation are given by metes and bounds, the returns of the election held within said territory to ascertain the sense of the voters of said territory upon the application for a certificate of incorporation, and upon the certificate of the commissioners of the said election and was argued by council. And it appearing to the Court that all of the provisions of Section 2 to 8, inclusive of Chapter 47 of the Code of West Virginia have been complied with by parties making this motion, and that a majority of the qualified voters of the said territory have voted in favor of incorporation, that the said territory proposed to be incorporated contains a resident population of more than one hundred persons, and includes within its boundaries a territory of more than one quarter of one square mile.

The Court doth therefore order and direct the Clerk of this Court to issue a certificate of incorporation to the town of Junior as follows: A certificate under oath of Geo. M. Hayes, J.S. Smallridge and W.M. Rucker was this day filed, showing that a majority of all the qualified voters residing in the following boundary, to wit: Beginning at a stake a short distance below the Latham ford on the west side of the Tygarts Valley River, thence crossing the river S 35 3/4 E 76 poles and 12 links to a rock on the land of George Arbogast; thence S 49 3/4 W 100 poles to a stake; thence S 22 3/4 W 88 poles to a chestnut tree; thence S 68 W 66 poles to a stake; thence S 55 W 24 poles to a stake, thence N 58 3/4 W 77 poles crossing the river to a poplar tree on the west bank; thence with the river N 47 E 88 poles, N 55 1/4 E 28 poles N 48 E 82 poles, N 58 1/2 E 74 poles and 13 links, N 60 1/8 E 32 poles, N 50 E 15 poles, N 38 1/8 E 39 poles passing Latham ford to the beginning, having been given in due form of law in favor of the incorporation of said town of Junior, in the County of Barbour, State of West Virginia, bounded as herein before set forth.

And it appearing to the satisfaction of the Court that all the provisions of Chapter 47 of the Code of West Virginia have been complied with by the applicants for said incorporation, the said town is duly authorized within the corporate limits aforesaid to exercise all the corporate powers conferred by the said Chapter, and its amendments from and after the date of this certificate. A true copy from the record.

Attest: R. E. Talbott,
Clerk of said Court.

ORDINANCE II
CONCERNING OFFICERS, DUTIES, FEES, ETC.

Sec. 1. APPOINTMENTS

The council shall annually at the first meeting, or as soon as thereafter as practicable, appoint a Sergeant, and other such officers as may be deemed proper, to continue in office at its pleasure. All officers shall continue in office until their successors are duly qualified. Vacancies in the office of councilman or Mayor shall be filled by the Council until the next regular election.

Sec. 2. POWERS AND OATH

The duties and powers of the various officers shall be as prescribed by the Charter, except as modified by ordinance or resolution of the Council. Before entering upon the discharge of his duties every person elected or appointed to an office shall take an oath to support the Constitution of the United States, and the Constitution of the State, and to perform the duties of his office to the best of his skill and judgement. The oath shall be taken before the Mayor or any person authorized to administer oaths, and a certificate thereof shall be filed with the Recorder.

Sec. 3. MAYOR

The Mayor, under the advice of the Council, shall have general supervision of all town officers, and shall see that they faithfully perform the duties of their respective offices. He shall be the keeper of the seal of the town, and affix the same when necessary or required by ordinance to any deed or other paper. In his absence or disability from sickness or other cause, the Recorder shall act as Mayor pro tempore. And in the absence or disability from sickness or other cause of both Mayor and Recorder, any member of Council present in town and able for duty shall discharge the duties of the office if called upon to do so.

Sec. 4. RECORDER

The recorder shall be the custodian of the records, bonds, books, papers, plats, etc., belonging to the town, except in cases otherwise provided. Said books and papers shall always be open to the inspection of the citizens and tax-payers of the town.

Sec. 5. SERGEANT

The sergeant shall collect the town taxes, fines, licences and perform such other duties as are prescribed by the charter, or any ordinance or resolution of the Council, or may be required by the Mayor. Before entering upon the duties of his office he shall execute before and file with the Recorder, subject to approval of the Council, a bond in the penalty of \$1,000 with good personal security. He shall have charge of the funds of the town, and shall pay out same only on order of the Council. He shall keep a book showing his receipts and disbursements by separate items, which shall always be open to the inspection of the Finance Committee. He shall furnish the Council monthly statement, when required. The sergeant shall not shave or discount any order, in case he should he shall be liable to a fine for malfeasance in office and shall be required to pay the amount of such shave or discount into the town treasury. The informer in such case shall be entitled to one half the fine.

Sec. 6. POLICE SERGEANTS, DEPUTIES & ASSISTANTS.

The police sergeant, their deputies and assistants shall see that peace and good order are preserved, both day and night, throughout the town; shall prevent the breach of any ordinance, if possible, and shall arrest the offenders promptly. They shall, under the supervision of the Mayor, have charge of the lock-up and shall see that the same is kept free from filth and in good order and safe repair. They shall, when on duty, wear such uniforms as may be prescribed by resolution of the council.

Sec. 7.

Every officer whose duty it is to collect or pay out of the funds of the town, shall annually, on or before the first day of February in each year, lay a statement of his receipts and disbursements, together with his vouchers, before the Finance Committee, who shall carefully examine the same, and shall make report thereof to the Council at its next meeting. Such report, when found correct and approved by the Council, shall be recorded by the Recorder. The council may, from time to time, require any officer to make such reports of settlements as may be deemed necessary.

Sec. 8.

The finance committee shall have charge of the financial affairs of the town. They shall examine all accounts to see that they are correct, report on all bond, make statements with the various officers, annually make up and report the necessary expenditures and levy and perform any duty that may be required of them by the council.

Sec. 9.

The street committee shall have charge of the street, alleys, sidewalk, culvertes, sewers, bridges and other property of the town. They shall see that the same are kept free from obstruction, clean and in good repair. They shall, from time to time, recommend such improvements as ought to be undertaken by the coucil, and report the probable expense thereof, and preform such other duties as may be required.

Sec. 10.

The ordinance committee shall have charge of all legal matters, shall draft, examine and recommend necessary ordinances, orders, resolutions and rules, and preform such other duties as may be required.

Sec. 11.

The following fees and salaries shall be paid out of the town treasury, to-wit:

MAYOR: such compensation as may be fixed rom time to time by the council.

RECORDER: such compensation as may be fixed from time to time by the council.

POLICEMAN: such compensation as may be fixed rom time to time by the council.

COMMITTEEMAN: twenty-five cents per hour for every hour actually and necessarily engaged.

Witnesses for the town shall be allowed the same fees as witnesses before the Justices of the Peace. Fees not to be paid out of the town treasury.

The following officers shall be entitled to charge the following fees to be taxed as a part of the costs in any case or to be paid by the party at whoes instance the service is rendered, but in no instance to be paid out of the treasury, to-wit:

MAYOR: for all services in a case before him where there is no defense one dollar, where defense is made and a trial is had, two dollars, for making transcript of record in case of appeal or certiorare on dollar.

SERGEANT: or other police officer for making an arrest one dollar, when the body is acrally taken and for each necessary assistant, one dollar. For other services the same fees as a constable for similar services.

RECORDER: for making copies from books or other papers in his possessio a specific fee of twenty-five cents, or in lieu therfore ten cents per hundred words.

Sec. 12. NEGLECT OF DUTIES OF OFFICE

If any elected officer of the Town of Junior shall neglect the duties of his office, including but not limited to failing to attend three (3) consecutive regularly scheduled meetings of the Common Council, the Council shall summon said officer to attend the next regularly scheduled meeting of the Council and provide his explanation of such neglect. In the event that the said officer shall fail to attend the meeting to which summoned, or that said officer fails to provide a satisfactory explanation of the alleged neglect of his office, then the Council shall have the right to declare his office vacant for neglect, and to fill such vacancy according to the provisions of ordinance I Section 6.

First Reading SEPTEMBER 10, 1986

Second Reading SEPTEMBER 10, 1980

Third Reading and Final Passage OCTOBER 8, 1980

Diane Durnal
Recorder

Sec. 13.

There is hereby created the Office of Police judge of the Town of Junior. The Police Judge shall be appointed by and serve at the pleasure of the governing body of the Town. The Police Judge shall receive a salary of \$250.00 per year, and shall sit at least twice per month. The Police Judge, when appointed, shall exercise all the powers vested in the Mayor regarding trial of violations of ordinance.

First Reading May 27, 1981

Second Reading May 27, 1981

Third Reading and Final Passage June 10, 1981

Diane Durnal
Recorder

STANDING RULES FOR THE GOVERNMENT OF THE
COUNCIL OF THE TOWN OF JUNIOR

RULE 1. TIME AND PLACE OF MEETINGS.

The meeting of the council shall be held at the council chamber, at such time as may be fixed by general orders or special orders of adjournment.

RULE 2. SPECIAL MEETINGS.

The Mayor, presiding officer of the council, or any three members shall have the power to call special meetings by reasonable notice to each member within the town.

RULE 3. MAYOR TO PRESIDE.

The Mayor shall take the chair at the hour appointed for the Council to meet, and having called the members to order, shall preserve decorum and enforce a strict observance of these rules.

RULE 4. ABSENCE OF MAYOR.

In the absence of the Mayor, the council may appoint a chairman or presiding officer (provided the Recorder shall be absent) by the vote of the majority of the members present, who shall exercise all the powers, and discharge all the duties pertaining to the office of Mayor.

RULE 5. QUESTIONS OF ORDER.

All questions of order shall be decided by the Mayor or chairman, subject to an appeal to the Council.

RULE 6. SANCTIONS.

If any member transgress the rules of the Council, the Mayor shall, or any member may call him to order; in which case the member called to order shall immediately sit down and be silent, unless permitted by the Council to explain; and the council, if appealed to, shall decide the matter.

RULE 7. APPEAL TO COURT.

An appeal from the decision of the Mayor chairman upon a question of order, shall be allowed to be put, only upon the demand of two members beside the appellant.

RULE 8. FORM OF QUESTION ON APPEAL.

The question upon an appeal shall be put in the following form: "Shall the decision of the chair be reserved?"

RULE 9. VOTE REQUIRED

Every member present at the time a question is put shall vote, unless the Council for special reason shall excuse him.

RULE 10. WHEN QUESTION TO BE IN WRITING.

Every motion of proposition shall be reduced to writing, if the Mayor or any member of the Council shall require it.

RULE 11. WHEN MOTION DEBATABLE: HOW WITHDRAWN.

When a motion is made and seconded, it shall be deemed to be in the possession of the Council, and shall be stated by the Mayor, or being in writing read by the Recorder, previous to debate; such motion may be withdrawn at anytime before decision or amendment, by the consent of the Council.

RULE 12. ORDER OF BUSINESS.

The order of proceedings of the meetings of the Council shall be as follows:

- FIRST: The unfinished business appearing on the minutes.
- SECOND: The reports from committees.
- THIRD: Reports from any officer or any officers in town.
- FOURTH: PETITIONS FOR REDRESS OF GRIVANCES.
- FIFTH: Petitions of all other kinds.
- SIXTH: Original propositions from any member.

RULE 13. RECORD OF PROCEEDINGS.

At each meeting the journal of the preceding meeting shall be first read, and being corrected, if necessary, shall be signed by the Mayor and attested by the recorder.

RULE 14. SUSPENSION OF ORDER OF BUSINESS.

The order of proceedings may be suspended or changed at any meeting, for the time only, by the vote of a majority of the members present.

RULE 15. FORM OF QUESTION.

All questions shall be put in this form-"as many as are of opinion" (as the case may be) say aye, contrary, no," and in doubtful cases, or where an affirmative vote of two-thirds of the members present is necessary to carry the proposition, the Mayor may direct, or any member may call for a division.

RULE 16. CALL FOR PREVIOUS QUESTIONS.

The call for the previous question shall be decided by the following proposition: "Shall the main question be put" The call to be admitted only on the demand of three members, and until decided shall preclude all amendment or debate of the main question.

RULE 17. DIVISION OF THE QUESTION.

Any member may call for a division of the question where the case will admit thereof.

RULE 18. CALL FOR VOTE.

The ayes and nays shall be taken and recorded on any question before the Council, upon the demand of any two members; but such call shall not preclude amendments before the main question is put.

RULE 19. PROTEST BY MEMBERS.

Any two members shall have the liberty to protest against any ordinance of the Council, which they may think injurious to the public or any individual, and have the reasons of their protest entered upon the journal.

RULE 20. CALLING COUNCIL.

When the Council is called, the names shall be in alphabetical order.

RULE 21. READING OF ORDINANCE.

The first reading of an ordinance proposed, shall be the information; and if objections are made, the question shall be "Shall the proposition be rejected?" If no objection be made, or the question to reject be lost, the ordinance shall go to a second reading without further question, after which it shall be subject to amendment or debate.

RULE 22. PRIVILEGED MOTIONS.

When a question is before the Council, no motion shall be received unless to amend, postpone or commit the main question, or to adjourn.

RULE 23. MOTION TO ADJOURN.

A motion to adjourn shall always be in order unless the Council is engaged in voting.

RULE 24. MOTIONS NOT DEBATABLE.

Motion to adjourn, or lay on table, shall be decided without debate.

RULE 25. RECOMMITMENT OF ORDINANCE.

An order or resolution after commitment and report thereon, may be recommitted at any time previous to its final passage.

RULE 26. ORDER OF FILLING BLANKS.

In filling blanks, the first name, the longest time, or the largest sum shall be put first.

RULE 27. STANDING COMMITTEES.

The standing committees shall be as follows, Viz:
On Ordinances
On Finances
On Streets and Alleys
On Cemetery

RULE 28. APPOINTMENT OF COMMITTEES.

All standing committees shall be appointed by the council; all select committees shall be appointed by the Mayor, unless otherwise ordered by the council.

RULE 29. MEMBERSHIP OF COMMITTEES.

The standing committees shall each consist of three members unless otherwise ordered at the time.

RULE 30. REPORTS OF COMMITTEES.

All reports of committees shall be written, signed by the members or Chairman, and shall specify in the form of a resolution or ordinance at the close of the report, such action in the premises as the committees may recommend as proper for Council to adopt.

RULE 31. LEAVING COUNCIL MEETING.

No member shall leave a meeting of the Council without permission.

RULE 32. PROCEDURE FOR REMISSION OF FINES.

All petitions for the remission of fines shall be verified by affidavit and be accompanied by a transcript of the record of the case and a statement of evidence from the magistrate rendering judgement.

RULE 33. PROCEDURE ON CHARGES AGAINST OFFICER.

Charges against any officer of the town shall be preferred in writing and verified by affidavit; and having been read shall be laid on table or referred to a committee for investigation without debate.

RULE 34. MANNER OF ADDRESSING MEETING.

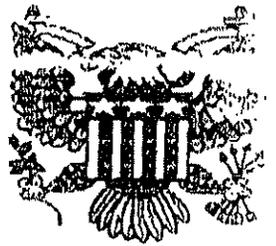
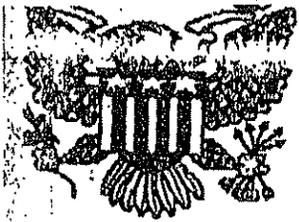
When a member is about to speak, he shall rise and respectfully address himself to the Mayor. And the Mayor shall pronounce the name of the member entitled to speak, where more than one member claims the right to speak at the same time. But no member shall speak more than twice on the same question without leave from the council.

RULE 35. FINAL PASSAGE OF ORDINANCE.

No ordinance shall be put on its final passage until it shall have passed its third reading.

TOWN OF JUNIOR

PO BOX 247
JUNIOR WV 26275
304-823-1829



CATH OF OFFICE

I, Ricky Vest do solemnly swear or affirm that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia. And that I will faithfully discharge the duties of the Office of, Mayor the Town of Junior, to the best of skill and judgement, so help me God.

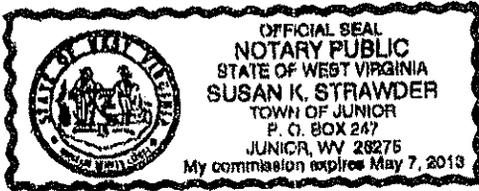
Signature

Subscribed and sworn to me this 30th day of June 2009

Susan K. Strawder

Mayor or Person before whom sworn

Sary Miller



TOWN OF JUNIOR

PO BOX 247
JUNIOR WV 26275
304-823-1829

OATH OF OFFICE

I, Camilla Shiflet do solemnly swear or
affirm that I will support the Constitution of the United
States of America and the Constitution of the State of
West Virginia. And that I will faithfully discharge the
duties of the Office of, Recorder the Town
of Junior, to the best of skill and judgement, so help me
God.

Signature

Subscribed and Sworn to me this 10th day of

May

Mayor or Person before whom sworn

TOWN OF JUNIOR

PO BOX 247
JUNIOR WV 26275
304-923-1829

OATH OF OFFICE

I, Bob Skidmore do solemnly swear or affirm that I will support the Constitution of the United States of America, and the Constitution of the State of West Virginia. And that I will faithfully discharge the duties of the Office of, Council the Town of Junior, to the best of skill and judgement, so help me God.

Bob Skidmore
Signature

Subscribed and Sworn to me this 9th day of July 2009

Mayor or Person before whom sworn

TOWN OF JUNIOR

PO BOX 247
JUNIOR WV 26275
304-823-1829

OATH OF OFFICE

I, Charles Boham do solemnly swear or affirm that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia. And that I will faithfully discharge the duties of the Office of, Council the Town of Junior, to the best of skill and judgement, so help me God.

Charles Boham

Signature

Subscribed and Sworn to me this 10th day of July 2008

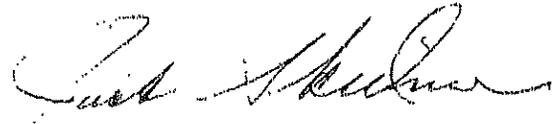
Mayor or Person before whom sworn

TOWN OF JUNIOR

PO BOX 247
JUNIOR WV 26275
304-823-1829

OATH OF OFFICE

I, JACK SKIDMORE do solemnly swear or
affirm that I will support the Constitution of the United
States of America and the Constitution of the State of
West Virginia. And that I will faithfully discharge the
duties of the Office of, Board Member the Town
of Junior, to the best of skill and judgement, so help me
God.


Signature

Subscribed and sworn to me this 6th day of

July 2009

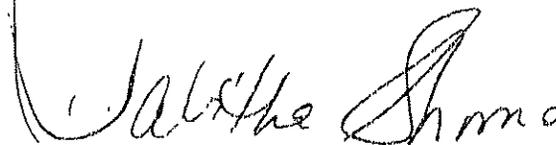
Mayor or Person before whom sworn

TOWN OF JUNIOR

PO BOX 247
JUNIOR WV 26275
304-823-1829

OATH OF OFFICE

I, Tabitha Shomo do solemnly swear or affirm that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia. And that I will faithfully discharge the duties of the Office of, Council Member the Town of Junior, to the best of skill and judgement, so help me God.



Signature

Subscribed and Sworn to me this 6th day of July, 2009

Mayor or Person before whom sworn

TOWN OF JUNIOR

PO BOX 247
JUNIOR WV 26275
304-823-1829

OATH OF OFFICE

I, Barbara Sate do solemnly swear or affirm that I will support the Constitution of the United States of America and the Constitution of the State of West Virginia. And that I will faithfully discharge the duties of the Office of, Council member the Town of Junior, to the best of skill and judgement, so help me God.

Signature

Subscribed and Sworn to me this 6th day of

July, 2009

Mayor or Person before whom sworn

TOWN OF JUNIOR

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

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

RULES AND REGULATIONS

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

SECTION 1 – SCHEDULE NO. 1 TARIFF
(Effective 45 days from passage)

APPLICABILITY

Applicable to existing territory served before expansion customers were added.

AVAILABILITY OF SERVICE

Available for general domestic, consumer, and industrial service.

METER RATE

First	2,000 gallons used per month	\$10.06	per 1,000 gallons
Next	3,000 gallons used per month	\$6.10	per 1,000 gallons
Next	15,000 gallons used per month	\$4.09	per 1,000 gallons
All over	20,000 gallons	\$3.36	per 1,000 gallons

MINIMUM CHARGE

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

5/8 inch meter	--	\$20.12	per month
3/4 inch meter	--	\$30.18	per month
1 inch meter	--	\$50.30	per month
1 1/4 inch meter	--	\$73.44	per month
1 1/2 inch meter	--	\$100.60	per month
2 inch meter	--	\$160.96	per month
3 inch meter	--	\$301.80	per month
4 inch meter	--	\$503.00	per month
6 inch meter	--	\$1,006.00	per month

MULTIPLE OCCUPANCY

Apartment buildings and other multiple-occupancy buildings shall be required to pay not less than the minimum monthly charge for each unit, multiplied by the number of units in such

building at the time the meter is read, or the actual charge for the water used, whichever is greater.

Hotels and motels shall pay according to the amount of water used.

House trailer courts (including mobile and immobile units) served through a single meter shall be required to pay the minimum charge per month multiplied by the number of units on site at the time the meter is read or the actual charge for the water used, whichever is greater.

DELAYED PAYMENT PENALTY

The above rates and charges are net. A ten percent (10%) penalty shall be added to all charges not paid within 20 days from the date of the billing. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

CONNECTION CHARGE

There shall be charged a connection fee of \$400.00 for each connection into the waterworks system. This fee is to pay for damage to, inspection of, extension of and right-of-way for water lines within the system.

RECONNECTION CHARGE

The reconnection charge is twenty-five dollars (\$25.00). (Non-refundable, not applicable to account.)

LEAK ADJUSTMENT INCREMENT

\$3.25 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

SECTION 2 – SCHEDULE NO. 1 EFFECTIVE DATE

The rates, charges and penalties provided herein for Schedule No. 1 shall become effective forty-five (45) days after final enactment hereof, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 3 – SCHEDULE NO. 2 TARIFF

(Effective Upon Substantial Completion of Water Improvement Project)

APPLICABILITY

Applicable to customers in expansion project area.

AVAILABILITY OF SERVICE

Available for general domestic, consumer, and industrial service.

METER RATE

First	2,000 gallons used per month	\$14.70 per 1,000 gallons
Next	3,000 gallons used per month	\$8.92 per 1,000 gallons
Next	15,000 gallons used per month	\$5.98 per 1,000 gallons
All over	20,000 gallons	\$4.91 per 1,000 gallons

MINIMUM CHARGE

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

5/8 inch meter	—	\$29.40	per month
3/4 inch meter	—	\$44.10	per month
1 inch meter	—	\$73.50	per month
1 1/4 inch meter	—	\$107.31	per month
1 1/2 inch meter	—	\$147.00	per month
2 inch meter	—	\$235.20	per month
3 inch meter	—	\$441.00	per month
4 inch meter	—	\$735.00	per month
6 inch meter	—	\$1,470.00	per month

MULTIPLE OCCUPANCY

Apartment buildings and other multiple-occupancy buildings shall be required to pay not less than the minimum monthly charge for each unit, multiplied by the number of units in such building at the time the meter is read, or the actual charge for the water used, whichever is greater.

Hotels and motels shall pay according to the amount of water used.

House trailer courts (including mobile and immobile units) served through a single meter shall be required to pay the minimum charge per month multiplied by the number of units on site at the time the meter is read or the actual charge for the water used, whichever is greater.

DELAYED PAYMENT PENALTY

The above rates and charges are net. A ten percent (10%) penalty shall be added to all charges not paid within 20 days from the date of the billing. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

CONNECTION CHARGE

There shall be charged a connection fee of \$400.00 for each connection into the waterworks system. This fee is to pay for damage to, inspection of, extension of and right-of-way for water lines within the system.

RECONNECTION CHARGE

The reconnection charge is twenty-five dollars (\$25.00). (Non-refundable, not applicable to account.)

LEAK ADJUSTMENT INCREMENT

\$3.25 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

SECTION 4 – SCHEDULE NO. 2 EFFECTIVE DATE

The rates, charges and penalties provided herein for Schedule No. 2 Rates shall become effective upon substantial completion of the water improvement project.

SECTION 5 – SEVERABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are severable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 6 – STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Town Clerk shall cause to be published a copy of this Ordinance in the *The Barbour Democrat*, being the only newspaper published and of general circulation in Barbour County, West Virginia, and being of general circulation in the Town of Junior, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before the Town Council on Tuesday, February 17, 2009, at 6:00 p.m., which date is not less than five days after the date of the publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the Town Clerk, Town of Junior, Junior, West Virginia.

First Reading: February 6, 2009

Second Reading
and Public Hearing: February 17, 2009

TOWN OF JUNIOR, a municipal corporation

Mayor: Gary Miller

Clerk: Susan Strawder

02.04.09
461180.00003

Junior Town Council Special Meeting Minutes

February 6, 2009

A special meeting of the Junior Town Council was held February 6, 2009. Attending the meeting was: Mayor Gary Miller, council members: Bob Skidmore, Charlie Bohan, Jack Skidmore, and Barbara Lyle, Town Employee; Mark Shiflett.

Bob made a motion then Barbara and all in favor to approve the 1st reading of the new water rates.

Bob made a motion to adjourn the meeting.

Gary Miller MAYOR
Camille P. Shiflett -records

PEOPLE AT MEETING ^{February 17} 2-17-09

John Skidmore

Mark - [unclear] cc

Barbara [unclear]
Carmel Skidmore

Mark Skidmore

Paul Skidmore

Junior Council Minutes
February 17, 2009

A meeting of the Junior Town Council was held February 17, 2009. Attending the meeting was: Mayor Gary Miller, council members: Bob Skidmore, Charlie Bohun, Jack Skidmore, Tabitha Shomo, and Barbara Eyle. Town Employee: Mark Shiflett Guest: Nick Raschella

The previous minutes were read; Charlie made a motion then Bob and all in favor to approve.

Nick Raschella owner of Ace Exterminators spoke to the council about their contract. Nick said they can change their contract so they get exterminated every month.

Bob made a motion then Tabitha and 4 for and 1 against for the ordinance for the 2nd reading of the new water rates.

Tabitha is still having problems with loose dogs that belong to Russell Brussler.

Discussion was held about the cars on Jackson St and the garbage at Jack Skidmore's rental house.

The packer truck still isn't fixed.

Bob made a motion to adjourn the meeting.

Gary Miller MAYOR
Carmel P. Shiflett
-recorder

Junior Town Council Public Meeting

February 11, 2009

A public hearing was held on February 17, 2009. Attending it was; Mayor Gary Miller, council members; Bob Skidmore, Charlie Bohan, Jack Skidmore, and Barbara Lyle, town employee Mark Shiflett.

There weren't any questions or objections to the new water rates.

Gary Miller MAYOR
Carmella P. Shiflett
→ records

OFFICE OF THE BARBOUR DEMOCRAT

I, LARS O. BYRNE, Editor of the BARBOUR DEMOCRAT, a weekly newspaper published in the City of Philippi, County of Barbour, and State of West Virginia, do certify that the annexed:

RECEIVED
09 FEB 27 PM 3:49
W.V. JUSTICE
SECRETARY'S OFFICE

LEGAL NOTICE

was duly printed in said paper one week commencing on Wednesday, the 11th day of February, 2009.

Given under my hand at Philippi, West Virginia, this 11th day of February, 2009.

Lars O. Byrne, Editor

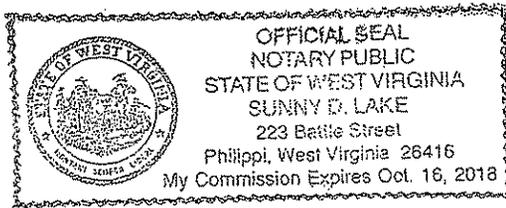
Printer's Fee.....\$24.68

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this 11th day of February, 2009.

Sunny D. Lake
NOTARY PUBLIC

My Commission Expires October 16, 2018.



NOTICE OF PUBLIC HEARING ON
TOWN OF JUNIOR WATER RATE ORDINANCE
Notice is hereby given, that on the 6th day of February, 2009, the TOWN OF JUNIOR, caused to be read before the Town Council, an ordinance proposing increased water rates and charges in lieu of those rates and charges contained in the Town's existing water tariff currently on file at the Public Service Commission of West Virginia for furnishing water service to customers in Barbour County, West Virginia and is proposing adoption of the same. The proposed ordinance is titled:

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

The Town Council of the Town of Junior will have its final reading and vote on the ordinance on Tuesday, February 17, 2009 at 6:00 p.m. in the Town of Junior, Town Hall, 130 Row Street, Junior, West Virginia. Said meeting is open to the public and all interested parties may appear at the meeting and present protests, if any, with respect to the proposed ordinance. A copy of the proposed ordinance is available for inspection at the office of the Town Clerk of the Town of Junior, Town Hall, 130 Row Street, Junior, West Virginia.

/s/Gary Miller
Mayor
2-11

OFFICE OF THE BARBOUR DEMOCRAT

I, **LARS O. BYRNE**, Editor of the **BARBOUR DEMOCRAT**, a weekly newspaper published in the City of Philippi, County of Barbour, and State of West Virginia, do certify that the annexed:

LEGAL NOTICE

was duly printed in said paper two consecutive weeks commencing on Wednesday, the 25th day of February, 2009.

Given under my hand at Philippi, West Virginia, this 4th day of March, 2009.

Lars O. Byrne, Editor

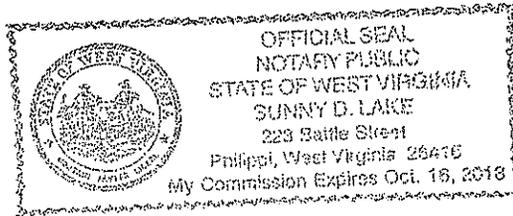
Printer's Fee.....\$ 196.04

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this 4th day of March, 2009.

Sunny D. Lake
NOTARY PUBLIC

My Commission Expires October 16, 2018.



**PUBLIC NOTICE OF CHANGE IN WATER RATES OF
THE TOWN OF JUNIOR**

NOTICE is hereby given that the TOWN OF JUNIOR (the "Town") has enacted an ordinance on February 17, 2009 containing rates and charges for furnishing water service to its two-hundred and ninety-one (291) existing customers and sixty-three (63) proposed customers in Barbour County.

The Schedule I proposed increased rates and charges will become effective on April 3, 2009, unless otherwise ordered by the Public Service Commission and will produce approximately \$13,992 annually in additional revenue, an increase of approximately 15.0871%.

The average monthly bill for the various classes of customers will be changed as follows:

SCHEDULE I (EXISTING CUSTOMERS)

<u>TYPE OF CUSTOMER</u>	<u>(\$) INCREASE</u>	<u>(%) INCREASE</u>
Residential (4,500 Gallons)	\$3.78	11.96%
Commercial (10,000 Gallons) \$6.31	12.00%	
Industrial (10,000 Gallons)	\$6.31	12.00%

The Schedule II-rates and charges will become effective for the new customers of the proposed water expansion project upon completion of said project, which is the subject of a proceeding pending before the Public Service Commission, unless otherwise ordered by the Public Service Commission and will produce approximately \$42,153 annually in additional revenue, an increase of approximately 39.493%.

SCHEDULE II (PROJECT EXPANSION CUSTOMERS)

<u>TYPE OF CUSTOMER</u>	<u>(\$) INCREASE</u>	<u>(%) INCREASE</u>
Residential (4,500 gallons)	\$51.70*	.
Commercial (10,000 gallons)	\$86.06*	.
Industrial (10,000 gallons)	\$86.06*	.

*not currently customers

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Public Service Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates and charges by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Public Service Commission a petition signed by not less than twenty-five percent (25%) of the customers served by the Town's water system; or

(2) Any customer who is served by the Town's water system and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Public Service Commission a petition alleging discrimination between customers within and without the Town's boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the Town's boundaries and who present a petition to the Public Service Commission alleging discrimination between said customer or group of customers and other customers of the Town's water system. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooke Street, Post Office Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the Clerk's Office at the Town Hall, Town of Junior, West Virginia.

A copy of the proposed rates is available for public inspection at the Office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, Post Office Box 812, Charleston, West Virginia 25323.

By: *Isi* Susan Strawder
Town Clerk

TOWN OF JUNIOR

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF BOND ORDINANCE,
SUPPLEMENTAL RESOLUTION, DRAW RESOLUTION AND
SWEEP RESOLUTION

The undersigned RECORDER of the Town of Junior of hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Council:

The Council of the Town of Junior met in regular session, pursuant to notice duly posted, on the 8th day of September, 2009, in Barbour County, West Virginia, at the hour of 6:00 p.m.

PRESENT:

Ricky Vest, Mayor
Camilla Shiflett, Recorder
Susan Strawder, Clerk
Bob Skidmore, Councilmember
Jack Skidmore, Councilmember
Charlie Bohan, Councilmember
Tabitha Shomo, Councilmember
Barbara Lyle, Councilmember

ABSENT:

None.

Ricky Vest, Mayor, presided, and Camilla Shiflett, acted as Recorder. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor stated that the proposed Bond Ordinance heretofore passed on first and second readings would be subject to protests and suggestions from any interested person at this time in accordance with the publication of an abstract of said Bond Ordinance and a Notice of Hearing, which publication has been duly made, and the Mayor called for protests and suggestions as to said Bond Ordinance and all persons desiring to protest the said Bond Ordinance or to make any suggestions with reference thereto were heard.

There being no protests or suggestions made as to said Bond Ordinance, the Mayor thereupon stated that it would be in order to consider the said Bond Ordinance for final enactment and the Mayor caused the said Bond Ordinance to be read as follows:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF JUNIOR AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Jack Skidmore and seconded by Bob Skidmore, it was unanimously ordered that the said Bond Ordinance be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE TOWN OF JUNIOR; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; APPROVING A BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Jack Skidmore and seconded by Charlie Bohan, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Charlie Bohan and seconded by Bob Skidmore, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Jack Skidmore and seconded by Bob Skidmore, it was unanimously ordered that the said Sweep Resolution be adopted.

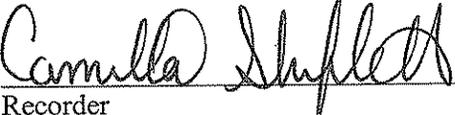
There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[Remainder of Page Intentionally Blank]

CERTIFICATION

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

WITNESS my signature on this 10th day of September, 2009.


Recorder

Junior Council Minutes

July 20, 2009

A meeting of the Junior Town Council was held July 20, 2009. Attending the meeting was: council members; Bob Skidmore, Jack Skidmore, and Tabitha Shomo, Police Chief, Jodi Haller town employee, Mark Shiflett, guest Mike Green.

The previous minutes were read; Tabitha made a motion then Bob and all in favor to approve.

Jack made a motion then Bob and all in favor to approve the first reading of the Bond ordinance reference Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund)

Jack made a motion then Bob and all in favor to approve Pro Contracting Inc for the bid on the water project.

Tabitha made a motion then Bob and all in favor to approve business licenses for Antique Flea, and Missy's Hair Works.

Tabitha made a motion then Bob and all in favor to approve Virginia Moore to use the little room on either August 6 or 7.

Discussion was held on un-mowed lawns and the packer truck.

Bob made a motion to adjourn the meeting.

Richard [Signature]
Camilla Shiflett
- see order

Junior Council Minutes

August 3, 2009

A meeting of the Junior Town Council was held August 3, 2009. Attending the meeting was: Mayor Richard Vest, council members; Bob Skidmore, Charlie Bohan, Jack Skidmore, Tabitha Shomo, and Barbara Lyle, Police Chief Jody Haller, town employee; Mark Shiflett.

The previous minutes were read; a correction was made, Barbara Lyle didn't attend the July 20 meeting, Tabitha Shomo did, Jack made a motion then Tabitha and all in favor to approve.

Jack made a motion then Charlie and all in favor to approve the financial statement.

Bob made a motion then Charlie and all in favor to approve vacation for Jerry Trader for 11/23-25/2009 and 12/14-18/2009.

Charlie made a motion then Bob and all in favor to approve a business licenses for Tygart Valley Wildlife.

Bob made a motion then Charlie and all in favor to approve a building permit for Jack Skidmore for a porch for \$200.

Jack made a motion then Bob and all in favor to approve a building permit for Allan Hawkins for repair to house for \$1,200.

Warnings were sent out on 07/29/09 for trash, weeds, and garbage to Simmons on River Ave, Miller at the Post Office, and Freeman on Minear St.

Tabitha made a motion then Bob and all in favor to approve the 2nd reading of the Bond ordinance reference Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund)

Barbara made a motion then Tabitha and all in favor to approve Jody Haller to send a summons to Chris Collins.

Barbara made a motion then Tabitha and all in favor to approve to send a copy of the livestock agreement to Amy Weese.

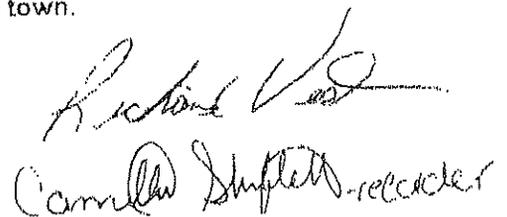
Tabitha made a motion then Jack and all in favor to approve that the town clerk be at the first council meeting of the month with past due bills.

Discussion was held on the packer truck, unlicensed cars, switching cell phone service, and buying children playing signs.

Charlie made motion then Bob and all in favor to approve the 1st reading to update the amendment of section 40-keeping of livestock, anyone who violates this ordinance shall pay no less than \$50 and/or up to \$250 and must remove the livestock from the premises within 10 days of notice.

An ad will be put in the paper for a temporarily part time worker for the town.

Bob made a motion to adjourn the meeting.


Richard Vest
Camille Shiflett - recorder

OFFICE OF THE BARBOUR DEMOCRAT

I, LARS O. BYRNE, Editor of The BARBOUR DEMOCRAT, a weekly newspaper published in the City of Philippi, County of Barbour, and State of West Virginia certify that the annexed:

LEGAL NOTICE

was duly printed in said paper two consecutive weeks commencing on 1st of August, 2009.

Given under my hand at Philippi, West Virginia, this 2nd day of September, 2009.

Lars O. Byrne Editor

Printer's Fee.....

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this 2nd day of September, 2009.

NOTARY PUBLIC

My Commission Expires May 16, 2012.

Official Seal
Notary Public, State of West Virginia
Jack K. Dawson, Jr.
The Barbour Democrat
113 Church Street
Philippi, WV 26416
My Commission Expires May 16, 2012

NOTICE OF PUBLIC HEARING ON THE TOWN OF JUNIOR BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of the Town of Junior (the "Town") to be held on Tuesday, September 8, 2009, at 8:00 p.m. at the Town Hall, 130 Row Avenue, Junior, West Virginia, and at such hearing any person interested may appear before the Town and present protests, and all protests and suggestions shall be heard by the Town and it shall then take such actions as it shall deem proper in the premise upon an Ordinance entitled:

TOWN OF JUNIOR

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF JUNIOR AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$1,000,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The Town contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the public waterworks system of the Town (the "Project"); (ii) fund the Series 2009 A Bonds Reserve Account; and (iii) to pay certain costs of issuance hereof and related costs. The Bonds are payable only from the Net Revenues to be derived from the operation of the System. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above entitled Ordinance was adopted by the Council of the Town of Junior on August 3, 2009. A certified copy of the above entitled Ordinance is on file with the Town for review by interested parties during regular office hours.

Following the public hearing, the Town intends to enact the Ordinance upon final reading.

G. Gary Miller
Mayor

8-26-09

TOWN OF JUNIOR

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Freedom Bank, Belington, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the Town of Junior (the "Issuer") enacted by the Issuer on September 8, 2009, and a Supplemental Resolution adopted by the Issuer on September 8, 2009 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated September 10, 2009, in the aggregate principal amount of \$690,000 (the "Series 2009 A Bonds"), and agrees to serve as Depository Bank in connection with the Series 2009 A Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 10th day of September, 2009.

FREEDOM BANK

By: 
Its: Authorized Officer

08.27.09
461180.00003

TOWN OF JUNIOR

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

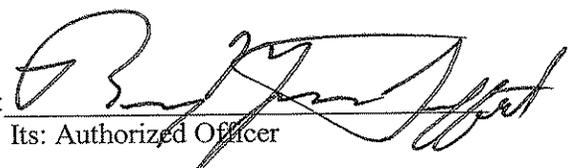
ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of Junior Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated September 10, 2009, in the principal amount of \$690,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 10th day of September, 2009.

THE HUNTINGTON NATIONAL BANK

By:


Its: Authorized Officer

TOWN OF JUNIOR

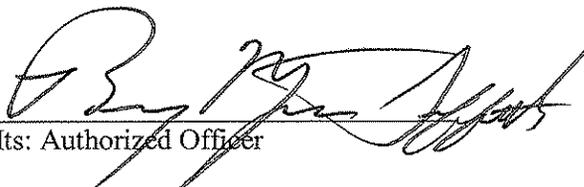
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned bond issue of the Town of Junior (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Town of Junior Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, dated September 10, 2009, in the principal amount of \$690,000, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 10th day of September, 2009.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

08.24.09
461180.00003

TOWN OF JUNIOR

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 10th day of September, 2009, by and between the TOWN OF JUNIOR, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$690,000 principal amount of Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated the date hereof, in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted September 8, 2009, and a Supplemental Resolution of the Issuer duly adopted September 8, 2009 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board

or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Town of Junior
Post Office Box 247
Junior, West Virginia 26275
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Bond Legislation.

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

WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first written above.

TOWN OF JUNIOR

By: Richard J. ...
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: [Signature]
Its: Authorized Officer

08.27.09
461180.00003

EXHIBIT A

Included in transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633



STATEMENT OF REGISTRAR'S FEES
Invoice Date September 10, 2009

Town of Junior
Account Number 6089001809

Town of Junior
Water Revenue Bonds, Series 2009 A
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR September, 2009

TOTAL AMOUNT	\$	500.00
TOTAL DUE	\$	<u>500.00</u>

- * FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT *
- * IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN *
- * .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: BARRY. . *
- * .. GRIFFITH, PO BOX 633, CHARLESTON, WV 25322-0633 *

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304)348-5035

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

INSURED
COPY

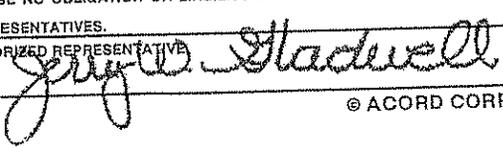
DATE (MM/DD/YY)
07/23/09

PRODUCER WV BOARD OF RISK & INSURANCE MGT. 90 MACCORKLE AVE. SW, SUITE 203 SOUTH CHARLESTON, WV 25303	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	
INSURED Town of Junior P.O. Box 247 Junior, WV 26275	INSURER A:	NATIONAL UNION FIRE CO OF PITTSBURGH, PA
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES
 THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> WRONGFUL ACT <input checked="" type="checkbox"/> PROFESSIONAL GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	800000588	07/01/2009	07/01/2010	EACH OCCURRENCE	\$ 1,000,000
	FIRE DAMAGE (Any one fire)				\$ 100,000	
	MED EXP (Any one person)				\$ 0	
	PERSONAL & ADV INJURY				\$ INCLUDED	
	GENERAL AGGREGATE				\$ N/A	
	PRODUCTS - COM/OP AGG				\$ N/A	
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	800000588	07/01/2009	07/01/2010	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	BODILY INJURY (Per person)				\$	
	BODILY INJURY (Per accident)				\$	
	PROPERTY DAMAGE (Per accident)				\$	
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN AUTO ONLY: EA ACC	\$
					AGG	\$
	EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE	\$
					AGGREGATE	\$
						\$
						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY STOPGAP	800000588	07/01/2009	07/01/2010	WC STATU-TORY LIMITS	OTH-ER
	E.L. EACH ACCIDENT				\$	
	E.L. DISEASE - EA EMPLOYEE				\$	
	E.L. DISEASE - POLICY LIMIT				\$	
B	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:
 Proof of Insurance for Water Project.

CERTIFICATE HOLDER Water Development Authority 180 Association Drive Charleston, WV 25311	ADDITIONAL INSURED; INSURER LETTER:	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 
---	--	--

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL & WASHINGTON STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WV 25301
Telephone (304) 558-2981

PERMIT

(Water)
PROJECT: Water Line Extensions **PERMIT NO.:** 18,321
LOCATION: Junior **COUNTY:** Barbour **DATE:** 5-27-2009

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Town of Junior
P. O. Box 247
Junior, West Virginia 26275

is hereby granted approval to: amend and modify Permit No. 17,272 for the proposed water facilities to serve 63 customers along Route 250/12, 15/1, 52, 52/1, 17/1, US Route 250 and the Mountain View Cemetery area in or near the Town of Junior. The permit will be extended to October 11, 2010.

NOTE: This permit is contingent upon all unchanged conditions and requirements of Permit No. 17,272 remaining in effect.

The Office of Environmental Health Services **Philippi District Office, (304) 457-2296**, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR



William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:cls

pc: ~~Green Engineering, Inc.~~
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, PSC
Barbour County Health Department
OEHS-EED Philippi District Office



**STEP TOE &
JOHNSON**
P.L.L.C.
ATTORNEYS AT LAW

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

Writer's Contact Information

CLOSING MEMORANDUM

To: Financing Team
From: John C. Stump, Esquire
Date: September 10, 2009
Re: Town of Junior, Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund)

1. DISBURSEMENTS TO TOWN OF JUNIOR

Payor: West Virginia Infrastructure and Jobs Development Council
Source: Series 2009 A Bonds Proceeds
Amount: \$55,972
Form: Wire
Payee: Town of Junior
ABA No: 051504377
Account No: 0015499
Bank: Freedom Bank
Contact: Terri Kittie, 304.823.1531
Account: Series 2009 A Bonds Project Fund

2. DISBURSEMENTS TO MUNICIPAL BOND COMMISSION

A. Payor: West Virginia Infrastructure and Jobs Development Council
Source: Series 2009 A Bonds Proceeds
Amount: \$17,808
Form: Wire
Payee: Town of Junior
ABA No: 051503394
Account No: 5270517317
Bank: BB&T for the benefit of Municipal Bond Commission
Contact: Sara Boardman
Account: Series 2009 A Bonds Reserve Account

TOTAL Disbursements: \$73,780

03.24.09
461120.00003

State of West Virginia
WATER DEVELOPMENT AUTHORITY
 180 Association Drive, Charleston, WV 25311-1217
 (304) 558-3612 - (304) 558-0299 (Fax)
 Internet: www.wvwda.org - Email: contact@wvwda.org

BOND CLOSING ATTENDANCE LIST

Date 9/29/09 Time LGA Town of Towa Program IC

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
SARAH GEE	Jackson Kelly LLC	304 340 1318	304 340 1272	sggee@jacksonkelly.com
Richard Walker	Stephens & Johnson PLLC	304-353-8119	304-353-5180	rich.walker@stephensandjohnson.com
Katy Mallory	Stephens & Johnson	304-353-8161	304-353-8181	Katy.Mallory@stephensandjohnson.com
Carol Cummings	WDA	304-558-3612	304-558-0899	Cummings@wvwda.org

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Susan Strawder Telephone 304 823 1829 E-Mail _____
 Address 130 Row Avenue, Junior, WV 26275

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the Non-Arbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

TOWN OF JUNIOR
2001W-645

**RESOLUTION APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER
SERVICES FOR THE PROPOSED WATER PROJECT AND
AUTHORIZING PAYMENT THEREOF,**

WHEREAS, the Town of Junior has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the Water Project funded by the WV Infrastructure and Jobs Development Council ("IJDC") and the United States Department of Agriculture (USDA) and find as follows:

- a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
- b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.
- c) That each of such costs has been otherwise properly incurred.
- d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED The Town of Junior by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	IJDC	USDA
Huntington Banks (Registrar)	500.00	500.00	0.00
Step toe & Johnson (Bond Counsel)	20,000.0	20,000.00	0.00
Municipal Bond Commission (Series 2009 A Reserve)	17,808.00	17,808.00	0.00
Legal – PSC and Rates	10,000.00	10,000.00	0.00
Legal – Caton Hill	9,025.00	9,025.00	0.00
Bennett & Dobbins	10,000.00	10,000.00	0.00
Tetrick & Bartlett	6,446.47	6,446.47	0.00
Green Engineering	78,100.00	0.00	70,600.00
Total	144,379.47	73,779.47	70,600.00

Round to 73,780.00

ADOPTED BY the Town of Junior, at the meeting held on the 8th day of September, 2009.

By:

Its: Mayor

SWEEP RESOLUTION

Town of Junior

WHEREAS, the Town of Junior (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes or will make monthly debt service payments on and transfers reserve funds for the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer, thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer finds and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic funds transfer with the State Treasurer sweeping the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- 1) The monthly debt service payments on, and reserve funds, for the Bonds, as set forth in Exhibit A, shall be made to the MBC by an electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.
- 2) The Mayor and Recorder are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.
- 3) This resolution shall be effective immediately upon adoption.

Adopted this 8th day of September, 2009.

Mayor



30 JUL 2009

**United States Department of Agriculture
Rural Development
West Virginia State Office**

July 22, 2009

The Honorable Richard L. Vest, Mayor
Town of Junior
P.O. Box 247
Junior, WV 26275

COPY

RE: Amendment No. 1 to
Letter of Conditions

Dear Mayor Vest:

This letter, with Attachment No. 1, amends the letter of conditions dated April 5, 2004 and further establishes conditions which must be understood and agreed to before further consideration may be given to your application. The grant will be administered by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RD grant in the amount of \$810,000, and other funding in the amount of \$ 690,000, for a total project cost of \$ 1,500,000. The other funding is planned in the form of a loan from the West Virginia Infrastructure and Jobs Development Council (WVIJDC). The WVIJDC loan is to replace the RD loan of \$537,000 which was obligated in connection with the original Letter of Conditions for the project. The RD loan of \$537,000 is to be de-obligated.

Subject to the requirements noted herein, all of the conditions of the original letter of conditions remain in effect and must be satisfied prior to closing. Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted.

Attached please find the following:

Attachment No. 1 - Project Construction Budget (All Copies)

Federal Building • 75 High Street • Suite 320 • Morgantown, WV 26705-7500
Phone: (304) 284-4860 OR 1-800-295-8228 • Fax: (304) 284-4893 • TDD: (304) 284-4836
Web: <http://www.rurdev.usda.gov/wv>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.,
Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

The conditions referred to above are as follows:

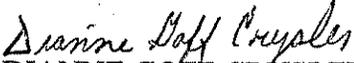
1. Project Scope - The project scope has been reduced due to a lack of user sign-ups in certain areas. The Rule 42 Exhibit for the project that was submitted to the West Virginia Public Service Commission included a use and income analysis with 294 existing customers and 53 proposed new customers for a total of 347 customers that should be using the system after the new waterline extension is operational.
2. Income Available – The Town must maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance, debt service, and reserves.
3. Public Service Commission Approval - You must obtain PSC approval of the project's proposed financing and user rates as may result from this amendment to the letter of conditions.
4. At a properly called meeting, you must adopt and properly execute the following form, and minutes showing the adoption must be provided to USDA Rural Development:

Form RD 1942-46 - "Letter of Intent to Meet Conditions"

If the conditions set forth in this letter are not met within six (6) months from the date hereof, RD reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of closing within the six-month period and it is determined the Town still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If, during that review, it is determined the budget is no longer current and/or adequate, RD reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely,


DIANNE GOFF CRYSLER
Acting State Director

Attachment

cc: Page 3

cc: Craig Burns, Area Director, Elkins
ATTN: Joe Crickenberger, Area Specialist

Green Engineering, Inc.
ATTN: Mr. Michael Green, P.E.
Rt. 2, Box 106-D
Philippi, WV 26416

Caton N. Hill, Jr., Esquire
Attorney at Law
P.O. Box 10
Philippi, WV 26416

Bennett & Dobbins, PLLC
Certified Public Accountants
ATTN: Mr. Zachary D. Dobbins, CPA
317 Cleveland Avenue
Fairmont, WV 26554-1604

Steptoe & Johnson, PLLC
ATTN: Mr. John C. Stump, Esquire
P.O. Box 1588
Charleston, WV 25326-1588

Attachment No.1 to Amendment No. 1 to the Letter of Conditions
 Town of Junior Waterline Extension Project
 Date:

Town of Junior Waterline Extension Project
Project Construction Budget

<u>PROJECT COST</u>	<u>WVIJDC LOAN</u>	<u>RUS GRANT</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 463,865	\$ 650,000	\$ 1,113,865
CONST. CONTINGENCY	\$ 46,400	\$ 65,000	\$ 111,400
LAND & RIGHTS	\$ 15,000	\$ -	\$ 15,000
LEGAL FEES (Local Attorney)	\$ 10,000	\$ -	\$ 10,000
LEGAL FEES (PSC Attorney)	\$ 7,500	\$ -	\$ 7,500
BOND COUNSEL	\$ 13,000	\$ -	\$ 13,000
ACCOUNTING	\$ 10,000	\$ -	\$ 10,000
ENGINEERING FEES	\$ 70,700	\$ 82,000	\$ 152,700
Basic - \$82,000	\$ -	\$ -	\$ -
Insp. - \$65,700	\$ -	\$ -	\$ -
Special - \$5,000	\$ -	\$ -	\$ -
REGISTRAR FEE	\$ 500	\$ -	\$ 500
EQUIPMENT / ADDITIONAL IMPROVEMENTS	\$ 40,000	\$ -	\$ 40,000
PROJECT CONTINGENCY	\$ 13,035	\$ 13,000	\$ 26,035
TOTAL	\$ 690,000	\$ 810,000	\$ 1,500,000

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

LETTER OF INTENT TO MEET CONDITIONS

Date _____

TO: Rural Development
United States Department of Agriculture
1200 Harrison Avenue, Suite 150
Elkins WV 26241

(Office Address)

We have reviewed and understand the conditions set forth in your letter dated _____

It is our intent to meet all of them not later than _____

We are also requesting that we be given the interest rate in effect at the time of loan approval or at the time of loan closing, whichever is lower. In other words, we want the lowest interest rate possible.

Junior, Town of _____
(Name of Association)

BY _____
Richard L. Vest
Mayor

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

Bond Counsel

Junior
Water

75 High Street Federal Building, Suite 320, Morgantown, WV 26505-7500
304.284.4860 • 1.800.295.8228 • fax 304.284.4893 • TTY/TDD 304.284.4836

April 5, 2004

COPY

The Honorable Gary A. Miller, Mayor
Town of Junior
P.O. Box 247
Junior, WV 26275

Dear Mayor Miller:

This letter, with Attachments 1 through 15 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of \$537,000, an RUS grant in the amount of \$810,000, for a total project cost of \$1,347,000.

The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

- Attachment No. 1 - Project Construction Budget (All Copies)
- Attachment No. 2 - Water and Waste Processing Checklist for the Town of Junior.
(All Copies)
- Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
- Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)

[Http://www.rurdev.usda.gov/wv](http://www.rurdev.usda.gov/wv)



USDA Rural Development is an Equal Opportunity Lender, Provider and Employer
Complaints of discrimination should be sent to: USDA Director, Office of Civil Rights, Washington, D.C. 20250-9410

COMMITTED TO THE FUTURE OF RURAL COMMUNITIES

- Attachment No. 5 - RUS Instruction 1780, Subpart D (Attorney and Bond Counsel Copies)
- Attachment No. 6 - RUS Supplemental General Conditions (Engineer Copy)
- Attachment No. 7 - RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Project with RUS Financial Assistance"
- Attachment No. 8 - Government Auditing Standards (Revision 2004) (Accountant Copy)
- Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
- Attachment No. 10 - RUS Bulletin 1780-31, "Water Programs Compliance Supplement for OMB Circular A-133 Audits"
- Attachment No. 11 - RUS Bulletin 1780-9, Water Users Agreement (Applicant and Attorney Copies)
- Attachment No. 12 - Declination Statement (Applicant and Attorney Copies)
- Attachment No. 13 - Form 442-30, Water Purchase Contract (Applicant, Attorney, and Engineer Copies)
- Attachment No. 14 - RUS Policy regarding Use of Remaining Funds
- Attachment No. 15 - Various other RD Forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.375% interest rate and a monthly amortization factor of .00451, which provides for a monthly payment of \$2,422.00. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

You are reminded that your authority may be required to refinance (graduate) the unpaid balance of its RUS loan, in whole or in part, upon the request of RUS if at any time it shall be determined the authority is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

2. Security - The loan must be secured by a statutory lien of equal priority with the Town's outstanding bond, a pledge of the system's revenues and other agreements between you and RUS as set forth in the bond ordinance which must be properly adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.

3. Users - This conditional commitment is based upon you providing evidence that you will have at least 351 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of 73 signed user agreements and a signed certification from you that identifies and attests to the number of users actually connected to and using the Town's existing water system at the time you request authorization to advertise the proposed project for construction bids.

The enclosed Water Users Agreement (RUS Bulletin 1780-9) will be used. Each user signing an agreement must make a user contribution of \$100.00. Each potential user who is located along planned lines and declines the offered service will be provided an opportunity to sign a "Service Declination Statement." A guide "Service Declination Statement" is attached for your use. If a potential user refuses to sign either a user agreement or a declination statement, the individual making the contact for the Town should complete the declination statement for that potential user and note thereon his/her visit with the potential user, the potential user's refusal to sign, and the reason therefore. The declination statement should also be dated and signed by the individual making the contact.

Before RUS can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and that all potential users have been offered the proposed service. Information and material evidencing compliance with this requirement must consist of (1) your certification (written) as to the number of users connected to and using the water service of the existing system (paying monthly bills), (2) signed user agreements, (3) signed service declination statements, (4) records evidencing user contributions having been paid, (5) a map locating each potential user's property in the new service area identifying it by number, (6) a list of all signed bona fide users numbered so as to be a cross-reference with the map, and (7) a list of all declination statements numbered so as to be a cross-reference with the map.

Before RUS can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and that all potential users have been offered the proposed service.

4. Bond Counsel Services - The services of a recognized bond counsel are required. The bond counsel will prepare the form of ordinance to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.
5. Engineering Services - It will be necessary for you to obtain the services of an engineer. EJCDC No. 1910-1-FA, "Standard Form of Agreement between Owner and Engineer for Professional Services" (Funding Agency Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RUS.

6. Legal Services – It will be necessary for you to obtain the services of a local attorney. For your convenience RUS Bulletin 1780-7, “Legal Services Agreement” is enclosed for your use.
7. Accounting Services – It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:
 - a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).
 - b. Prior to loan/grant closing, your accountant must certify that the accounts and records as required by your bond ordinance have been established and are operational.

The Accountant’s Agreement should be submitted to RUS for review. Compensation in the contract should include only those services identified above and not include payment for construction management services from the accountant unless RUS concurrence is obtained.

RUS regulations (Attachment No. 3) outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your Town. The attached booklets, “Government Auditing Standards (Revised 2003)” (Attachment No. 8), and RUS Bulletins 1780-30 1780-31 (Attachment Nos. 9 and 10) outline audit requirements.

You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends \$500,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:
 - a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
 - b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, “Preliminary Title Opinion” may be used. In the case of your

existing system or where the Town already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.

- c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.
 - d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.
 - e. On the day of loan closing, the Town's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the Town has already acquired real property(s) (land or facilities), the Town's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.
9. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:
- West Virginia Department of Highways
 - Railroads
 - State Department of Health
 - Department of Environmental Protection
 - Corps of Engineers
 - Public Land Corporation
10. Public Service Commission Approvals - You must obtain the following from the West Virginia Public Service Commission:
- a. A Certificate of Convenience and Necessity.
 - b. Approval of user charges that are acceptable to you and the Rural Utilities Service.

- c. Approval of financing for the project's proposed financing arrangements.

The "Rule 42" Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its "Rule 42" Exhibit must be provided for review.

11. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:

- a. Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.
- b. Workers' Compensation - In accordance with appropriate State laws.
- c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. During the construction phase of your project, this maximum amount will be much greater than normal; therefore, it is our recommendation that you temporarily increase your coverage to \$300,000. Once construction is complete, you may decrease the amount of your coverage. Please note that the cost of the temporary increase in coverage is an eligible project cost.

The minimum coverage acceptable to RUS once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

- d. National Flood Insurance - In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:
- (1) If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.
 - (2) Applicants whose buildings, machinery or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.
- e. Real Property Insurance - Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended

equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.

12. Contract Documents, Final Plans and Specifications -

a. The contract documents should consist of the following:

- (1) EJCDC Document No. 1910-8-A-1-FA, 1997 Edition, "Standard Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. 1910-8-FA, "Standard General Conditions of the Construction Contract – Funding Agency Edition" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.
- (2) "RUS Supplemental General Conditions."

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance," is enclosed for use by your engineer in the preparation of the contract documents (Attachment No. 7).

b. The contract documents must provide, as a minimum, the following insurance:

- (1) Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. This coverage must include indemnification of the Town and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.
- (2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.
- (3) Workers' Compensation - In accordance with applicable State laws.

c. The contract documents and final plans and specifications must be submitted to RUS for approval.

d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.

13. State Prevailing Wage Law - You should ensure that all requirements of Article 5A of the West Virginia State Prevailing Wage Law, "Wages for Construction of Public Improvements" are met during construction of the project.

14. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of your Town, over 30 day periods. Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account.

Public Bodies – Interest earned on grant funds in excess of \$100 per year will be submitted to RUS at least quarterly as required in 7 CFR 3016.

The Town will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess of \$100,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

The Town must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RUS.

15. Water Purchase Contract - You propose to purchase treated water from Norton – Harding – Jimtown PSD; therefore, you must enter into a Water Purchase Contract. Form RD 442-30 must be used unless you receive an exception from RUS.
16. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

Form RD 442-7 - "Operating Budget"

Form RD 1940-1 - "Request for Obligation of Funds"

RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"

RUS Bulletin 1780-27 - "Loan Resolution (Public Bodies)"

Form RD 400-1 - "Equal Opportunity Agreement"

Form RD 400-4 - "Assurance Agreement"

Form AD 1047 - "Certification Regarding Debarment - Primary"

Form AD 1049 - "Certification Regarding Drug-Free Workplace"

Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"

FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"

Standard Form LLL - "Disclosure of Lobbying Activities" (If Applicable)

Certification of Compliance

Form RD 1942-46, "Letter of Intent to Meet Conditions"

17. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan and grant docket. All the items listed

must be included in the loan and grant docket when it is forwarded to the USDA - Rural Development State Office with a request for loan closing instructions to be issued.

20. Upon receipt of the loan and grant docket, which contains all the items required above, RUS may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RUS with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

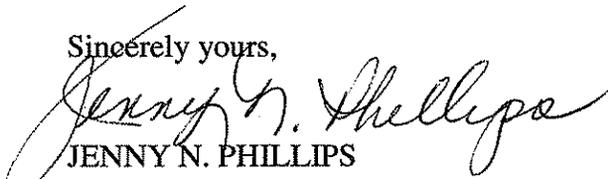
The "RUS Policy Regarding Use of Remaining Funds" is attached for your information and use (Attachment No. 14). This policy should be adhered to when addressing the use of bid underrun funds, as well as any funds remaining after project construction is complete.

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RUS project funds will be considered to be RUS grant funds and refunded to RUS. If the amount of unused RUS project funds exceeds the RUS grant, that part would be RUS loan funds. Excess RUS loan funds would be applied as an extra payment toward the loan balance.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the twelve-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely yours,


JENNY N. PHILLIPS
State Director

Enclosures

cc: See Page 10

cc: Rural Development Specialist
Elkins, WV

Tetrick & Bartlett - (Accountant)
P.O. Box 1916 *Julie Mace*
Clarksburg, WV 26302-1916

Caton N. Hill, Jr. - (Attorney)
P.O. Box 10
Philippi, WV 26416

Green Engineering - (Engineer)
Rt. 2, Box 106 - D
Philippi, WV 26416

Bond Counsel

Town of Junior
OPERATING BUDGET PROPOSED RATES

OPERATING INCOME		
Metered Sales	\$	115,570
Penalties	\$	-
Other Income	\$	3,914
Reconnect Fees		
TOTAL OPERATING INCOME		<u>\$ 119,484</u>
NON OPERATING INCOME		
Interest income	\$	-
TOTAL NON OPERATING INCOME		<u>\$ -</u>
TOTAL INCOME		<u>\$ 119,484</u>
EXPENSES		
O & M	\$	74,149
Taxes	\$	1,600
TOTAL EXPENSES		<u>\$ 75,749</u>
INCOME AVAILABLE FOR D/S (A)		<u>\$ 43,735</u>
DEBT SERVICE		
Existing Bond P & I (B)	\$	8,820
Proposed Bond P & I (B) (1)	\$	29,064
TOTAL DEBT SERVICE		<u>\$ 37,884</u>
DEBT SERVICE RESERVE		
Debt Service Reserve Existing	\$	1,260
Debt Service Reserve Proposed	\$	2,907
TOTAL DEBT SERVICE RESERVE		<u>\$ 4,167</u>
SURPLUS (DEFICIT)		<u>\$ 1,684</u>
DEBT COVERAGE (A/B)		<u>\$ 1.15</u>

(1) Based on RUS loan of \$537,000.00 @ 4.375% for 38 years; and RUS grant of \$810,000.

Project Construction Budget

<u>PROJECT COST</u>	<u>RUS GRANT</u>	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 668,765	\$ 357,670	\$ 1,026,435
CONST. CONTINGENCY	\$ 66,500		\$ 66,500
LAND & RIGHTS		\$ 4,000	\$ 4,000
LEGAL FEES	\$ 2,000	\$ 8,000	\$ 10,000
BOND COUNSEL		\$ 13,000	\$ 13,000
ACCOUNTING		\$ 3,000	\$ 3,000
ENGINEERING FEES	\$ 58,700	\$ 94,000	\$ 152,700
Basic - \$ 82,000			
Insp. - \$ 65,700			
Special - \$ 5,000			
INTEREST		\$ 47,000	\$ 47,000
PROJECT CONTG.	\$ 14,035	\$ 10,330	\$ 24,365
TOTAL	\$ 810,000	\$ 537,000	\$ 1,347,000

Rates

Available for general domestic, commercial, and industrial service.

First 2,000	\$ 7.95	per M gallons
Next 3,000	\$ 6.20	per M gallons
Next 15,000	\$ 4.16	per M gallons
Over 20,000	\$ 3.42	per M gallons

Minimum Charge

No bill shall be rendered for less than the following amounts according to the size of meter installed.

5/8" x 3/4"	per month = \$ 15.90
3/4"	per month = \$ 23.85
1"	per month = \$ 39.75
1 1/4"	per month = \$ 58.04
1 1/2"	per month = \$ 79.50
2"	per month = \$ 127.20
3"	per month = \$ 238.50
4"	per month = \$ 397.50
6"	per month = \$ 795.00
8"	per month = \$ 1,272.00

Minimum Monthly Bill \$15.90 gallons

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any bill is not paid within sixty (60) days after date, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge

Prior to Construction - \$100.00

After the start of construction, there shall be a charge of \$400.00 for connection to the system.

Reconnection Charge

\$25.00

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached