

TOWN OF JUNIOR

**Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)**

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TOWN OF JUNIOR
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

BOND ORDINANCE

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TOWN OF JUNIOR

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES 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 \$320,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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 is adopted and enacted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The Town of Junior (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public sewerage system and desires to acquire, construct and operate certain additional public sewerage facilities consisting of additions, betterments and improvements to such existing sewerage facilities consisting of replacement of three lift stations, with all appurtenant facilities.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, betterments and improvements to the existing sewerage system of the Issuer, consisting of

replacement of lift stations, and all necessary appurtenances (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Recorder of the Issuer. The existing sewerage facilities of the Issuer, together with the Project and any further additions, betterments and improvements, are herein called the "System". The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Series 2012 A Bonds and the Prior Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein and in the Prior Ordinance.

D. It is necessary for the Issuer to issue its Sewer Revenue Bonds Series 2012 A (United States Department of Agriculture) in one or more series, in the aggregate principal amount no to exceed \$320,000 (the "Series 2012 A Bonds"), to finance a portion of the cost of acquisition and construction of the Project. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the acquisition of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2012 A Bonds prior to and during acquisition and construction, and for a period not exceeding six months after completion of such acquisition or construction, of the Project; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2012 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

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

F. The Issuer has outstanding its Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated October 25, 2004, issued in the original aggregate principal amount of \$902,250 (the "Series 2004 A Bonds" or the "Prior Bonds"). The Prior Bonds are payable from and secured by a lien on the Net Revenues (as hereinafter defined) of the System.

The Series 2012 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects.

Prior to the issuance of the Series 2012 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2012 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

G. It is in the best interest of the Issuer that the Series 2012 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated September 8, 2009, and any amendments, thereto (collectively, the "Letter of Conditions").

H. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2012 A Bonds, or will have so complied prior to issuance of the Series 2012 A Bonds, including, among other things and without limitation, obtaining a certificate of convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2012 A Bonds by those who shall be the Registered Owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2012 A Bonds.

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

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended.

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

"Bond Registrar" or "Registrar" means the Issuer, which shall usually so act by its Recorder.

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

"Closing Date" means the date upon which there is an exchange of the Series 2012 A Bonds for the proceeds, or at least a de minimus portion, thereof representing the purchase price of the Series 2012 A Bonds from the Purchaser.

"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 Engineer" means Thrasher Engineering, Inc., Clarksburg, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns as designated in the Supplemental Resolution.

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

"FDIC" means the Federal Deposit Insurance Corporation.

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

"Governing Body" or "Council" means the Council of the Issuer.

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

"Grant" means any grant monies committed to the Project.

"Herein" or "herein" means in this Bond Legislation.

"Issuer" or "Borrower" means the Town of Junior, a municipal corporation and political subdivision of the State of West Virginia, in Barbour County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated September 8, 2009, and all amendments thereto, if any.

"Mayor" means the Mayor of the Issuer.

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

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, materials and supplies, pumping costs, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Series 2012 A Bonds and into the respective reserve accounts and the Renewal and Replacement Fund have been made to the last monthly date prior to the date of such retention.

"Ordinances" means, the Bond Legislation.

"Prior Bonds" means the Series 2004 A Bonds.

"Prior Ordinance" means the Ordinance of the Issuer authorizing the Prior Bonds.

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

(a) Government Obligations;

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

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

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

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

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

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

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

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

"Recorder" means the Recorder of the Issuer.

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Series 2012 A Bonds.

"Reserve Funds" means, the respective reserve funds for the Series 2012 A Bonds and the Prior Bonds.

"Revenues" or "Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board,

agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

“Series 2004 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated October 25, 2004, issued in the original aggregate principal amount of \$902,250.

“Series 2012 A Bonds” means the Sewer Revenue Bonds, (United States Department of Agriculture) issued in one or more series authorized by this Ordinance.

"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 with the article “the”, refers specifically to the supplemental resolution authorizing the sale of the Series 2012 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2012 A Bonds, and not so included may be included in another supplemental resolution.

"System" means the complete sewerage system of the Issuer and all sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the sewerage systems, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the Sewerage system from any source whatsoever.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Series 2012 A Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Series 2012 A Bonds, certificate or other documents may be executed or attested by an Acting Mayor or Acting Recorder.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed \$860,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2012 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

The estimated maximum cost of the acquisition and construction of the Project is \$860,000, of which \$320,000 will be obtained from the proceeds of sale of the Bonds herein authorized and \$ 540,000 will be obtained from a grant from the Purchaser.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Bond Legislation, the Series 2012 A Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture)," are hereby authorized to be issued in the principal amount of not to exceed \$320,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2012 A Bonds shall be issued in one or more series, only as a fully registered Bond in an aggregate principal amount to be prescribed in the Supplemental Resolution, and shall be dated on the date of delivery thereof. The Series 2012 A Bonds shall bear interest from date of delivery, payable monthly at the rate not to exceed 2.625% per annum, which interest rate shall be prescribed in the Supplemental Resolution and shall be sold for the par value thereof.

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

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2012 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia,

but the Series 2012 A Bonds, and the right to the principal of and stated interest on the Series 2012 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2012 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2012 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2012 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2012 A Bonds.

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

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

Section 3.05. Execution of Bonds. The Series 2012 A Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the Recorder. In case any one or more of the officers who shall

have signed or sealed the Series 2012 A Bonds shall cease to be such officer of the Issuer before the Series 2012 A Bonds so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2012 A Bonds had not ceased to hold such office. The Series 2012 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 Series 2012 A Bonds shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2012 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2012 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2012 A Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2012 A Bonds the Issuer may pay the same, and, if such Series 2012 A Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2012 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Series 2012 A Bonds on a parity with the Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2012 A Bonds and the Prior Bonds and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2012 A Bonds and Prior Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2012 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any supplemental resolution enacted after the date of enactment hereof and prior to the issuance thereof:

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(FORM OF SERIES 2012 A BOND)

TOWN OF JUNIOR

SEWER REVENUE BONDS, SERIES 2012 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$ _____

No. AR-1

Date: _____, 2012

FOR VALUE RECEIVED, the TOWN OF JUNIOR (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ DOLLARS (\$ _____), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and

shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the Sewerage system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

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

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

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), an Ordinance of Borrower duly enacted on June 4, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 authorizing issuance of this Bond (collectively, the "Ordinance").

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

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

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$902,250 (THE "SERIES 2004 A BONDS" OR THE "PRIOR BONDS").

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

IN WITNESS WHEREOF, the TOWN OF JUNIOR has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, all as of the date hereinabove written.

TOWN OF JUNIOR

[CORPORATE SEAL]

Mayor

P.O. Box 247
Junior, West Virginia 26275

ATTEST:

Recorder

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Borrower with full power of substitution in the premises.

Dated: _____, 20____.

In presence of:

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created (or continued if previously established by Prior Ordinance) and established with, and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund (established by Prior Ordinance and continued hereby);
- (2) Renewal and Replacement Fund (established by Prior Ordinance and continued hereby); and
- (3) Project Construction Account.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by Prior Ordinance) with and shall be held by, the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 2004 A Bonds Sinking Fund (established by Prior Ordinance and continued hereby);
- (2) Series 2004 A Bonds Reserve Account (established by Prior Ordinance and continued hereby); and
- (3) Series 2012 A Bonds Reserve Account.

Section 4.03. Bond Proceeds; Project Construction Account. The proceeds of sale of the Series 2012 A Bonds shall be deposited upon receipt by the Issuer in the Project Construction Account. The monies in the Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Series 2012 A Bonds if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Series 2012 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2012 A Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2012 A Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Series 2012 A Bonds as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Ordinances 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 Ordinances.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Ordinances not otherwise modified herein:

- (1) The Issuer shall first, each month, pay from the Revenue Fund the Operating Expenses of the System.
- (2) The Issuer shall next, each month, on or before the due date thereof, transfer from the Revenue Fund remit on or before the due date

thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2012 A Bonds, the amounts required to pay interest on the Series 2012 A Bonds over the life of the bond issue.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously (i) on or before the due date thereof, remit to the Commission the amount required by the Prior Ordinance to pay the principal of the Series 2004 A Bonds; and (ii) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2012 A Bonds, the amount required to pay principal of the Series 2012 A Bonds.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the Commission, the amount required by the Prior Ordinance to be deposited in the Reserve Fund for the Series 2004 A Bonds; and (ii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, thereafter, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 2012 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount each month, until the amount in the Series 2012 A Bonds Reserve Account equals the Series 2012 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2012 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 ½ % of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

Whenever the monies in the Series 2012 A Bonds Reserve Account shall be sufficient to prepay the Series 2012 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2012 A Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2012 A Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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 reserve account payments with respect to the Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

The Revenue Fund and the Renewal and Replacement Fund shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien on a parity with the Prior Bonds thereon for further securing payment of the Series 2012 A Bonds and the interest thereon, but the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates on a parity and pro rata with respect to the Prior Bonds.

The Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2012 A Bonds Reserve Account and the Renewal and Replacement Fund invested and reinvested to the fullest extent possible, in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. 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 interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2012 A Bonds Reserve Account so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK AND FISCAL AGENT.

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

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2012 A Bonds, provide evidence of the bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission or the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in lawful manner for securing deposits of State and municipal funds under the laws of the State of West Virginia.

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

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

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2012 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2012 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2012 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2012 A Bonds.

Section 5.02. Rates. Prior to the issuance of the Series 2012 A Bonds, the Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as (i) will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the maximum annual debt service on the Series 2012 A Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes; and (ii) so long as the Prior Bonds are Outstanding to provide for all reasonable expenses of operation, repair, maintenance of the System and to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for the payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues; provided that, in the event that an amount equal to or in excess of the reserve requirements for the Bonds prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any Fiscal year for the payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues.

Section 5.03. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance. Additionally, the System will not be sold without the prior written consent of the Purchaser so long as the Series 2012 A Bonds are outstanding.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. So long as the Prior Bonds are outstanding, the limitations on the issuance of

parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds or obligations payable out of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

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

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2012 A Bonds, representing 75% of the then-outstanding principal indebtedness.

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

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

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any

increase in rates enacted by the Issuer, the time for appeal of which shall have expired prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the 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, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Ordinances with respect to the Series 2012 A Bonds and Prior Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation and the Prior Ordinances.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2012 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death,

and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2012 A Bonds.

C. VEHICULAR PUBLIC LIABILITY INSURANCE, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

D. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF THE ISSUER ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Recorder of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' Compensation coverage will be maintained as provided by law.

E. FLOOD INSURANCE to be procured, to the extent available at reasonable cost to the Issuer; provided, however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

F. FIDELITY BONDS will be provided as to every member of the Governing Body and as to every officer and employee of the Issuer having custody of the Revenue Fund or of any Revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

G. Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2012 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such

amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2012 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2012 A Bonds and shall be for the equal benefit of the Series 2012 A Bonds on a parity with the Prior Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

A. Failure to make payment of any monthly amortization installment upon the Series 2012 A Bonds at the date specified for payment thereof;

B. Failure to duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2012 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law, or

C. If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 5.08. Enforcement. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2012 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2012 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2012 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2012 A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Any Registered Owner of the Bonds, by proper legal action, compel the performance of the duties of the Issuer under this 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 the Bonds shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

Section 5.09. Fiscal Year; Budget. While the Series 2012 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Recorder on the date of adoption hereof, subject to permitted changes.

Section 5.11. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2012 A Bonds are outstanding.

Section 5.13. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules.

A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the rate ordinance of the Issuer enacted on October 3, 2011 which rate ordinance is incorporated herein by reference as a part hereof.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be a lien on the premises served if not paid when due. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges, including, without limitation, any right and power of foreclosure under the Act and/or such other applicable provisions of law.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer shall not be liable to any customer for any damage resulting from bursting or breakage of any pipe, line, main, valve, equipment or part or from discontinuance of the operation of any part of the System or from failure of any part thereof for any cause whatever.

G. In case of emergency, the Issuer shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the Issuer.

H. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide revenues to meet its payments and obligations provided hereunder, but in any event, not less than 110% of the annual debt service on the Bonds outstanding after Prior Bonds are paid in full.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2012 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 with respect to the Series 2012 A Bonds, the pledge of Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2012 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

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

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2012 A Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2012 A Bonds, no modification

or amendment of this Ordinance, or any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Mayor is hereby authorized and directed to cause the Series 2012 A Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2012 A Bonds.

Section 7.05. Conflicting Provisions Repealed. Except for the Prior Ordinance, all ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption and enactment 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, Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 7.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Council to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in *The Barbour Democrat*, being qualified newspapers of general circulation in the Town of Junior, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted, and

that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Ordinance is on file in the office of the Recorder of the Issuer for review by interested parties during regular office hours. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

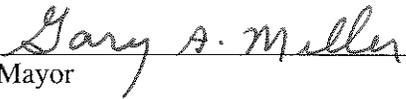
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Section 7.09. Effective Date. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Passed on First Reading: April 17, 2012

Passed on Second Reading: May 7, 2012

Passed on Final Reading
Following Public Hearing: June 4, 2012



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the Town of Junior on the 4th day of June, 2012.

Dated this 21st day of June, 2012.

[SEAL]



Recorder

461180.00004

5663248

TOWN OF JUNIOR

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2012 A OF THE TOWN OF JUNIOR, 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, June 4, 2012 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES 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 \$320,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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 Sewer Revenue Bonds, Series 2012 A, of the Issuer (the "Series 2012 A Bonds"), in an aggregate principal amount not to exceed \$320,000, and has authorized the execution and delivery of the documents relating to the Bonds, all in accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF 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 following bonds of the Issuer:

A. Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered AR-1 in the principal amount of \$220,000. The Series 2012 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 2.0% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2012 A Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of \$691 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2012 A Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2012 A Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2012 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

Section 2. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about June 21, 2012, to the Purchaser.

Section 3. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 4. The Issuer does hereby appoint and designate Freedom Bank, Belington, West Virginia for the purpose of serving in the capacity of Depository Bank.

Section 5. The cost of the Project is estimated not to exceed \$760,000, of which \$220,000 will be obtained from proceeds of the Series 2012 A Bonds.

Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 4th day of June, 2012.



Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Junior on the 4th day of June, 2012.

Dated: June 21, 2012.

[SEAL]



Recorder

461180.00004



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

Writer's Contact Information
(304) 353-8196 – Telephone
(304) 353-8180 – Facsimile
John.stump@steptoe-johnson.com

June 12, 2012

Via Hand Delivery

01:50 PM JUN 12 2012 PSC EXEC SEC DIV

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

Case No.: 11-1150-S-CN

TOWN OF JUNIOR

Application for a certificate of convenience and
Necessity to upgrade three existing sewer lift
stations in Barbour County

Dear Ms. Squire:

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

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

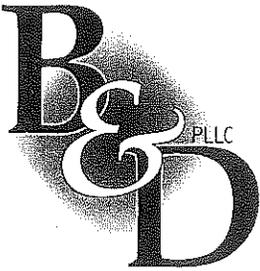
Best Regards,

A handwritten signature in black ink, appearing to read 'John C. Stump'.

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

Enclosures

461180.00004



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

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 11-1150-S-CN

01:51 PM JUN 12 2012 PSC EXEC SEC DIV

TOWN OF JUNIOR

Application for a certificate of convenience and necessity to upgrade three existing sewer lift stations in Barbour County

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

AFFIDAVIT

I, Zack Dobbins, CPA, after making an oath of affirmation to tell the truth, say that, I have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 11-1150-S-CN entered December 8, 2011 which became a Final Order on December 28, 2011 approving funding consisting of: (a) a \$540,000 grant from the United States Department of Agriculture; and (b) a \$220,000 loan from the United States Department of Agriculture, payable over 40 years at an annual interest rate of 2.65%.

Based upon all the information that has been provided to me, to date, I am of the opinion that the rates and charges are not affected by the revised funding consisting of: (a) a \$540,000 grant from the United States Department of Agriculture; and (b) a \$220,000 loan from the United States Department of Agriculture, payable over 40 years at an annual interest rate of 2.00%.

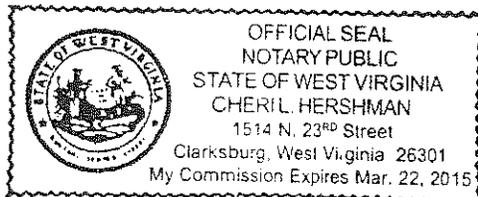
This Affidavit is executed on the 1st day of June, 2012.

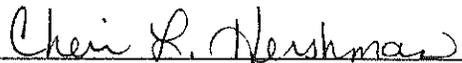


Zack Dobbins, CPA
Bennett & Dobbins

Taken, subscribed and sworn to before me this 1st day of June, 2012.

My commission expires March 22, 2015.





Notary Public

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: December 8, 2011

CASE NO. 11-1150-S-CN

FINAL
12/28/2011

TOWN OF JUNIOR,
a municipal utility, Barbour County.

Application for a Certificate of Convenience
and Necessity to upgrade three existing sewer
lift stations in Barbour County.

RECOMMENDED DECISION

The application is granted and the project and its funding is approved.

CASE RECORD

On August 4, 2011, the Town of Junior ("Town"), by counsel Thomas R. Michael, filed with the Public Service Commission ("Commission") an application for a certificate of convenience and necessity to replace three existing sewer lift stations in Barbour County. The application stated that the lift stations are approximately twenty-five years old and require constant maintenance and that the proposed project consists of installing duplex submersible lift stations with emergency standby generators. Supporting documentation was filed.

Also on August 4, 2011, the Commission directed the Town to publish a Notice of Filing, which provided that, if no substantial protest was filed within thirty days after the date of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application.

On August 29, 2011, the Town, by counsel, filed affidavits of publication of the Notice of Filing on August 22, 2011, in The Inter-Mountain, published in Randolph County, and on August 17, 2011, in The Barbour Democrat, published in Barbour County.¹

¹Part of the affidavit of publication in The Barbour Democrat was obscured in the filed copy. A clear copy was filed on December 5, 2011.

No protest was filed.

On September 21, 2011, by Order, the Commission referred this matter to the Division of Administrative Law Judges ("ALJ Division") for decision no later than January 17, 2012.

On October 25, 2011, the Town, by counsel, filed a motion for a thirty-day tolling of the statutory deadline, as well as an extension of the ALJ decision due date, having been advised by Staff that Staff could not complete its analysis of the application until it reviewed the Town's sewer rate ordinance, which had been filed shortly before.

On October 27, 2011, the Commission issued an Order extending the statutory deadline from March 16, 2012, to April 15, 2012, and the ALJ decision due date to February 16, 2012.

On November 23, 2011, Staff Attorney Wendy Braswell filed the Final Joint Staff Memorandum, with an attached memorandum from Jonathan Fowler, of the Engineering Division, and James Boggess, of the Utilities Division, which included the following: The Town's sewer system serves approximately 199 customers in the Town and the surrounding area. The project is the replacement of Lift Stations Numbers 1 through 3, which are old, in poor condition, require excessive maintenance, and present safety issues for operators; Lift Station Number 2 is also subject to periodic sewer overflows. The State of West Virginia Office of Environmental Health Services issued its permit for the project, Permit No. 18,789, on April 14, 2011. All permits and regulatory approvals for the project have been issued or will be issued prior to the start of construction. The project's total estimated cost is \$760,000, including an estimated \$562,000 construction cost. The United States Department of Agriculture Rural Development Office has committed to funding the project with a \$540,000 grant and a \$220,000 loan, payable over forty years at an annual interest rate of 2.625%, and during the first two years the payments will be for interest only. The Town has recently passed an ordinance raising its sewer rates by 13%, or \$22,585 in additional revenue. The Town's revenue will be adequate to meet its obligations after the project is online, providing a \$5,792 cash surplus and a debt service coverage factor of 125%, well above the required 115%. Staff recommended that the application be granted.

FINDINGS OF FACT

1. On August 4, 2011, the Town of Junior filed with the Public Service Commission an application for a certificate of convenience and necessity to replace three existing sewer lift stations in Barbour County. (See application).
2. The Town provided notice to its customers by publishing a Notice of Filing on August 22, 2011, in The Inter-Mountain, published in Randolph County, and on August 17, 2011, in The Barbour Democrat, published in Barbour County. (See filing of August 29, 2011).

3. No protest was filed. (See Commission's file).

4. The project is the replacement of Lift Stations Number 1 through 3, which are old, in poor condition, require excessive maintenance, and present safety issues for operators; Lift Station Number 2 is also subject to periodic sewer overflows. (See application; Final Joint Staff Memorandum filed November 23, 2011).

5. The State of West Virginia Office of Environmental Health Services issued its permit for the project, Permit No. 18,789, on April 14, 2011. All permits and regulatory approvals for the project have been issued or will be issued prior to the start of construction. (See application; Final Joint Staff Memorandum).

6. The project's total estimated cost is \$760,000, including an estimated \$562,000 construction cost. Staff opined that the costs are reasonable for the project. (See application; Final Joint Staff Memorandum).

7. The United States Department of Agriculture Rural Development Office has committed to funding the project with a \$540,000 grant and a \$220,000 loan, payable over forty years at an annual interest rate of 2.625%, and during the first two years the payments will be for interest only. (See application; Final Joint Staff Memorandum).

8. The Town has recently passed an ordinance raising its sewer rates by 13%, or \$22,585 in additional revenue. The Town's revenue will be adequate to meet its obligations, providing an annual \$5,792 cash surplus and a debt service coverage factor of 125%, well above the required 115%. (See application; Final Joint Staff Memorandum).

9. Staff recommended that the application be granted. (See Final Joint Staff Memorandum).

CONCLUSIONS OF LAW

1. It is appropriate to approve the project, pursuant to W.Va. Code §24-2-11, because the public convenience and necessity require the project, upon condition that any needed outstanding permits be received and filed before construction begins on the project.

2. It is appropriate to approve the funding for the project.

ORDER

IT IS, THEREFORE, ORDERED that the application filed on August 4, 2011, by the Town of Junior for a certificate of convenience and necessity to replace three lift stations in Barbour

County, at a total cost of \$760,000, is granted and the project is approved, without specific approval of the project's plans and specifications.

IT IS FURTHER ORDERED that the Town of Junior not proceed to construction unless and until it has received and filed with the Commission all required federal, state and local permits.

IT IS FURTHER ORDERED that the financing for the project, consisting of a \$540,000 grant and a \$220,000 loan, payable over forty years at an annual interest rate of 2.625%, from the United States Department of Agriculture Rural Development Office, is approved.

IT IS FURTHER ORDERED that, if there are any changes in the plans and/or scope of the project or if a change in project cost or financing affects rates, the Town of Junior obtain Commission approval of such changes prior to commencing construction.

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

IT IS FURTHER ORDERED that the Town of Junior file a copy of the engineer's certified tabulation of bids for the project within ten (10) days of the opening date.

IT IS FURTHER ORDERED that the Town of Junior submit a certificate of substantial completion of the project from its engineer as soon as it becomes available.

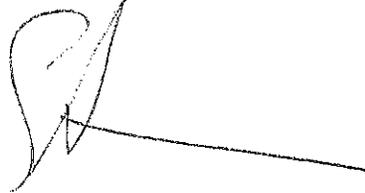
IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

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

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

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

A handwritten signature in black ink, appearing to read 'Sunya Anderson', with a long horizontal line extending to the right.

Sunya Anderson
Administrative Law Judge

SA:s
111150a.wpd



United States Department of Agriculture
Rural Development
Elkins Area Office

May 22, 2012

~~Town of Junior~~
~~The Honorable Gary A. Miller, Mayor~~
~~P.O. Box 247~~
~~Junior, WV 26275~~

COPY

Dear Mayor Miller:

This letter is to confirm that the pre-closing meeting for the USDA Rural Development Rural Utilities Service (RUS) loan and grant for the Town of Junior Sewer Lift Station Upgrade Project is scheduled for June 19, 2012, at 10:00 a.m. in the large meeting room at the Junior Town Hall located at 130 Row Avenue in Junior. A pre-construction conference will follow at 11:00 a.m. The official loan and grant closing date will be June 21, 2012. The project attorney should attend the pre-closing meeting, and the project accountant should be available for consultation if needed.

Reference is made to the RUS Letter of Conditions dated September 8, 2009. All of the requirements set forth in this letter must be met and the loan and grant must be closed in accordance with RUS Instruction 1780. Many of the aforementioned items from the Letter of Conditions have already been addressed. Those items remaining to be satisfied prior to loan and grant closing include:

1. The certification on the RUS Loan Resolution (RUS Bulletin 1780-27) must be completed at the pre-closing meeting.
2. The certification on the RUS Grant Agreement (RUS Bulletin 1780-12) must be completed at the pre-closing meeting.
3. The Town's attorney will need to provide Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way", showing no exceptions. This form should be dated June 21 2012. A list of the rights-of-way that were needed for this project indicating which ones have been signed and recorded should be attached to the form.
4. The Town's attorney must furnish a Form RD 1927-10, "Final Title Opinion", on all land(s) being acquired for this project. In addition, the attorney must provide a separate final title opinion(s) covering all existing property owned by the Town and used in association with the sewer system. The opinion(s) should be dated June 21, 2012, and they should include legal descriptions (and plats if they are available).

Randolph Center Building • 1200 Harrison Avenue, Suite 150 • Elkins, West Virginia 26241
Phone: (304) 636-2158 • Fax: (304) 636-5902 • 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).

5. In accordance with Item 10(c) of the original letter of conditions, the Town's attorney must furnish a narrative opinion addressing all permits, certifications, and other items necessary to show that all legal requirements can be met and stating how they will be met. The narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled. If the Town was unable to obtain the necessary property rights for any tract or right-of-way, a "right of entry" must be obtained for all properties before the pre-closing.
6. In accordance with the Legal Services Agreement, the project attorney should be on hand during the pre-construction conference to review construction contracts, and contracting procedure, as well as surety and contractual bonds in connection with the project.
7. The construction contract books will include a certification for the Town's attorney to sign in connection with the payment and performance bonds. The Town's attorney will be responsible for recordation of the payment bond, and also the performance bond if it is deemed prudent to record it as well.
8. No later than the date of the pre-closing meeting, the Town must provide written evidence that all required insurance coverage and fidelity bond coverage has been obtained in accordance with Item 13 of the Letter of Conditions.
9. If a permit is required from the West Virginia Department of Highways a copy of it should be provided to RUS no later than pre-closing meeting.
10. No later than the date of the pre-closing meeting, the Town should have provided copies of all applicable Public Service Commission certificates and/or approvals. RUS currently has a copy of the certificate of convenience and necessity order that became final on December 28, 2011.
11. The Town must provide RUS with proof of current Workers' Compensation coverage no later than the pre-closing meeting.
12. The contractor involved in the construction of the project will need to complete Form AD 1048, "Certification Regarding Debarment – Lower Tier Covered Transactions". The Town will be given a notice of the debarment requirements pertaining to contractors that work on the project and the Mayor will sign an acknowledgement that the Town received the debarment notification.
13. The first requisition for RUS project funds must be created and submitted to the Elkins Area Office for review and approval as soon as possible.
14. It should be noted that the RUS funds for this project came from the American Recovery and Reinvestment Act (ARRA). Therefore, the Town must adhere to the requirements set forth as a condition of approval for ARRA funds such as certifications, project reporting, Buy American provisions, and Davis-Bacon wage requirements. A Davis-Bacon Wage Rate Compliance Checklist is enclosed. No later than the pre-closing meeting, the responsible party for each item on the checklist will be identified and the checklist will be signed by a representative of Thrasher Engineering (the designated Contracting Officer), a representative of RCAP, (Project Administrator assisting with ARRA reporting) and a representative of USDA Rural Development.

15. If all project related transactions requiring Town Council approval are not completed prior to the pre-closing meeting, the Town should be prepared to have a properly called meeting of the Town Council during the pre-closing process. Also, please bring the official seal that the Town uses for authenticating documents.
16. Nancy Taylor, Rural Development Technician in the Elkins Area Office, is planning to complete a Civil Rights Compliance Review with the Town at the pre-closing meeting. Completion of this review will require an informal interview to obtain information about the sewer system customers, employees and governing body.

Thank you for doing business with USDA Rural Development. If you have any questions regarding these or any other matters pertaining to your loan and grant, please contact our office at your earliest convenience.

Sincerely,

Joseph D. Crickenberger
Rural Development Specialist

Enclosure:

cc: State Director
USDA- Rural Development
Attention: Janna Lowery
RUS Program Directory

Thrasher Engineering, Inc.
Attention: Dan Ferrell, P.E.
P.O. Box 1532
Clarksburg, WV 26301

Thomas R. Michael – (w/o enclosure)
Attorney at Law
P.O. Box 250
Lost Creek, WV 26385

Bennett & Dobbins, PLLC – (w/o enclosure)
Attention: Zack Dobbins, CPA
317 Cleveland Avenue
Fairmont, WV 26554

Steptoe & Johnson, PLLC – (w/o enclosure)
Attention: John Stump, Attorney at Law
P.O. Box 1588
Charleston, WV 25326

Rural Community Assistance Program (RCAP)
Attention: Dan Pauley, State Coordinator
12 C Sunset View
Bridgeport, WV 26330



Bond Counsel

United States Department of Agriculture
Rural Development
West Virginia State Office

1 0 10 2009

September 8, 2009

The Honorable Richard L. Vest, Mayor
Town of Junior
P.O. Box 247
Junior, WV 26275

COPY

Dear Mayor Vest:

This letter, with Attachments 1 through 8 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 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 (RD) shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RD loan in the amount of \$220,000 and an RD grant in the amount of \$540,000, for a total project cost of \$760,000.

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. All parties may access our web-site located at www.usda.gov/rus/water/ for the following:

- a. RUS Instruction 1780
- b. RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance"
- c. RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
- d. RUS Bulletin 1780-31, "Water Programs Compliance Supplement For OMB Circular A-133 Audits"

1550 Earl Core Road, Suite 101, Morgantown, WV 26505
304.284.4860 • 1.800.295.8228 • 304.284-4893 • TTY/TDD 304.284.4836 • Web: <http://www.rurdev.usda.gov>

Committed to the future of rural communities.

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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).

Government Auditing Standards (Revision 2007) (Accountant Copy) may be accessed at www.gao.gov/govaud/ybk01.htm.

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
- Attachment No. 3 – Form RD 442-22, “Opinion of Counsel Relative to Rights-of-Way” (Attorney Copy)
- Attachment No. 4 – Sample Credit Agreement (Applicant Copy)
- Attachment No. 5 – Form RD 1927-9, “Preliminary Title Opinion” (Attorney Copy)
- Attachment No. 6 – Form RD 1927-10, “Final Title Opinion” (Attorney Copy)
- Attachment No. 7 – Labor Standards Provisions (Engineer Copy)
- Attachment No. 8 – Various other RD forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. **American Recovery and Reinvestment Act of 2009 ("Recovery Act")**.

Recovery Act requirements apply to this financing. In addition to the other conditions contained in this Letter of Conditions, you must understand and agree to these following conditions specific to the Recovery Act:

- (a). **Certifications**. With respect to Recovery Act funds made available to State or local governments for infrastructure investments, Section 1511 of the Recovery Act requires the Governor, mayor or other chief executive, as appropriate, to certify that the infrastructure investment has been properly approved as required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. RD Water and Waste personnel will provide specific guidance on the information required in the certification.
- (b). **Reports on Use of Funds**. Section 1512 of the Recovery Act requires each recipient receiving Recovery Act funding to provide specific information to the government on a periodic basis for inclusion in various internal and publicly-available reports. RD Water and Waste Program personnel will provide specific guidance on the type and frequency of information required to assist Recovery Act recipients in complying with this condition.

(c). Buy American. Section 1605 of the Recovery Act requires that all projects financed with Recovery Act funds be bid and constructed using only iron, steel and manufactured goods produced in the United States in accordance with Section 1605 of the Recovery Act. Specific guidance, including contract provisions to be included in any construction contracts, is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.

(d). Wage Rate Requirements. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors for the project will be paid wages at rates not less than those prevailing on projects of a character similar in the locality where this project will occur. Specific guidance, including contract provisions to be included in any construction or otherwise related contracts, is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.

Compliance with the conditions in this section is required for financing under the Recovery Act. However, these conditions are not substitutes for, or in lieu of, the remaining conditions contained in this Letter of Conditions. Each of the conditions in this Letter of Conditions must also be understood and complied with to receive financing for your project.

2. **Fund Usage** – Funds obligated under the terms of this letter of conditions are committed on the basis that your project will proceed to the construction stage in an expedient manner. In accordance with RUS Staff Instruction 1782-1, Section 1782.20(u)(5), any funds not disbursed within 60 months from the date of obligation will be de-obligated and returned to the Department of Treasury for further disposition to other RD project applicants. In the event that USDA determines that your project has not progressed within the five (5) year timeline and that funds will be recaptured, you will be given appeal rights and due process to document reasons why you believe the decision to de-obligate your project funds is not justified.
3. **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 2.625% interest rate and a monthly amortization factor of .00347, which provides for a monthly payment of \$764.00. 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 RD loan, in whole or in part, upon the request of RD 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 or time.

4. **Security** – The loan must be secured by a statutory lien of shared first priority, a pledge of the system’s revenues and other agreements between you and RD 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 RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.
5. **Users** – This conditional commitment is based upon you providing evidence that there will be at least 203 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a certification from you that identifies and attests to the number of users that are actually connected to the Town’s existing sewer system, which is to be totally replaced by the new system, at the time you request authorization to advertise the project for construction bids.

Before RD 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 currently using the system.
6. **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.
7. **Engineering Services** – It will be necessary for you to obtain the services of an engineer. EJCDC No. E-500, “Standard Form of Agreement between Owner and Engineer for Professional Services” (2008 Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RD.
8. **Legal Services** – It will be necessary for you to obtain the services of a local attorney. For your convenience “RUS Legal Services Agreement” is enclosed for your use.

9. **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 RD 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 RD concurrence is obtained.

RD regulations noted above outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on the Town. "Government Auditing Standards (Revised 2007)", which may be accessed at www.gao.gov/govaud/ybk01.htm, and RUS Bulletins 1780-30 and 1780-31, which may be accessed at our agency website listed above, 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.

10. **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.

11. **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

12. **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 Rural Development
- 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.

13. **Insurance and Bonding** - Prior to loan closing or start of construction, whichever occurs first, you must acquire the types of insurance and bond coverage shown below. The use of deductibles may be allowed providing you have the financial resources to cover potential claims requiring payment of the deductible. RD strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of RD to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

- a. General Liability Insurance – This should include vehicular coverage.
- 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 \$200,000 (estimated highest monthly construction drawdown). 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 RD 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:
 - i. If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.
 - ii. 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 coverage) on all above-ground structures, to include machinery and 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.

14. **Environmental Requirements** –

Project Modifications – The project as proposed has been evaluated to be consistent with all applicable environmental requirements. If the project or any project element deviates from or is modified from the original approved project, additional environmental review may be required.

15. **Vulnerability Assessments (VA) and Emergency Response Plans (ERP)** –

Congress enacted the Public Health Security and Bioterrorism Preparedness Response Act of 2002, Public Law 107-188 (Bioterrorism Act). The Bioterrorism Act amended the Safe Drinking Water (SDWA) to require all medium and large sized community water systems (serving populations greater than 3,300) to assess vulnerability to terrorist attack and develop emergency plans for response to such an attack. Medium and large community water systems are being monitored by the U.S. EPA for completion of VA's and ERP's.

Rural Development requires all financed water and wastewater systems to have a vulnerability assessment (VA) and an emergency response plan (ERP) in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operations. A certification that a VA is complete

must be submitted within one year of the start of operations. All other borrowers must provide a certification that a VA and ERP are complete prior to bid authorization.

You will also be required to provide a certification that the VA and ERP is complete and is current every three years after the start of operations. RD does not need or want a copy of the VA or ERP. The requested certification will be sufficient to meet our needs. Technical assistance providers are available to provide you with on site assistance if desired.

16. **Civil Rights & Equal Opportunity** – You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

Section 504 of the Rehabilitation Act of 1973 – Under section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving RD financial assistance.

Civil Rights Act of 1964 – All borrowers are subject to, and facilities must be operated in accordance with, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and subpart E of part 1901 of this title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this title.

The Americans with Disabilities Act (ADA) of 1990 – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.

Age Discrimination Act of 1975 – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

RD financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

17. Contract Documents, Final Plans and Specifications –

a. The contract documents should consist of the following:

- (1) EJCDC Document No. C-520, 2007 Edition, “Suggested Form of Agreement between Owner and Contractor for Construction Contract (Stipulated Price)” and EJCDC Document No. C-700, 2007 Edition, “Standard General Conditions of the Construction Contract” – and Attachments. The EJCDC documents are issued under copyright and cannot be provided by RD.
- (2) “RD Supplemental General Conditions.”
- (3) “Labor Standards Provisions” – Title 29, Subtitle A, Part 5, Section 5.5, Contract Provisions and Related Matters. One copy of this item is attached hereto (Attachment No. 7). Additional copies must be reproduced by the engineer.

RUS Bulletin 1780-26, “Guidance for the Use of EJCDC Documents on Water and Waste Disposal Projects with RUS Financial Assistance (August 20, 2009 Version),” is available at the website referenced on page 1 of this letter.

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. EJCDC Document C-700, “Standard General Conditions of the Construction Contract” and Attachment H to RUS Bulletin 1780-26, “Supplementary Conditions” both suggest 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 RD for approval.
 - d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.
18. **Interim Financing** – Interim financing will be used for the RD loan if it is available at reasonable rates and terms. You must provide RD with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RD review. A Sample Credit Agreement is attached for your use in meeting this requirement (Attachment No. 4).
19. **Disbursement of Funds** – The RD funds will be advanced as they are needed in the amount(s) necessary to cover the RD proportionate share of any disbursements required of your Town, over 30 day periods. Funds will be disbursed by electronic transfer of funds.

Any RD grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account except as follows:

- a. Federal grant awards (includes all federal funding sources) are less than \$120,000 per year.
- b. The best available interest bearing account would not be expected to earn in excess of the following:

Public Bodies

Interest earned on grant funds in excess of \$100 per year will be submitted to RD at least quarterly as required in 7 CFR 3016.

- c. The depository would require a minimum balance so high that it would not be feasible.

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 \$250,000 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 RD.

20. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

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”
 RD 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”

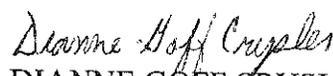
21. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan and grant docket. All the items listed must be included in the loan and grant docket when it is forwarded to the USDA – Rural Development State Office with a request for loan closing instructions to be issued.
22. Upon receipt of the loan and grant docket, which contains all the items required above, RD 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 RD 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.

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RD project funds will be considered to be RD grant funds and refunded to RD. If the amount of unused RD project funds exceeds the RD grant, that part would be RD loan funds and 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, RD 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 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 yours,


DIANNE GOFF CRYSLER
Acting State Director

Enclosures

cc: Area Specialist
Elkins, WV

Thrasher Engineering, Inc.
ATTN: David Watson, P.E.
P.O. Box 1532
Clarksburg, WV

Bennett & Dobbins, PLLC
ATTN: Zack Dobbins, CPA
317 Cleveland Ave.
Fairmont, WV 26554-1604

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

Steptoe & Johnson, PLLC
ATTN: John C. Stump, Attorney at Law
P.O. Box 1588
Charleston, WV 25326-1588

Rural Community Assistance Program
ATTN: Dan Pauley, State Coordinator
12 C Sunset View
Bridgeport, WV 26330

Attachment No. 1 to the Letter of Conditions
 For: Town of Junior - Sewer Lift Station Upgrade Project
 Date: September 8, 2009

**Project Construction Budget
 Town of Junior
 Sewer Lift Station Upgrade Project**

<u>PROJECT COST</u>	<u>RUS LOAN</u>	<u>RUS GRANT</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 110,750	\$ 400,000	\$ 510,750
CONSTRUCTION CONTINGENCY	\$ 10,250	\$ 41,000	\$ 51,250
LAND & RIGHTS	\$ 10,000		\$ 10,000
LEGAL FEES	\$ 8,000	\$ 2,000	\$ 10,000
BOND COUNSEL	\$ 15,500		\$ 15,500
ACCOUNTING	\$ 4,000		\$ 4,000
ENGINEERING FEES	\$ 35,500	\$ 80,000	\$ 115,500
Basic - \$49,125			
Insp. - \$40,000			
Special - \$26,375			
INTEREST (1 Yr. @ 2.625%)	\$ 20,000		\$ 20,000
ADMINISTRATION	\$ 2,500	\$ 5,000	\$ 7,500
PROJECT CONTINGENCY	\$ 3,500	\$ 12,000	\$ 15,500
TOTAL	\$ 220,000	\$ 540,000	\$ 760,000

Attachment No. 1 to the Letter of Conditions
For: Town of Junior Sewer Lift Station Upgrade Project
Date: September 8, 2009

Proposed Tariff - Town of Junior Sewer

SCHEDULE NO. 1

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior for metered water usage.

AVAILABILITY OF SERVICE

Available for sanitary sewer service.

METERED RATES

First 2,000 gallons used per month @ \$7.70 per thousand gallons
Over 2,000 gallons used per month @\$6.88 per thousand gallons.

MINIMUM CHARGE

No bill will be rendered for less than the following amount:
\$15.40 per month.

DELAYED PAYMENT PENALTY

The above sewer use charges are net. On all accounts not paid in full within twenty (20) days of the date of the bill, ten (10) percent will be added to the net amount shown.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum monthly charge herein established. Motels and Hotels shall pay according to the water consumed.

TRAILER COURTS

House trailer courts shall be provided with one (1) sewer connection (tap). No bill shall be rendered for less than the following: Nine dollars and thirty cents (\$9.30) multiplied by the number units situated on the court site at the time the meter is read. House trailers shall include both mobile and immobile units.

CONNECTION FEES

A connection fee of \$25.00 will be charged for connections made prior to start of construction of the sanitary sewer system. After the start of construction, a connection fee the greater of \$350.00 or the actual cost of installation, including all materials and labor will be charged.

INSPECTION FEES

Whenever the owner performs all the necessary work including all labor material and equipment to make a connection, an inspection fee of \$25.00 will be charged.

Attachment No. 1 to the Letter of Conditions
For: Town of Junior Sewer Lift Station Upgrade Project
Date: September 8, 2009

Proposed Tariff – Town of Junior Sewer

SCHEDULE NO. 2
(UNMETERED)

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior for unmetered residential water usage.

AVAILABILITY OF SERVICE

Available for domestic (residential) service.

FLAT RATES

\$15.40 per month

DELAYED PAYMENT PENALTY

The above sewer use charge is net. On all other accounts not paid in full within twenty (20) days of the date of the bill, ten percent (10%) will be added to the net amount shown.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than \$7.43 each per month.

CONNECTION FEES

A connection fee of \$25.00 will be charged for connections made to the start of construction of the sanitary system. Subsequent to the award of construction contracts, a connection fee of the greater of \$350.00 or the actual cost of installation, including all materials and labor, will be charged.

INSPECTION FEES

Whenever the owner performs all the necessary work including all labor, equipment and materials to make a connection, an inspection fee of \$25.00 will be charged.

TRAILER COURTS

House trailer courts shall be provided with one (1) sewer connection (tap). No bill shall be rendered for less than the following:

Seven dollars and forty-three cents (\$7.43) multiplied by the number units situated on the court site at the time the bill is rendered by the Town. House trailer (as used hereinabove) shall include both mobile and immobile units.

House trailers, either mobile or immobile, located on sites other than a court or park, shall be billed in the same manner as any other family or business unit.

Attachment No. 1 to the Letter of Conditions
For: Town of Junior Sewer Lift Station Upgrade
Date: September 8, 2009

Proposed Tariff – Town of Junior Sewer

SCHEDULE NO. 3 (SURCHARGE)

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior.

Applicable for sanitary sewer service when Biochemical Oxygen Demand (BOD), Suspended Solids (SS) or other pollutant concentrations from a user exceed the range of concentration of the pollutants in normal domestic service.

AVAILABILITY OF SERVICE

Sewer user shall make application in writing, showing qualitative and quantitative analysis of wastewaters to be delivered to the sanitary sewer system. Said wastes shall not be delivered until written authority has been given by the Town of Junior.

SURCHARGE

A surcharge shall be imposed in addition to any other sewer user charges. The following model illustrates how the surcharge may be computed:

$$C_s = (B_c(B) = SC(S) + pC(P)) V_u$$

- Where:
- C_s = Surcharge for wastewaters of excessive strength
 - B_c = Operation and maintenance costs for treatment of a unit of BOD
 - B = Concentration of BOD from a user above the normal level
 - S_c = Operation and maintenance costs for treatment of a unit of suspended solids
 - S = Concentration of SS from a user above the normal level
 - P_e = Operation and maintenance costs for treatment of a unit of any pollutant
 - P = Concentration of any pollutant from a user above the normal level
 - V_u = Volume of concentration from a user per unit of time

DELAYED PAYMENT PENALTY

The above sewer use surcharge is net. On all accounts not paid in full within twenty (20) days of the date of the bill, ten percent (10%) will be added to the net amount shown.

Attachment No. 1 to the Letter of Conditions
For: Town of Junior Sewer Lift Station Upgrade Project
Date: September 8, 2009

Proposed Tariff – Town of Junior Sewer

SCHEDULE NO. 4 (INDUSTRIAL COST RECOVERY)

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior. Applicable to those industries identified in the Standard Industrial Classification Manual, United States Bureau of the Budget, Office of Management and Budget, 1972 as amended and supplemented under the following divisions:

- Division A = Agriculture Forestry and Fishing
- Division B = Mining
- Division D = Manufacturing
- Division E = Transportation, Communications Electric, Gas and Sanitary Services
- Division I = Services

All industrial users will pay that portion of the capital costs of the wastewater treatment works funded by a grant under PL 92-500 allocated to the treatment of its wastes.

A significant industrial user is one that will contribute greater than ten (10) percent of the design flow or design pollutant loading of the treatment works.

A user may be excluded if it is determined that said user will introduce primarily segregated domestic wastes or wastes from sanitary conveniences.

AVAILABILITY

Available to all persons discharging industrial wastes.

Sewer user shall make application in writing showing qualitative and quantitative analysis of wastewater loads to be delivered to the sanitary sewer system. Said wastes shall not be delivered until written authority has been given by the Town of Junior.

COST RECOVERY

The amount of EPA grant under PL 92-500, as defined in 40 CFR 35, 940-1, to be recovered will be calculated in the following manner:

1. The Town of Junior will calculate the percentage of the flow of each industrial user in relation to the flow capacity of the treatment plant.
2. The Town of Junior will calculate the percentage of the flow of each industrial user in relation to the flow capacity of the other factors of the treatment works which that industrial user makes use of.

Attachment No. 1 to the Letter of Conditions
For: Town of Junior Sewer Lift Station Upgrade Project
Date: September 8, 2009

Proposed Tariff – Town of Junior Sewer

SCHEDULE NO. 4 (Continued)
(INDUSTRIAL COST RECOVERY)

3. The Town of Junior will determine the EPA grant cost of the other factors of the treatment works. This cost will be 75% of EPA eligible items, figured on the cost of those items at the time the other factors of the treatment works were constructed. The costs will be taken from final construction estimates and final invoice amounts and include such items as engineering, land, rights-of-way, legal, administrative costs and bond counsel fees. (NOTE: Land and rights-of-way costs are not eligible costs as defined in 40 CFR 35.940-1).
4. The Town of Junior will determine the EPA grant cost of the other factors of the treatment works. The cost will be 75% of EPA eligible items, figured on the cost of those items at the time the other factors of the treatment works were constructed. The costs will be taken from final construction estimates and final estimate amounts and include such items, such as, engineering, land, rights-of-way, legal, administrative costs and bond counsel fees. (NOTE: Land and rights-of-way costs are not eligible as defined in 40 CFR 35.940-1).
5. The Town of Junior will obtain the amount of EPA grant in the treatment plant to be recovered by multiplying the factor in (1) above by the amount in (3) above.
6. The Town of Junior will obtain the amount of EPA grant in the other factors of the treatment works to be recovered by multiplying the factor in (2) above by the amount in (4) above.
7. The total amount to be recovered will be the sum of (5) and (6) above. The industrial cost recovery period shall be equal to 30 years or the useful life of the treatment works, whichever is less.
8. An industrial user's share shall not include an interest component.

PAYMENT

Payment shall be made by industrial users no less than annually. The first payment by an industrial user shall be made not later than one year after such user begins use of the treatment works.

Industrial cost recovery shall be imposed in addition to any sewer use charges and surcharges.

Attachment No. 1 to the Letter of Conditions
For: Town of Junior Sewer Lift Station Upgrade Project
Date: September 8, 2009

Proposed Tariff – Town of Junior Sewer

SCHEDULE NO. 4 (Continued)
(INDUSTRIAL COST RECOVERY)

DELAYED PAYMENT PENALTY

The industry cost recovery charges are net. On all accounts not paid in full within twenty (20) days of the date of the bill, ten percent (10%) will be added to the net amount shown.

ADJUSTMENT IN COST RECOVERY

If there is a substantial change in the strength, volume or delivery flow rate characteristics introduced into the treatment works by an industrial user, such user's share shall be adjusted accordingly.

If there is an expansion or upgrading of the treatment works, each existing industrial user's share shall be adjusted accordingly.

Attachment No. 1 to the Letter of Conditions
 For: Town of Junior - Lift Station Upgrade Project
 Date: September 8, 2009

**TOWN OF JUNIOR - LIFT STATION UPGRADE PROJECT
 USE AND INCOME ANALYSIS
 EXISTING SYSTEM--PROPOSED RATES**

Category	No. of Users	1,000's of Gals./Mo.	Minimum Bills	First 2,000	All Over 2,000	TOTAL REVENUE
0 - 2,000	71	74.34	71			
Over 2,000	130	606.54		260.00	346.54	
Monthly Total	201	680.88	71	260.00	346.54	
Proposed Rates			\$ 15.40	\$ 7.70	\$ 6.88	
Monthly Revenues			\$ 1,093.40	\$ 2,002.00	\$ 2,384.20	\$ 5,479.60
Annual Revenues			\$ 13,120.80	\$ 24,024.00	\$ 28,610.40	\$ 65,755.20

Projected Annual Revenue (Rounded) = \$ 65,755.00
Adjustment Factor Used in Rule 42 Exhibit = 0.985332
Projected Adjusted Annual Revenue (Rounded) = \$ 64,791.00

4,500 Gallon Rate = \$ 32.60

Attachment No. 1 to the Letter of Conditions
 For: Town of Junior - Lift Station Upgrade Project
 Date: September 8, 2009

TOWN OF JUNIOR - LIFT STATION UPGRADE PROJECT				
USE AND INCOME ANALYSIS				
WV REGIONAL JAIL-- PROPOSED RATES				
User	No. of Users	1,000's of Gals./Mo.	Cost Per 1,000 Gallons	MONTHLY REVENUE
WV Regional Jail Authority	1	1,436.87	\$ 7.37	\$ 10,589.73
Projected Annual Revenue (Rounded) =				\$ 127,076.76
Adjustment Factor Used in Rule 42 Exhibit =				0.985332
Projected Adjusted Annual Revenue (Rounded) =				\$ 125,213.00

TOWN OF JUNIOR - LIFT STATION UPGRADE PROJECT				
USE AND INCOME ANALYSIS				
NORTON HARDING JIMTOWN PSD-- PROPOSED RATES				
User	No. of Users	1,000's of Gals./Mo.	Cost Per 1,000 Gallons	MONTHLY REVENUE
Norton Harding Jimtown PSD	1	1,733.75	\$ 2.25	\$ 3,900.94
Projected Annual Revenue (Rounded) =				\$ 46,811.28
Adjustment Factor Used in Rule 42 Exhibit =				0.985332
Projected Adjusted Annual Revenue (Rounded) =				\$ 46,125.00

Attachment No. 1 to the Letter of Conditions
 For: Town of Junior - Sewer Lift Station Upgrade Project
 Date: September 8, 2009

**TOWN OF JUNIOR SEWER LIFT STATION UPGRADE PROJECT
 OPERATING BUDGET PROPOSED RATES**

OPERATING INCOME		
Domestic & Commercial Metered Sales	\$	64,791
Public Authorities (Regional Jail & NHJ PSD)	\$	171,338
Penalties	\$	2,767
Misc. Revenues	\$	400
TOTAL OPERATING INCOME		<u>\$ 239,296</u>
NON OPERATING INCOME		
Interest & Dividend Income	\$	352
TOTAL NON OPERATING INCOME		<u>\$ 352</u>
TOTAL INCOME		<u>\$ 239,648</u>
EXPENSES		
O & M	\$	179,380
Taxes	\$	6,076
TOTAL EXPENSES		<u>\$ 185,456</u>
INCOME AVAILABLE FOR D/S (A)		<u>\$ 54,192</u>
DEBT SERVICE		
Existing SRF Bond P & I	\$	32,350 \$8,087.36 per quarter
Proposed RUS Bond P & I	\$	9,168 (2.625% for 38 years)
TOTAL DEBT SERVICE (B)		<u>\$ 41,518</u>
RESERVES		
Existing SRF Debt Service Reserve	\$	3,235
R&R Reserve - 2.5% of Gross Revenues	\$	5,991
Proposed RUS Debt Service Reserve	\$	917
TOTAL ANNUAL RESERVES		<u>\$ 10,143</u>
SURPLUS (DEFICIT)		<u>\$ 2,531</u>
DEBT COVERAGE (A/B)		\$ 1.31

Proposed RUS Loan is \$220,000 @ 2.625% for 38 years and an RUS Grant of \$540,000.

**UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL UTILITIES SERVICE
 Water and Waste Processing Checklist**

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		Have	3
	DUNS Number	1		Applicant		Have	3
	CAIVRS Number	1		RUS		Have	CPAP Form
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		Have	3
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		Have	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney		Have	5
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney		Have	2
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant		Have	1
	Staff Review Financial Statements	1	S.I. 1780.2	RUS		Have	1
	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer		Have	6
	EJCDC No. E-510-FA						

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RUS Legal Services Agreement	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney		Have	5
	Site Visit		S.I. 1780-2	RUS		Have	3
	Processing Conference	1	1780.39(a)	RUS		Have	3
	Environmental Report	2	1794	Applicant		Have	3
Exhibit H S.I. 1794-1	Categorical Exclusion	2	1794	RUS		Have	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		Have	6
	Staff Engineer PER Review	1	1780.33(c)	RUS			3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer		Have	8
	Projected Bill Analysis for New Users	2	1780.33(c)	Applicant/ Engineer		Have	8
	Statement reporting the <u>total</u> number of <u>potential</u> users		1780.33(c)	Applicant/ Engineer		Have	8
	Rate Tariff	2	1780.33	Applicant		Have	8
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		Have	3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		Have	3
	Documentation on Service Area	1	1780.11	RUS		Have	3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		Have	1
	Letter of Conditions	7	1780.41 (a)(5)	RUS		Have	3
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	Applicant			5
	Minutes Adopting Drug-Free Workplace Program	1	LOC	Applicant			5
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant			2
CPAP Form	Project Information	2	1780.41(a)	RUS			1
CPAP Form	Underwriting Information	2	1780.33(h)	RUS			3
RD 1940-1	Request for Obligation of Funds	2	1780.41(a)	RUS/ Applicant			2
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	RUS/ Applicant			2

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant			3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant			5
	Relationships/Associations with Agency Employees	1	1780.1(f)	RUS			3
RD 1910-11	Applicant Certification, Federal Collection Policies	1	1780.33(h)	Applicant			3
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant			5
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant			6
RD 400-4	Assurance Agreement	1	1901-E	Applicant			3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel			5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant		Have	5
	Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Sewer Treatment Contract	1	1780.62/ 1780.63	Applicant/ Attorney/ RUS			5
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant			3
Lender Agreement/ Bulletin 1780-10/ 1780-10a	Interim Financing Documenta- tion	1	1780.39(d)	Applicant/ RUS			1
	DOH Permit	1	1780.15(d)	Applicant			6
	Railroad Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6
	Corps of Engineers Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RUS			6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
	Waiver of Title Defects Letter	1	1780.44(g)	RUS			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
	Operation and Maintenance Agreement	1	1780.39 (b)(4)	Applicant			5
	Evidence of Applicant Contribution	1	1780.44(f)	Applicant			2
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
RD 442-10	Appraisal Report	1	1780.44(g)	RUS			8

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Documentation Relative to Health or Sanitary Hazards	1	1780.1 (c)(1) 1780.13 (b)(1)	RUS/State Health Department			2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
(Existing borrowers)	Certifications on VA and ERP	1		Applicant			5
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7
	Flood Insurance Policy	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5

Town of Junior
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

RECEIPT FOR BONDS

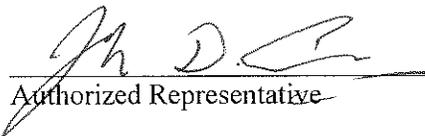
The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies as follows:

1. On the 21st day of June, 2012, at Junior, West Virginia, the undersigned received for the Purchaser the single, fully registered the Town of Junior Sewer Revenue Bonds, Series 2012 A (United States Department Agriculture), No. AR-1 (the "Series 2012 A Bonds"), in the principal amount of \$220,000, dated as of the date hereof, bearing interest at the rate of 2.0% per annum, and payable in monthly installments as stated in the Bond.

2. At the time of such receipt, the Series 2012 A Bonds had been executed and sealed by the designated officials of the Town of Junior (the "Issuer").

4. At the time of such receipt, there was paid to the Issuer the sum of \$97,500, being a portion of the principal amount of the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be paid to the Issuer as acquisition and construction of the Project progresses.

WITNESS my signature on this 21st day of June, 2012.



Authorized Representative

461180.00004

5663269

SPECIMEN

TOWN OF JUNIOR

SEWER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

\$220,000

No. AR-1

Date: June 21, 2012

FOR VALUE RECEIVED, the TOWN OF JUNIOR (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of TWO HUNDRED TWENTY THOUSAND DOLLARS (\$220,000), plus interest on the unpaid principal balance at the rate of 2.0% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing July 21, 2012 and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and commencing July 21, 2014 monthly installments of \$691, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid June 21, 2052, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the Sewerage system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

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

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

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), an Ordinance of Borrower duly enacted on June 4, 2012, and a Supplemental Resolution duly adopted by the Issuer on June 4, 2012 authorizing issuance of this Bond (collectively, the "Ordinance").

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

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

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

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 25, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$902,250 (THE "SERIES 2004 A BONDS" OR THE "PRIOR BONDS").

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF JUNIOR has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, all as of the date hereinabove written.

TOWN OF JUNIOR

[CORPORATE SEAL]

Gary A. Mullen
Mayor

P.O. Box 247
Junior, West Virginia 26275

ATTEST:

[Signature]
Recorder

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$97,500	06/21/2012	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20 ____.

In presence of:

TOWN OF JUNIOR

SEWER REVENUE BONDS, SERIES 2012 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$220,000

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	June 21, 2012	United States Department of Agriculture	

461180.00004

5663266

June 21, 2012

Town of Junior
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

Town of Junior
Junior, West Virginia

United States Department of Agriculture
Elkins, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Junior, in Barbour County, West Virginia (the "Issuer"), of its \$220,000 Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture), dated the date hereof (the "Series 2012 A Bonds"), pursuant to Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and a bond ordinance of the Issuer duly enacted on June 4, 2012 as supplemented by Supplemental Resolution duly adopted on June 4, 2012 (collectively, the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

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

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

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with full power and authority to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Series 2012 A Bonds, pursuant to the provisions of the Act and other applicable provisions of law.

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

3. Pursuant to the Act, the Bond Legislation creates a valid lien on the funds pledged by the Legislation for the security of the Series 2012 A Bonds on a parity with the Issuer's Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated October 25, 2004, issued in the original aggregate principal amount of \$902,250 (the "Series 2004 A Bonds" or the "Prior Bonds"). Other than

the Prior Bonds there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2012 A Bonds as to liens, pledge and/or source of and security for payment.

4. The Series 2012 A Bonds have been duly authorized, executed and delivered by the Issuer and is a valid and binding special obligation of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

5. The Series 2012 A Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes; therefore, the interest on the Series 2012 A Bonds is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Series 2012 A Bonds.

6. The Series 2012 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia, and the other taxing bodies of said State, and interest on the Series 2012 A Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holder of the Series 2012 A Bonds and the enforceability of the Series 2012 A Bonds, the Bond Legislation and the liens and pledges set forth therein may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,



STEPTOE & JOHNSON PLLC

461180.00004

Thomas R. Michael
ATTORNEY AT LAW
P.O. BOX 250
LOST CREEK, WEST VIRGINIA 26385-0250

PHONE 304-745-5904

FAX 304-745-5907

EMAIL tom_michael@yahoo.com

June 21, 2012

Town of Junior
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

Town of Junior
Junior, West Virginia

United States Department of Agriculture
Elkins, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the Town of Junior, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"). As such counsel, I have examined a copy of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a bond ordinance of the Issuer duly enacted on June 4, 2012 as supplemented by Supplemental Resolution duly adopted on June 4, 2012 (collectively, the "Bond Legislation"), and other documents and papers relating to the Issuer and the above-captioned Bonds of the Issuer (the "Bonds"). Terms used in the Bond Legislation and not otherwise defined herein shall have the same meanings as in the Bond Legislation when used herein.

I am of the opinion that:

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

4. The execution and delivery of the Bonds and the consummation of the transactions contemplated by the Bonds 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 agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

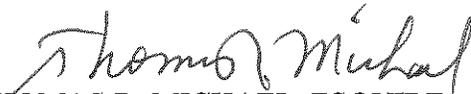
5. I am of the opinion that the Issuer has received all orders and approvals from the Public Service Commission of West Virginia ("PSC"), including the Recommended Decision dated December 8, 2011 which became a Final Order on December 28, 2011, in Case No. 11-1150-S-CN approving the financing for the Project. The time for appeal of the Commission Orders has expired prior to the date hereof. All Orders remain in full force and effect.

6. All permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bond, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges have been entered and/or received, including, without limitation, all requisite orders, certificates, consents and approvals from the Public Service Commission of West Virginia, and the Issuer has duly taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges, the time for appeal of which has expired prior to the date hereof without successful appeal.

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

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

Very truly yours,


THOMAS R. MICHAEL, ESQUIRE

TOWN OF JUNIOR

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. AUTHORIZATION AND AWARD OF BOND
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. PUBLICATION AND NO PROTEST
5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
6. SIGNATURES, ETC.
7. CERTIFICATION OF COPIES OF DOCUMENTS
8. INCUMBENCY AND OFFICIAL NAME, ETC.
9. DELIVERY AND PAYMENT
10. USE OF PROCEEDS
11. LAND AND RIGHTS OF WAY
12. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
13. CONTRACTORS' INSURANCE, ETC.
14. CONNECTIONS, ETC.
15. MANAGEMENT
16. CONFLICT OF INTEREST
17. PROCUREMENT OF ENGINEERING SERVICES
18. EXECUTION OF COUNTERPARTS

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, acting for the Issuer and in its name, hereby state and certify on this 21st day of June, 2012, in connection with the Town of Junior Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture), No. AR-1, fully registered, dated the date hereof, in the principal amount of \$220,000, and bearing interest at the rate of 2.0% per annum (the "Series 2012 A Bonds") as follows:

1. AUTHORIZATION AND AWARD OF BOND: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Series 2012 A Bonds have been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to the Letter of Conditions from the Purchaser, as amended, and as appears in Section 7.03 of the Bond Ordinance duly enacted on June 4, 2012, as supplemented by Supplemental Resolution duly adopted by the Issuer on June 4, 2012 authorizing issuance of the Bond (collectively, the "Ordinance" or "Bond Ordinance"). Terms used herein and not otherwise defined herein shall have the same meaning as defined in the Bond

Ordinance when used herein. The Series 2012 A Bonds are being issued on this date to permanently finance a portion of the cost of acquisition and construction of the Project located within the boundaries of the Issuer and to pay costs of issuance thereof.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the issuance and delivery of the Series 2012 A Bonds or receipt of any grant moneys committed for the System; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2012 A Bonds; nor in any way questioning or affecting the validity of the grants committed for the System or the Series 2012 A Bonds, or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of any moneys or security therefor; nor questioning the existence, powers or proceedings of the Issuer or the Council of the Issuer (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the sewerage system of the Issuer (the sewerage system, as improved and expanded by the Project, as defined in the Ordinance, is herein called the "System") or the acquisition and construction of the Project being financed in part out of the proceeds of sale of the Series 2012 A Bonds; nor questioning the rates and charges provided for services of the System.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2012 A Bonds have been duly and timely obtained and remain in full force and effect, the time for appeal of which or rehearing having expired. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on December 8, 2011 which became a Final Order on December 28, 2011 in Case No. 11-1150-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, and approving the financing for the Project. The time for appeal of the Commission Orders have expired prior to the date hereof. Such Orders remain in full force and effect.

The Issuer enacted sewer rates and charges for the System on October 3, 2011. The time for appeal of such rates has expired prior to the date hereof without any timely appeals having been filed.

4. PUBLICATION AND NO PROTEST: Notice of public hearing upon the Bond Ordinance as supplemented, was duly published as required by law.

There was not any protest to the passage of the Bond Ordinance, oral or written, and the Bond Ordinance became fully effective following the public hearing thereon and remains in full force and effect.

5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer or the System since the approval by the Purchaser of a loan to assist in acquisition and construction of the Project.

The Issuer has outstanding its Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated October 25, 2004, issued in the original aggregate principal amount of \$902,250 (the "Series 2004 A Bonds" or the "Prior Bonds"). The Prior Bonds are payable from and secured by a lien on the Net Revenues (as hereinafter defined) of the System.

The Series 2012 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects.

The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2012 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

The Issuer is not in default under the terms of the Prior Bonds, the ordinance and resolution authorizing the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

6. SIGNATURES, ETC.: The undersigned Mayor and Recorder did, for the Issuer on the date hereof, officially execute and seal the Series 2012 A Bonds with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures and said officers are the duly elected or appointed (as applicable), qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Series 2012 A Bonds for the Issuer.

7. 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, supplemented or changed in any way unless modification appears from later documents also listed below.

Bond Ordinance

Prior Bond Ordinance

Consent of West Virginia Water Development Authority

Public Service Commission Orders

United States Department of Agriculture Loan Resolution

Specimen Series 2012 A Bond

Town Charter

Oaths of Office of Officers and Council Members

Resolution on Open Governmental Proceedings

Sewer Rate Ordinance

Affidavit of Publication on Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinance

Petition of Sanitary Board

Affidavit of Publication on Bond Ordinance

Minutes on Adoption and Enactment of Bond Ordinance

United States Department of Agriculture Letter of Conditions and Closing Instructions

Receipt of Depository Bank

8. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is the "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 or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Gary Miller, Mayor	07/01/2011	06/30/2013
LuAnn Shomo, Recorder	07/01/2011	06/30/2013
Robert Skidmore	12/01/2011	11/30/2013
Jack Skidmore	07/01/2011	06/30/2013
Jerry Wilson	07/01/2011	06/30/2013
Steven Rhodes	07/01/2011	06/30/2013
Barbara Lyle	04/01/2012	03/30/2014

The duly elected or appointed officers of the Sanitary Board for 2012 are as follows:

Gary Miller, Chairman

Mike Green, P.E.

The duly appointed and acting Counsel to the Issuer is Thomas Michael, Lost Creek, West Virginia.

9. DELIVERY AND PAYMENT: On the date hereof, the Series 2012 A Bonds were delivered to the Purchaser at Junior, West Virginia, by the undersigned Mayor for the purposes herein set forth, and at the time of such delivery, the Series 2012 A Bonds had been duly and fully executed and sealed on behalf of the Issuer in accordance with the Bond Ordinance.

At the time of delivery of the Series 2012 A Bonds, the amount of \$97,500 was received by the undersigned Mayor, being a portion of the principal amount of the Series 2012 A , the balance to be paid as acquisition and construction of the Project progresses.

The Series 2012 A Bond is dated the date hereof and interest on advances thereon at the rate of 2.0% per annum is payable from the date of each respective advance.

10. USE OF PROCEEDS: The Series 2012 A Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes. The total cost is estimated at \$760,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2012 A Bonds	\$220,000
USDA Grant	<u>\$540,000</u>

Total Sources	<u>\$760,000</u>
---------------	------------------

USES

Acquisition and Construction of the Project	\$744,500
Costs of Issuance	<u>\$15,500</u>

Total Uses	<u>\$760,000</u>
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11. 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, 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 Series 2012 A Bonds.

12. MEETINGS; PUBLICATION AND POSTING OF NOTICES, 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 acquisition, construction, operation and financing of the Project and the System were authorized, enacted or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Charter of the Issuer and any 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 published and/or posted were so published and/or posted.

13. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions of the Purchaser, as amended, and the Bond Ordinance.

14. CONNECTIONS, ETC.: The Issuer will serve at least 203 bona fide full time users of the System, upon completion of the Project, in full compliance with the requirements of the Purchaser.

15. MANAGEMENT: The Issuer has heretofore delivered to the Purchaser a plan concerning operation and management of the System, which plan was found to be acceptable by the Purchaser.

16. 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 Bond, the Bond Ordinance and/or the Project, including, without limitation, with respect to the Depository Bank, as defined in the Bond Ordinance. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

17. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

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

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WITNESS our signatures and the official corporate seal of the TOWN OF JUNIOR on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Gary A. Miller

Mayor

Paula Jean

Recorder

Thomas R. Mahal

Counsel to Issuer

461180.00004

TOWN OF JUNIOR

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

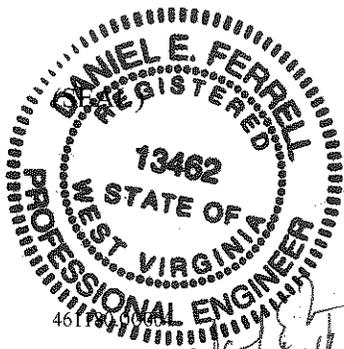
ENGINEER'S CERTIFICATE

I, Daniel Ferrell, Registered Professional Engineer, West Virginia License No. 013462, of Thrasher Engineering, Inc., Clarksburg, West Virginia, hereby certify that my firm was the engineer for the acquisition and construction of improvements and extensions to the existing sewerage system (the "Project") of the Town of Junior (the "Issuer"), constructed in Barbour County, West Virginia, which acquisition and construction are being financed in whole or in part by the above-captioned revenue bonds of the Issuer.

1. The Bonds are being issued (i) to pay a portion of the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance and related costs.

2. 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 Bureau for Public Health; (ii) the Project, as designed, is adequate for its intended purpose and has a 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; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents 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; and (vii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the construction of the Project and operation of the System.

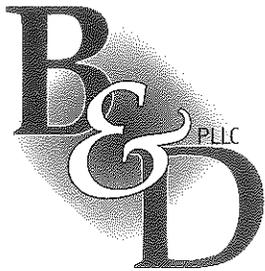
WITNESS my signature on the day and year first written above.



THRASHER ENGINEERING, INC.



Daniel Ferrell, P.E.
West Virginia License No. 013462



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

June 21, 2012

Town of Junior
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

West Virginia Water Development Authority
Charleston, West Virginia

Town of Junior
Junior, West Virginia

United States Department of Agriculture
Elkins, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance enacted by the Town of Junior (the "Issuer") October 3, 2011 and projected operation and maintenance expenses and anticipated customer usage as furnished to me by the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture) issued in the original aggregate principal amount of \$220,000 and the Issuer's outstanding Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated October 25, 2004, issued in the original aggregate principal amount of \$902,250 (the "Prior Bonds").

It is further our opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2012 A Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2012 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2012 A Bonds and the Prior Bonds currently outstanding.

Very truly yours,

Bennett & Dobbins PLLC

Bennett & Dobbins PLLC

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 settlements 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 therefore 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 GRIEVANCES.
- 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.

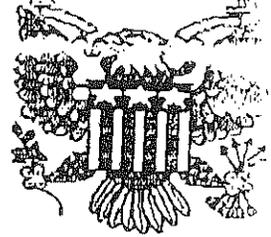
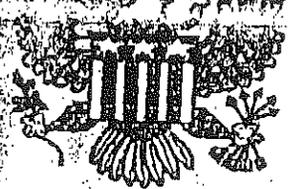
When a member is about to speak, he shall rise and respectfully address himself to the Mayor. And the Mayor shall pronounce the name of the member entitled to speak, where more than one member claims the right to speak at the same time. But no member shall speak more than twice on the same question without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



OATH OF OFFICE

I, Gary Miller 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.

Gary Miller

Signature

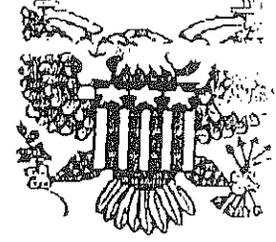
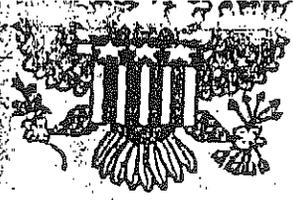
Subscribed and Sworn to me this 1st day of July 2011.

Mayor or Person before whom sworn

Richard West

TOWN OF JUNIOR

PO BOX 247
JUNIOR WV 26275
304-823-1829



OATH OF OFFICE

I, LuAnn 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, Recorder the Town of Junior, to the best of skill and judgement, so help me God.

LuAnn Shomo

Signature

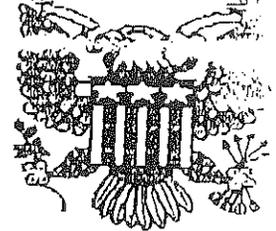
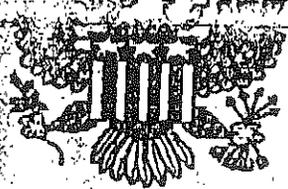
Subscribed and Sworn to me this 5th day of July 2011

Mayor or Person before whom sworn

Gary A Miller

TOWN OF JUNIOR

PO BOX 247
JUNIOR WV 26275
304-823-1829



OATH OF OFFICE

I, Barbara Lyle 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

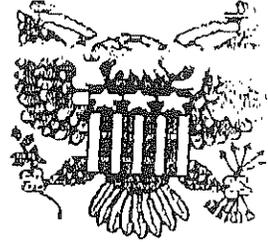
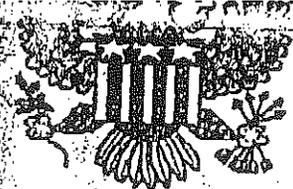
Subscribed and Sworn to me this 2 day of APRIL -2012.

Mayor or Person before whom sworn

Gary A. Miller

TOWN OF JUNIOR

PO BOX 247
JUNIOR WV 26275
304-823-1829



OATH OF OFFICE

I, Steven Rhodes 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.

Steven Rhodes

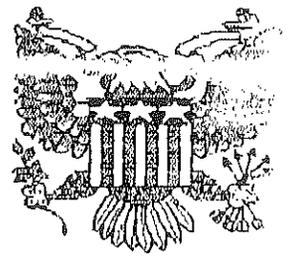
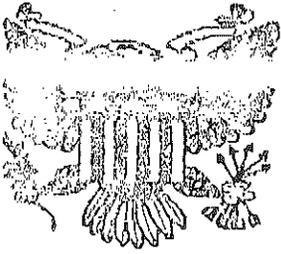
Signature

Subscribed and Sworn to me this 5th day of July 2011.

Mayor or Person before whom sworn

Gary A Miller

TOWN OF JUNIOR



PO BOX 247
JUNIOR WV 26275
304-823-1829

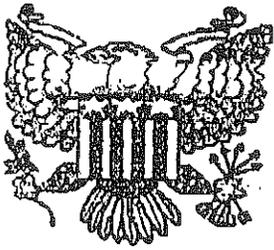
OATH OF OFFICE

I, Jack Shidmore 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.

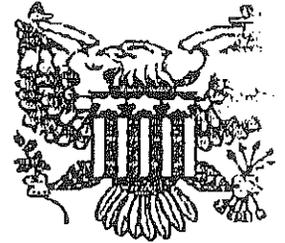
Jack Shidmore
Signature

Subscribed and Sworn to me this 5th day of JULY - 2011

Mayor or Person before whom sworn
Gary Miller



TOWN OF JUNIOR



PO BOX 247
JUNIOR WV 26275
304-823-1829

OATH OF OFFICE

I, Robert 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.

Robert Skidmore
Signature

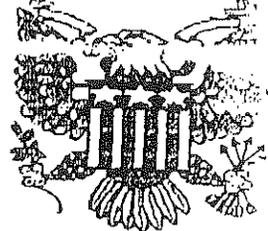
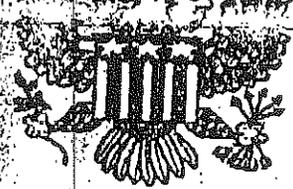
Subscribed and Sworn to me this 5 day of Dec-2011

Mayor or Person before whom sworn

Gary Miller

TOWN OF JUNIOR

PO BOX 247
JUNIOR WV 26275
304-823-1829



OATH OF OFFICE

I, Jerry Wilson 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.

Jerry Wilson

Signature

Subscribed and Sworn to me this 5th day of July 2011.

Mayor or Person before whom sworn

Gary A Miller

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 special 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:

D. D. 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

TOWN OF JUNIOR

AN ORDINANCE ENACTING RATES, FEES AND CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWER SYSTEM OF THE TOWN OF JUNIOR TO TAKE EFFECT 45 DAYS FROM ENACTMENT

The Council of the Town of Junior hereby enacts and ordains the following rules, rates and charges for municipal sewer services provided to all customers of the Town of Junior's Municipal Sewer System, to take effect 45 days from enactment.

SCHEDULE NO. 1

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior for metered water usage.

AVAILABILITY

Available for sanitary sewer service.

METERED RATES

\$7.06 per thousand gallons.

MINIMUM CHARGE

No bill will be rendered for less than the following amount: \$15.82 per month.

DELAYED PAYMENT PENALTY

The above sewer use charges are net. On all accounts not paid in full within twenty (20) days of the date of the bill, (10%) (ten percent) will be added to the net amount shown.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum monthly charge herein established. Motels and Hotels shall pay according to the water consumed.

TRAILER COURTS

House trailer courts shall be provided with one (1) one sewer connection (tap). No bill shall be rendered for less than the following: Eight Dollars and forty-five cents (\$8.45) multiplied by the number of units situated on the court site at the time the meter is read. House trailers shall include both mobile and immobile units.

CONNECTION FEES

A connection fee of \$25.00 will be charged for connections made prior to start of construction of the sanitary sewer system. After the start of construction, a connection fee

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COMMISSION
SECRETARY'S OFFICE

the greater of \$350.00 or the actual cost of installation, including all materials and labor will be charged.

INSPECTION FEES

Whenever the owner performs all the necessary work including all labor, material and equipment to make a connection, an inspection fee of \$25.00 will be charged.

SCHEDULE NO. 2 (UNMETERED)

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior for unmetered water usage.

AVAILABILITY

Available for domestic (residential) service.

FLAT RATE

\$15.82 per month.

DELAYED PAYMENT PENALTY

The above sewer use charge is net. On all other accounts not paid in full within twenty (20) days of the date of the bill, ten percent (10%) will be added to the net amount shown.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than \$6.75 each per month.

CONNECTION FEES

A connection fee of \$25.00 will be charged for connections made to the start of construction of the sanitary system. Subsequent to the award of construction contracts, a connection fee of the greater \$350.00 or the actual cost of installation, including all materials and labor, will be charged.

INSPECTION FEE

Whenever the owner performs all the necessary work including all labor, equipment, and materials to make a connection an inspection fee of \$25.00 will be charged.

TRAILER COURTS

House trailer courts shall be provided with one (1) sewer connection (tap). No bill shall be rendered for less than the following:

Six dollars and Seventy-five cents (\$6.75) multiplied by the number of units situated on the court site at the time the bill is rendered by the Town. House trailer (as used hereinabove) shall include both mobile and immobile units.

House trailers, either mobile or immobile, located on sites other than a court or park shall be billed in the same manner as any other family or business unit.

SCHEDULE NO. 3 (SURCHARGE)

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior.

Applicable for the sanitary sewer service when Biochemical Oxygen Demand (BOD), Suspended Solids (SS) or other concentrations from a user exceed the range of concentration of the pollutants in normal domestic service.

AVAILABILITY

Sewer user shall make application in writing, showing qualitative and quantitative analysis of wastewaters to be delivered to the sanitary sewer system. Said wastes shall not be delivered until written authority has been given by the Town of Junior.

SURCHARGE

A surcharge shall be imposed in addition to any other sewer user charges. The following model illustrates how the surcharge may be computed:

$$Cs = (Bc(B) + (SC(S) + pC(P)) Vu$$

Where;	Cs=	Surcharge for wastewaters of excessive strength
	Bc=	Operation and maintenance costs for treatment of a unit of BOD
	B=	Concentration of BOD from a user above the normal level
	SC=	Operation and maintenance costs for treatment of a unit of suspended solids
	S=	Concentration of SS from a user above the normal level
	pC=	Operation and maintenance costs for treatment of a unit of any pollutant
	P=	Concentration of any pollutant from a user above the normal level
	Vu=	Volume of concentration from a user per unit of time

DELAYED PAYMENT PENALTY

The above sewer use surcharge is net. On all accounts not paid in full within twenty (20) days of the date of the bill, ten (10%) percent will be added to the net amount shown.

SCHEDULE NO. 4 (Regional Jail)

APPLICABILITY

Service to the Regional Jail.

AVAILABILITY

Available to Regional Jail.

METERED RATES

\$7.57 per thousand gallons.

MINIMUM CHARGE

No bill will be rendered for less than the following amount: \$4,919.36 per month.

DELAYED PAYMENT PENALTY

The above sewer use charges are net. On all accounts not paid in full within twenty (20) days of the date of the bill, (10%) ten percent will be added to the net amount shown.

SCHEDULE NO. 5 (Bulk Service)

APPLICABILITY

Applicable in the entire territory or area served.

AVAILABILITY

Available for Bulk Rate Customers.

METERED RATES

\$2.00 per thousand gallons.

DELAYED PAYMENT PENALTY

The above sewer use charges are net. On all accounts not paid in full within twenty (20) days of the date of the bill, (10%) ten percent will be added to the net amount shown.

This ordinance to take effect 45 days from enactment.

Passed on 1st Reading on the 6th day of September, 2011.

Public Hearing on the 3rd day of October, 2011.

Passed on 2nd Reading on the 3rd day of October, 2011.

BY: Gary A. Miller
Mayor

ATTEST: Susan K. Strawder
Clerk

Junior Council Minutes

A meeting of the Junior Town Council was held on September 6, 2011. Attending the meeting was Mayor Gary Miller, council members; Charlie Bohan, Jerry Wilson, Jack Skidmore, Ricky Vest, and Steven Rhodes, Town employees; Mark Shiflett, Brian Thompson, Susie Strawder, and Police Chief Jody Haller, guest; Wanda Wilson, and Terry Phisner.

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

Ricky made a motion then Charlie and all in favor to approve the Hazard Mitigation Resolution.

Jack made a motion then Jerry and all in favor to approve the 1st reading of the sewer rates for the new lift station from \$14.00 to \$15.82.

Jerry made a motion then Ricky and all in favor to approve a building permit for Raymond Hicks for a new metal roof, OSB, treated wood, and concrete slab for \$10,000.

Charlie made a motion then Jerry and all in favor to approve a building permit for Natalie Harris for a ramp for \$1,300.

Jack made a motion then Jerry and all in favor to approve a building permit for Charlotte McDonald for a porch roof 6x9 for \$1,000.

Jerry made a motion then Ricky and all in favor to approve a building permit for Jack Skidmore for roof extension for \$200.

The culvert at Ricky Vest's needs cleaned out.

Jody presented the monthly police report to the council for August.

Jack made a motion then Ricky and all in favor to approve the financial report.

The meeting went into executive session at 6:43pm and dismissed at 7:21pm.

Charlie made a motion to adjourn the meeting.

Gary Miller Mayor
Committee P. Shiflett Recorder

Junior Public Meeting Minutes

A public meeting was held on October 3, 2011 on the sewer rate increase. Attending the meeting was Mayor Gary Miller, council members; Steven Rhodes, Jerry Wilson, and Jack Skidmore, town recorder Camilla Shiflett, town employees; Susie Strawder and Police Chief Jody Haller, town residents; Wanda Wilson and Lucille Spencer.

The meeting started at 6pm.

There weren't any objections to the sewer rate increase from \$14.00 to \$15.82.

The meeting was closed at 6:15pm.

Wanda Wilson Recorder

Gary Miller MAYOR

State of West Virginia, County of Randolph, ss.

I, Heather Henline, General Manager of THE INTER-MOUNTAIN, a newspaper published at Elkins, in said county, do hereby certify that the annexed advertisement was published on the following dates:

9/14 9/21

20 11 as required by law.

Given under my hand this 30th day of Sept 20, 11

Heather Henline

General Manager

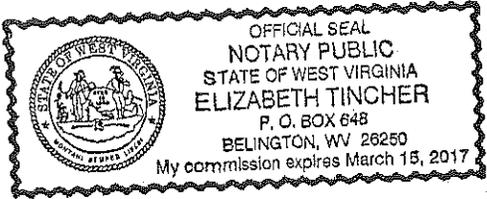
Printer's Fee: \$ 396.94

Subscribed and sworn to before me this 30th day of September, 20, 11

Elizabeth Tincher

Notary Public

My Commission Expires the 15th day of March, 20, 17



**NOTICE
TOWN OF JUNIOR**

Notice is hereby given that the Town of Junior, a municipal corporation, will hold a hearing before the final vote on a proposed ordinance. The principal object of which is the enactment of the rates of the sewer rates for customers of the sewer system of the Town. The title of the ordinance is AN ORDINANCE ENACTING RATES, FEES, AND CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWER SYSTEM OF THE TOWN OF JUNIOR TO TAKE EFFECT 45 DAYS FROM ENACTMENT. The rates and charges being proposed are as follows:

SCHEDULE NO. 1

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior for metered water usage.

AVAILABILITY

Available for sanitary sewer service.

METERED RATES

\$7.06 per thousand gallons.

MINIMUM CHARGE

No bill will be rendered for less than the following amount: \$16.82 per month.

DELAYED PAYMENT PENALTY

The above sewer use charges are net. On all accounts not paid in full within twenty (20) days of the date of the bill, ten percent (10%) will be added to the net amount shown.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum monthly charge herein established. Motels and hotels shall pay according to the water consumed.

TRAILER COURTS

House trailer courts shall be provided with one sewer connection (tap). No bill shall be rendered for less than the following: Eight Dollars and forty-five cents (\$8.45) multiplied by the number of units situated on the court site at the time the bill is rendered. House trailers shall include both mobile and immobile units.

CONNECTION FEES

A connection fee of \$25.00 will be charged for connections made prior to start of construction of the sanitary sewer system. After the start of construction, a connection fee the greater of \$50.00 or the actual cost of installation, including all materials and labor, will be charged.

INSPECTION FEES

Whenever the owner performs all the necessary work including all labor, material and equipment to make a connection, an inspection fee of \$25.00 will be charged.

**SCHEDULE NO. 2
(UNMETERED)**

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior for unmetered water usage.

AVAILABILITY

Available for domestic (residential) service.

FLAT RATE

\$16.82 per month.

DELAYED PAYMENT PENALTY

The above sewer use charge is net. On all other accounts not paid in full within twenty (20) days of the date of the bill, ten percent (10%) will be added to the net amount shown.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than \$6.75 each per month.

CONNECTION FEES

A connection fee of \$25.00 will be charged for connections made to the start of construction of the sanitary system. Subsequent to the award of construction contracts, a connection fee the greater of \$50.00 or the actual cost of installation, including all materials and labor, will be charged.

INSPECTION FEE

Whenever the owner performs all the necessary work including all labor, equipment and materials to make a connection, an inspection fee of \$25.00 will be charged.

TRAILER COURTS

House trailer courts shall be provided with one sewer connection (tap). No bill shall be rendered for less than the following:

Six dollars and seventy-five cents (\$6.75) multiplied by the number of units situated on the court site at the time the bill is rendered by the Town. House trailer (as used herein above) shall include both mobile and immobile units.

House trailers, other mobile or immobile, located on site other than a court or park shall be billed in the same manner as any other family or business unit.

**SCHEDULE NO. 3
(SURCHARGE)**

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior.

Applicable for the sanitary sewer service when Biochemical Oxygen Demand (BOD), Suspended Solids (SS) or other concentrations from a user exceed the range of concentration of the pollutants in normal domestic service.

AVAILABILITY

Sewer users shall make application in writing, showing qualitative and quantitative analysis of wastewater to be delivered to the sanitary sewer system. Said wastes shall not be delivered until written authority has been given by the Town of Junior.

SURCHARGE

A surcharge shall be imposed in addition to any other sewer user charges. The following model illustrates how the surcharge may be computed:

$$Cs = (Bc/B) + (SC/S) + (PC/P) Vu$$

Where:

- Cs = Surcharge for wastewaters of excessive strength.
- Bc = Operation and maintenance costs for treatment of a unit of BOD.
- B = Concentration of BOD from a user above the normal level.
- SC = Operation and maintenance costs for treatment of a unit of suspended solids.
- S = Concentration of SS from a user above the normal level.
- PC = Operation and maintenance costs for treatment of a unit of any pollutant.
- P = Concentration of any pollutant from a user above the normal level.
- Vu = Volume of concentration from a user per unit of time.

DELAYED PAYMENT PENALTY

The above sewer use surcharge is net. On all accounts not paid in full within twenty (20) days of the date of the bill, ten percent (10%) will be added to the net amount shown.

**SCHEDULE NO. 4
(Regional Daily)**

APPLICABILITY

Service to the Regional Jail.

AVAILABILITY

Available to Regional Jail.

METERED RATES

\$7.57 per thousand gallons.

MINIMUM CHARGE

No bill will be rendered for less than the following amount: \$4,919.36 per month.

DELAYED PAYMENT PENALTY

The above sewer use charges are net. On all accounts not paid in full within twenty (20) days of the date of the bill, ten percent (10%) will be added to the net amount shown.

**SCHEDULE NO. 5
(Bulk Service)**

APPLICABILITY

Applicable in the entire territory or area served.

AVAILABILITY

Available for Bulk Rate Customers.

METERED RATES

\$2.00 per thousand gallons.

DELAYED PAYMENT PENALTY

The above sewer use charges are net. On all accounts not paid in full within twenty (20) days of the date of the bill, ten percent (10%) will be added to the net amount shown.

The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the Town of Junior, 100 Row Avenue, Junior, West Virginia, on October 3, 2011, at 6:00 o'clock p.m. Interested parties may appear and be heard at such time with respect to the passage of the proposed ordinance. Copies of the proposed ordinance are available during regular office hours in the offices of the Town of Junior, 100 Row Avenue, Junior, West Virginia.

Susan Strawder, Recorder
September 7, 2011
9:14:52

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 14th day of September, 2011.

Given under my hand at Philippi, West Virginia, this 21st day of September, 2011.

Lars O. Byrne, Editor

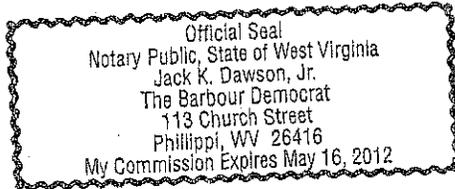
Printer's Fee.....\$531.20

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this 21st day of September, 2011.

[Signature]
NOTARY PUBLIC

My Commission Expires May 16, 2012.



**NOTICE
TOWN OF JUNIOR**

Notice is hereby given that the Town of Junior, a municipal corporation, will hold a hearing before the final vote on a proposed ordinance, the principal object of which is the enactment of increases to the sewer rates for customers of the sewer system of the Town of Junior. The principal object of such ordinance is **AN ORDINANCE ENACTING RATES, FEES AND CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWER SYSTEM OF THE TOWN OF JUNIOR TO TAKE EFFECT 45 DAYS FROM ENACTMENT.** The rates and charges being proposed are as follows:

SCHEDULE NO. 1

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior for metered water usage.

AVAILABILITY

Available for sanitary sewer service.

METERED RATES

\$7.06 per thousand gallons.

MINIMUM CHARGE

No bill will be rendered for less than the following amount: \$15.82 per month.

DELAYED PAYMENT PENALTY

The above sewer use charges are net. On all accounts not paid in full within twenty (20) days of the date of the bill, (10%) ten percent will be added to the net amount shown.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum monthly charge herein established. Motels and hotels shall pay according to the water consumed.

TRAILER COURTS

House trailer courts shall be provided with one (1) sewer connection (tap). No bill shall be rendered for less than the following: Eight Dollars and forty-five cents (\$8.45) multiplied by the number units situated on the court site at the time the meter is read. House trailers shall include both mobile and immobile units.

CONNECTION FEES

A connection fee of \$25.00 will be charged for connections made prior to start of construction of the sanitary sewer system. After the start of construction, a connection fee (the greater of \$360.00 or the actual cost of installation, including all materials and labor) will be charged.

INSPECTION FEES

Whenever the owner performs all the necessary work including all labor, material and equipment to make a connection, an inspection fee of \$25.00 will be charged.

SCHEDULE NO. 2 (UNMETERED)

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior for unmetered water usage.

AVAILABILITY

Available for domestic (residential) service.

FLAT RATE

\$75.82 per month.

DELAYED PAYMENT PENALTY

The above sewer use charge is net. On all other accounts not paid in full within twenty (20) days of the date of the bill, (10%) ten percent will be added to the net amount shown.

MULTIPLE OCCUPANCY

On apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than \$6.75 each per month.

CONNECTION FEES

A connection fee of \$25.00 will be charged for connections made to the start of construction of the sanitary system. Subsequent to the award of construction contracts, a connection fee of the greater \$350.00 or the actual cost of installation, including all materials and labor, will be charged.

INSPECTION FEE

Whenever the owner performs all the necessary work including all labor, equipment and materials to make a connection, an inspection fee of \$25.00 will be charged.

TRAILER COURTS

House trailer courts shall be provided with one (1) sewer connection (tap). No bill shall be rendered for less than the following:

Six dollars and seventy-five cents (\$6.75) multiplied by the number units situated on the court site at the time the bill is rendered by the Town. House trailer, as used hereinafter, shall include both mobile and immobile units. House trailers, either mobile or immobile, located on sites other than a court or park shall be billed in the same manner as any other family or business unit.

SCHEDULE NO. 3 (SURCHARGE)

APPLICABILITY

Applicable within and outside the corporate limits of the Town of Junior.

AVAILABILITY

Applicable for the sanitary sewer service when Biochemical Oxygen Demand (BOD), Suspended Solids (SS) or other concentrations from a user exceed the range or concentration of the pollutant normal domestic service.

AVAILABILITY

Sewer users shall make application in writing, showing a qualitative and quantitative analysis of wastewater to be delivered to the sanitary sewer system. Said wastes shall not be delivered until written authority has been given by the Town of Junior.

SURCHARGE

The surcharge shall be based on addition to any of the following parameters and shall be computed as follows:

		Cost (a)(b)(c)(d)(e)(f)(g)
Where:	CS=	Surcharge for waste water of excessive strength.
	EC=	Operation and maintenance costs for treatment of a unit of BOD.
	WF=	Concentration of BOD from waste above the normal level.
	SC=	Operation and maintenance costs for treatment of a unit of suspended solids.
	SE=	Concentration of SS from a user above the normal level.
	PC=	Operation and maintenance costs for treatment of a unit of any pollutant.
	PA=	Concentration of any pollutant from a user above the normal level.
	VU=	Volume of concentration from a user per unit of time.

DELAYED PAYMENT PENALTY

The above sewer use surcharge is net. On all accounts not paid in full within twenty (20) days of the date of the bill, (10%) ten percent will be added to the net amount shown.

SCHEDULE NO. 4 (Regional Jail)

APPLICABILITY

Service to the Regional Jail.

AVAILABILITY

Available to Regional Jail.

METERED RATES

\$7.57 per thousand gallons.

MINIMUM CHARGE

No bill will be rendered for less than the following amount: \$4,919.36 per month.

DELAYED PAYMENT PENALTY

The above sewer use charges are net. On all accounts not paid in full within twenty (20) days of the date of the bill, (10%) ten percent will be added to the net amount shown.

SCHEDULE NO. 5 (Bulk Service)

APPLICABILITY

Applicable in the entire territory or area served.

AVAILABILITY

Available for Bulk Rate Customers.

METERED RATES

\$2.00 per thousand gallons.

DELAYED PAYMENT PENALTY

The above sewer use charges are net. On all accounts not paid in full within twenty (20) days of the date of the bill, (10%) ten percent will be added to the net amount shown.

The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the Town of Junior, 130 Row Avenue, Junior, West Virginia, on October 3, 2011, at 8:00 o'clock (p.m.). Interested parties may appear and be heard at such time with respect to the passage of the proposed ordinance. Copies of the proposed ordinance are available during regular office hours in the offices of the Town of Junior, Row Avenue, Junior, West Virginia.

September 7, 2011
Susan Strawder, Recorder
9-14-21

OFFICE OF THE BARBOUR DEMOCRAT

I, John Eric Cutright, Publisher 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 23RD day of May, 2012.

Given under my hand at Philippi, West Virginia, this 30TH day of May, 2012.

[Handwritten Signature], Publisher

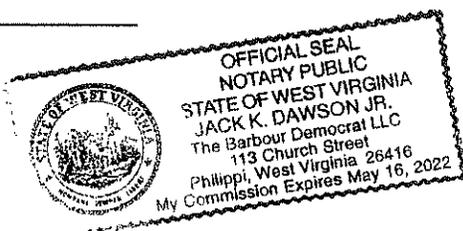
Printer's Fee.....\$99.02

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this 30TH day of May, 2012.

[Handwritten Signature]
NOTARY PUBLIC

My Commission Expires May 16, 2022.



A public hearing will be held on the following e titled Ordinance at a regular meeting of the Cou cil of the Town of Junior (the "Town") to be held Tuesday, June 4, 2012, at 6:00 p.m. at the Town Ha 130 Row Avenue, Junior, West Virginia, and at su hearing any person interested may appear befo the Town and present protests; and all protests at suggestions shall be heard by the Town and it sh then take such actions as it shall deem proper in t premises upon an Ordinance entitled:

TOWN OF JUNIOR

ORDINANCE AUTHORIZING THE ACQUISITIC AND CONSTRUCTION OF CERTAIN ADDITION BETTERMENTS AND IMPROVEMENTS TO TH EXISTING PUBLIC SEWERAGE FACILITIES O THE TOWN OF JUNIOR, AND THE FINANCIN OF THE COST, NOT OTHERWISE PROVIDE THEREOF, THROUGH THE ISSUANCE BY TH TOWN OF NOT MORE THAN \$320,000 IN A GREGATE PRINCIPAL AMOUNT OF SEWER RE ENUE BONDS, SERIES 2012 A (UNITED STATE DEPARTMENT OF AGRICULTURE) IN ONE C MORE SERIES; DEFINING AND PRESCRIBIN THE TERMS AND PROVISIONS OF THE BOND PROVIDING GENERALLY FOR THE RIGHTS AN REMEDIES OF AND SECURITY FOR THE HOLDE OF THE BONDS; AND PROVIDING WHEN TH ORDINANCE SHALL TAKE EFFECT.

The above quoted title of the Ordinance describ generally the contents thereof and the purposes the Bonds contemplated thereby. The Town conter plates the issuance of the Bonds described in t Ordinance. The proceeds of the Bonds will be usi (i) to pay a portion of the costs of acquisition and co struction of certain extensions, additions, bettermer and improvements to the public sewerage system the Issuer (the "Project"); and (ii) to pay certain cost of issuance hereof and related costs. The Bonds a payable only from the Net Revenues to be deriv from the operation of the System. No taxes may any time be levied for the payment of the Bonds the interest thereon.

The above-entitled Ordinance was adopted by t Council of the Town of Junior on May 7, 2012. A ce fied copy of the above entitled Ordinance is on f with the Town for review by interested parties duril regular office hours.

Following the public hearing, the Town intends enact the Ordinance upon final reading.

/s/ Gary Miller
Mayor

Junior Town Council Minutes April 17, 2012

A meeting of the Junior Town Council was held on April 17, 2012 Attending the meeting was Mayor Gary Miller, Council members; Jerry Wilson, Jack Skidmore, Steven Rhodes, Barbara Lyle and Bob Skidmore, Chief of Police Jody Haller, City Clerk Susan Strawder, Raymond Hicks, and Michael Vance, Tom Amos from Steptoe and Johnson and myself Luann Shomo town recorder.

Minutes from the last meeting was read and motion to approve No corrections Bob Skidmore approved Jerry Wilson 2nd all In favor

Steve motioned bob 2nd all in favor the minutes

Steptoe and Johnson will be there for all the process. The first reading will be tonight, and the next two meetings. 10 days after the 2nd reading we will have a public meeting. This is for the bonds to fix the lift stations. Auto the bonds for 320000 which is more that we will need to complete the project. Mr. Amos proceeded to read the proposal.

Jack motioned to approve the Bond ordinance for the lift station project, 2nd by Bob Skidmore all in favor.

Michael Vance addressed the council because he is certified in backflow prevention. For operators of the public water system. Every city has to have an ordinance in place for backflow prevention. All business has to have a backflow valve. The backflow preventers run about 200 dollars each. With an estimate of around 600 each.

The weaver church worked on the playground, but they were not able to fix the swing set, they have not finished painting, but they will be working on it.

The mission has the utilities turned on, they received their tax free number, they are still planning on opening the first of May. Raymond will be at the next meeting to update the council.

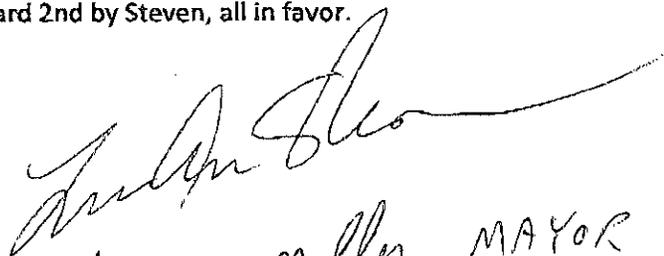
Business license for Bennetts lawn care and more. Jack made the motion to approve, Jerry 2nd all in favor.

Council approved to officially lay the levy for the budget.

Jody presented a police report to the council.

Barbara motioned to appoint a sanitary board 2nd by Steven, all in favor.

Meeting was adjourned at 7:12 pm.


Gary A. Miller MAYOR

Junior Town Council Minutes May 7, 2012

A meeting of the Junior Town Council was held on ~~April 17~~^{May 7}, 2012. Attending the meeting was Mayor Gary Miller, Council members; Jerry Wilson, Jack Skidmore, Steven Rhodes, Barbara Lyle and Bob Skidmore, and Jack Skidmore, Chief of Police Jody Haller, and myself Luann Shomo town recorder.

Minutes from the last meeting was read and motion to approve No corrections, Jerry Wilson Made the motion Barb Lyle 2nd the motion all in favor.

Mayor Miller presented the council with the Phase II Sewer Treatment agreement between the Town of Junior and the Norton /Harding PSD. Motion to approve the contract by Jerry Wilson 2nd by Steve Rhodes all in favor

The second reading of the proposed Bond Ordinance providing for the insurance of the Sewer Revenue Bonds Series 2012 A was read. Motion to approve the 2nd reading by Bob Skidmore Jerry Wilson 2nd all in favor. On May 21st at 545 we will have the public meeting before the council meeting, I will post this.

Final statements were reviewed and read, motion to approve by Jerry Wilson 2nd by Barb Lyle all in favor.

Jody gave a police report.

Meeting was adjourned at 6:51 pm



Gary A. Miller MAYOR

TOWN OF JUNIOR

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

EXCERPT OF MINUTES ON ADOPTION OF BOND ORDINANCE,
SUPPLEMENTAL RESOLUTION AND DRAW 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 4th day of June, 2012, in Barbour County, West Virginia, at the hour of 6:00 p.m.

PRESENT:

Gary Miller, Mayor
LuAnn Shomo, Recorder
Robert Skidmore
Jack Skidmore
Jerry Wilson
Steven Rhodes
Barbara Lyle
Tom Aman, Steptoe & Johnson

ABSENT: None

Gary Miller, Mayor, presided, and LuAnn Shomo, 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 ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES 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 \$320,000 IN

AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made BY Jerry Wilson and seconded BY Jack 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 MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2012 A OF THE TOWN OF JUNIOR, 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 Robert Skidmore and seconded by Barbara Lyle, 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 Jack Skidmore and seconded BY Robert Skidmore, it was unanimously ordered that the said Draw Resolution be adopted.

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

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.

Dated: June 21, 2012


Recorder

TOWN OF JUNIOR

ORDINANCE CREATING A SANITARY BOARD
OF THE TOWN OF JUNIOR

WHEREAS, the Town of Junior (the "Town") now contemplates the issuance of its sewer revenue bonds to finance the acquisition, construction and equipping of a sanitary sewerage system, and future additions, extensions and improvements thereto (the "System"), pursuant to Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"); and

WHEREAS, the Act requires that a sanitary board be established in connection with the issuance of sewer revenue bonds, as aforesaid, and in connection with the custody, administration, operation and maintenance of such a sewer system by a municipal corporation;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE TOWN COUNCIL OF THE TOWN OF JUNIOR AS FOLLOWS:

Section 1. The Council of the Town (the "Council") does hereby create and establish a Sanitary Board (the "Sanitary Board" or "Board"), with all powers and duties as provided in and pursuant to the Act.

Section 2. Composition; Chairman; Appointment of Members. The Sanitary Board shall be composed of the Mayor of the Town, who shall act as Chairman of the Sanitary Board, and two persons appointed by the Council, one of whom, during the period of construction of the System or any additions thereto must be a registered professional engineer. The engineer member of the Board need not be a resident of said municipality. After the construction of the System has been completed, the engineer may be succeeded by a person not an engineer. The appointees shall originally be appointed for terms of 2 and 3 years respectively, and upon the expiration of each such term and each succeeding term, appointment of a successor shall be made in like manner for a term of 3 years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. No officer or employee of the Town, whether holding a paid or unpaid office, shall be eligible to appointment on the Sanitary Board until at least 1 year after the expiration of the term of his public office.

Section 3. Organizational Meetings; Vice Chairman, Secretary, Treasurer; Official Bonds. As soon as may be practicable following the appointment of a new member of the Sanitary Board, the Board shall hold an organizational meeting and choose a vice

chairman from among its members, and a secretary and treasurer, who may be one person and need not be a Board member, and such officers shall hold office at the will of the Board. No bond shall be required of the Board members as such, but the treasurer, whether a member of the Board or not, shall give bond as required under Section 9 hereof.

Section 4. Compensation and Expenses of Board Members. The members of the Sanitary Board shall receive such compensation, if any, for their services, either as a salary or as payments for meetings attended, as the Council may determine, and shall be entitled to payment for their reasonable expenses incurred in the performance of their duties. Any such compensation and expenses paid solely from funds derived from the System, but there shall be no liability upon the Town for any compensation or expenses so incurred.

Section 5. Powers, Duties and Limitations. A. The Sanitary Board shall have the supervision and control of the custody, administration, operation and maintenance of any and all works for the collection, treatment and disposal of sewage, which are now owned or may hereafter be acquired by the Town.

B. The Sanitary Board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of the powers granted to such Board by the Act, as the same now exists and may hereafter be amended; but the powers of the Sanitary Board shall be subject to all restrictions and limitations contained in the Act as the same now exists or may hereafter be amended.

C. The Sanitary Board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys and such other personnel as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the Board shall direct. All such compensation and all expenses incurred in carrying out the provisions of the Act shall be paid solely and only from funds provided under the authority of the Act, and the Board shall not exercise or carry out any authority or power given it so as to bind the Board or the Town beyond the extent to which money shall have been or may be provided under the authority of the Act. No contract or agreement with any contractor or contractors for labor and/or material exceeding the sum of \$5,000 shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the Board to reject any and all bids.

D. The construction, acquisition, improvement, equipment, custody, operation and maintenance of any such works for the collection, treatment or disposal of sewage and the collection of revenues therefrom for the service rendered thereby shall be under the supervision and control of the Sanitary Board.

E. After the construction, acquisition, installation and completion of such works, the Sanitary Board shall operate, manage and control the same and may order and

complete any extensions, betterments and improvements of and to the works that the Board may deem expedient if funds therefor be available or made available as provided by the Act, and shall establish rules and regulations for the use and operation of the works and of other sewers and drains connected therewith so far as they may affect the operation of such works, and to do all things necessary or expedient for the successful operation thereof, and the Board shall have in addition hereto any and all powers granted to it by the Act, or which may be granted to it by amendments to the Act, hereafter made, subject to any and all restrictions and limitations therein contained.

Section 6. Duty of Board to Restore Property Damaged by its Activities. All public ways or public works damaged or destroyed by the Sanitary Board in carrying out its authority under this ordinance and the Act shall be restored or repaired by the Board and placed in their original condition, as nearly as practicable, if requested so to do by the proper authorities, out of the funds provided by the Act.

Section 7. Publication of Financial Statement. The Sanitary Board shall prepare a financial statement and cause it to be published as a Class I legal advertisement in compliance with the provisions of Chapter 59, Article 3 of the West Virginia Code of 1931, as amended, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the Board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of such Board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the Board as soon as practicable after the close of the fiscal year. The statement shall be sworn to by the chairman and secretary and treasurer of the Board.

Section 8. Procedure for Disbursement of Funds. All funds under the supervision of the Sanitary Board shall be disbursed, as disbursements are required, by check drawn upon the proper fund or account, and such checks shall be properly signed by the authorized officer or agent of the Board. All such disbursements shall be approved by the Board.

Section 9. Fidelity Bonds. The Sanitary Board shall require all persons who collect or otherwise handle funds of the Board or the System to furnish a good and proper bond, with a recognized and reputable surety, conditioned upon the faithful performance of their duties and for the proper handling and care of said funds in their hands. Such bond shall be in an amount equal to the sum of money which might at any one time be in the hands of such person or persons.

Section 10. Effective Date. This Ordinance shall take effect immediately following the second reading hereon.

Passed on First Reading: May 17, 2004

Passed on Second Reading: June 7, 2004

By: Dary A. Miller
Mayor

By: DeDe Smith
Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF JUNIOR on June 7, 2004.

Dated: October 18, 2004.

By: *DeDe Smith*
Recorder

05/07/04
461180.0001

MAY 17th, 2004

COUNCIL FOR THE TOWN OF JUNIOR HELD THEIR REGULAR SCHEDULED MEETING AT 6:00 P.M. WITH MAYOR MILLER PRESIDING.

THIS MEETING WAS CALLED TO ORDER WITH THE PLEDGE TO OUR FLAG.

COUNCIL ATTENDING, CALVIN TINCHER, JACK SKIDMORE, JANIE ASH AND ABSENT WAS COUNCILMEN BOB SKIDMORE, MARK NESLAND. ALSO ATTENDING, POLICE CHIEF BUNNER, SHERIFF JOHN CUTRIGHT, MARY HADERMAN, ELIZABETH FERGUSON, LUVERA KOVACH, MIKE KOVACH AND RECORDER, DEDE SMITH.

MINUTES FROM THE PREVIOUS MEETING WERE READ AND MOTION TO APPROVE THE MINUTES WAS CALVIN TINCHER, SECONDED BY JANIE ASH, ALL APPROVED.

SHERIFF CUTRIGHT SPOKE TO COUNCIL IN REGARDS TO COUNTIES IN WEST VIRGINIA RECEIVING MONEY FROM OF A GRANT PERTAINING TO HOMELAND SECURITY FOR THE PROTECTION OF ALL CITIZENS IN BARBOUR COUNTY, AND ITS CITIES AND TOWNS.

AS HE EXPLAINED, MONEY'S FROM THE GRANT FOR BARBOUR COUNTY WILL BE FOR POLICE OFFICIER TRAINING, COMMUNICATION EQUIPMENT, PROTECTIVE GEAR AND CLOTHING.

ALSO STUDIES OF / RISK ASSESSMENTS, HAZARD DATA, REPLACEMENT VALUES, EVALUATIONS. A LETTER OF INTENT FOR SUPPORT AND APPROVAL WAS NEEDED FROM THE TOWN COUNCIL IN SUPPORT OF THIS GRANT & PROJECT FOR BARBOUR COUNTY.

WITH A MOTION TO APPROVE NEW HOMELAND SECURITY GRANT WAS CALVIN TINCHER, SECONDED BY JACK SKIDMORE, ALL APPROVED. MAYOR MILLER, ALL MEMBERS OF COUNCIL AND OUR POLICE DEPARTMENT FULLY SUPPORT SHERIFF CUTRIGHT IN THIS VERY IMPORTANT LAW ENFORCEMENT PROJECT FOR OUR COUNTY & OUR TOWN.

ONE BUILDING PERMIT WAS APPROVED BY COUNCIL FOR JOE SNYDER, MOTION TO APPROVE WAS CALVIN TINCHER, SECONDED BY JACK SKIDMORE, ALL APPROVED.

NEXT, MIKE & LUVERA KOVACH AND ELIZABETH FERGUSON SPOKE TO MAYOR AND COUNCIL CONCERNING

THE LATE DORSEY SPENCER PROPERTY WHICH IS AN ALLEYWAY LOCATED ABOVE HASKINS STREET. INFORMATION NEEDED, THE LOCATION OF THE OLD RESERVOIR, THE TOWN'S RIGHT-OF-WAY AND EASEMENT, WE WILL LET THEM KNOW AS SOON AS POSSIBLE.

THE TOWN WAS CONTACTED BY KARRIE MATTOX FROM ATTORNEYS STEPTOE & JOHNSON, DOCUMENTATION & INFORMATION WAS NEEDED, ADOPTION OF SANITARY BOARD ORDINANCE, APPOINTMENT OF SANITARY BOARD MEMBERS, FOLLOWING W.V. CODE 18-13-3, POWERS OF SANITARY BOARD. A MOTION FROM CALVIN TINCHER, SECONDED BY JANIE ASH, FOR IMPLEMENTING A NEW SANITARY BOARD ORDINANCE, ALL APPROVED.

POLICE CHIEF BUNNER EXPRESSED HIS OPINION CONCERNING POLICE OFFICIER CERTIFICATION AT THE W.V. STATE POLICE ACADEMY. CHIEF BUNNER HAS ASKED FOR THE TOWN COUNCIL TO CONSIDER THE NEED TO BECOME A CERTIFIED POLICE OFFICIER FOR JUNIOR AND THAT SIGNATURES WERE NEEDED FOR HIS APPLICATION AND ADMISSION TO THE ACADEMY. HIS RESPONSE,--- TO PROTECT AND SERVE THE COMMUNITY BETTER.

MAYOR MILLER ASKED FOR COUNCIL'S APPROVAL FOR CLERK SUSIE STRAWDER FOR HER VACATION, JUNE 14th THROUGH 19th.

THE MOTION TO APPROVE WAS JACK SKIDMORE, SECONDED BY JANIE ASH, ALL APPROVED.

AT 8:15 PM, COUNCIL ENTERED INTO EXECUTIVE SESSION TO DISCUSS PERSONNEL, MOTION BY JANIE ASH, SECONDED BY CALVIN TINCHER. WITH ONLY 3 COUNCIL ATTENDING THIS EXECUTIVE SESSION, MAYOR MILLER'S DECISION FOR A FULL COUNCIL OF 5 MEMBERS SHOULD BE IN ATTENDANCE BEFORE THEIR DECISION CONCERNING THE POLICE ACADEMY TO BE MADE. AT 8:45 PM, BACK IN REGULAR SESSION.

MOTION TO ADJOURN THIS MEETING WAS JACK SKIDMORE, ALL APPROVED. NEXT, REGULARLY SCHEDULED MEETING WILL BE JUNE 7th, 2004.

MAYOR: Dary Miller

RECORDER:

Debbie Smith

JUNE 7th, 2004

COUNCIL FOR THE TOWN OF JUNIOR HELD THEIR REGULAR SCHEDULED MEETING AT 6:00 PM ON JUNE 7th, 2004 WITH MAYOR MILLER PRESIDING.

THIS MEETING WAS CALLED TO ORDER WITH THE PLEDGE TO THE FLAG.

COUNCIL MEMBERS ATTENDING; CALVIN TINCHER, JANIE ASH, MARK NESLAND, MEMBERS ABSENT: JACK SKIDMORE, BOB SKIDMORE.

GUESTS ATTENDING: EDDIE CANTERBURY, BARBOUR COUNTY COMMUNITY DEVELOPMENT, MARY HADERMAN, DEBBIE WALTER, RECORDER DEDE SMITH.

THE MINUTES FROM THE PREVIOUS MEETING WERE READ AND MOTION TO APPROVE WAS JANIE ASH, SECONDED BY MARK NESLAND, ALL APPROVED.

FIRST ON THE AGENDA WAS EDDIE CANTERBURY FROM BARBOUR COUNTY COMMUNITY DEVELOPMENT CORPORATION, AND REPRESENTING THE BARBOUR COUNTY STRATEGIC PLANNING COMMITTEE. MR. CANTERBURY ASKED THE TOWN COUNCIL TO PASS A RESOLUTION TO ACCEPT THIS STRATEGIC PLAN. WITH A MOTION FROM JANIE ASH, SECONDED BY CALVIN TINCHER, ALL APPROVED. TOWN COUNCIL ACCEPTS THIS PLAN ON BEHALF OF THE RESIDENTS OF THE TOWN OF JUNIOR AND DOES EXPRESS FULL COMMITMENT AND SUPPORT.

DEBBIE WALTER SPOKE WITH COUNCIL AND GAVE NEW INFORMATION ON IMPLEMENTING A RENEWAL A.T.V. STICKER FOR EACH APPLICANT WHO HAS A YEARLY ALL TERRAIN VEHICLE PERMIT. MOTION TO APPROVE THE NEW A.T.V. PERMANENT STICKER WAS CALVIN TINCHER, SECONDED BY MARK NESLAND, ALL APPROVED.

MAYOR MILLER ASKED FOR COUNCIL'S APPROVAL FOR A VACATION FOR CLERK, SUSAN STRAWDER, MOTION TO APPROVE WAS MARK NESLAND, SECONDED BY CALVIN TINCHER, ALL APPROVED.

MAYOR MILLER ASKED COUNCIL FOR PERMISSION FOR A ROAD STOP ON JUNE 12th FOR BASEBALL LITTLE LEAGUE. MOTION TO APPROVE WAS MARK NESLAND, SECONDED BY CALVIN TINCHER, ALL APPROVED.

NEXT, COUNCIL FOR THE TOWN OF JUNIOR, PURSUANT TO

CHAPTER 6, ARTICLE 9A, SECTION 3 OF THE W.V. CODE, HAS ADOPTED A NEW ORDINANCE XXIII, OPEN MEETINGS ACT, PROCEEDINGS AND RULES. WITH A MOTION FROM JAINE ASH, SECONDED BY CALVIN TINCHER, ALL APPROVED TO ADOPT ORDINANCE XXIII.

NEXT, FOR COUNCIL'S APPROVAL, SECOND AND FINAL READING, A SEWER SANITARY BOARD ORDINANCE, IN ESTABLISHING A SANITARY ORDINANCE AND SANITARY BOARD, MAYOR, 2 MEMBERS, AND ENGINEER, MOTION TO APPROVE WAS MARK NESLAND, SECONDED BY JACK SKIDMORE, ALL APPROVED, MOTION PASSED AND MADE A MATTER OF RECORD.

THIS MEETING ADJOURNED AT 8:20 PM. MOTION TO ADJOURN WAS MARK NESLAND.

MAYOR: *Sandy Miller*

RECORDER: *Alde Smith*

BYLAWS AND RULES OF PROCEDURE

TOWN OF JUNIOR SANITARY BOARD

ARTICLE I

NAME, PLACE OF BUSINESS AND FISCAL YEAR

Section 1. Name: TOWN OF JUNIOR SANITARY BOARD

Section 2. The principal office of the Town of Junior Sanitary Board will be located at the Town Hall, 114 Row Avenue, Junior, West Virginia 26275.

Section 3. The fiscal year of the Town of Junior Sanitary Board shall begin on July 1 of each year and shall end on the following June 30.

ARTICLE II

PURPOSE

The Town of Junior Sanitary Board is organized exclusively for the purposes set forth in Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act")

ARTICLE III

MEMBERSHIP

Section 1. The members of the Sanitary Board shall be composed of the Mayor and two persons appointed by the governing body pursuant to the Act, who shall serve for such terms as specified in the Act.

Section 2. Should any member of the Sanitary Board resign or otherwise become legally disqualified to serve as a member of the Sanitary Board, the Sanitary Board shall appoint a qualified person to fill such vacancy for the unexpired term thereof in the same manner as the original appointment, and as further prescribed under the Act.

ARTICLE IV

MEETINGS OF THE SANITARY BOARD

Section 1. The members of the Sanitary Board shall hold regular meetings on the third Monday of each month at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Sanitary Board may be called at any time by the Chairman or by a quorum of the Sanitary Board. All meetings shall be open to the public and news media.

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

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purpose or purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of the Sanitary Board, and the date, time, place and purpose of all special meetings of the Sanitary Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Sanitary Board at the front door or bulletin board of the Town Hall of the date, time and place fixed and entered of record by the Sanitary Board 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 locations by the Secretary of the Sanitary Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Sanitary Board 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 cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

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

Section 2. The Vice Chairman, Secretary and Treasurer of the Sanitary Board shall hold office as such at the will of the Sanitary Board. Any vacancy occurring among the officers shall be filled by the members of the Sanitary Board at a regular or special meeting in the same manner as the original appointment.

ARTICLE VI

DUTIES OF OFFICERS

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

Section 2. The Secretary shall keep a record of all proceedings of the Sanitary Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairman sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the Sanitary Board and all deeds and other writings and papers of the Sanitary Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Sanitary Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the Sanitary Board and shall disburse funds of the Sanitary Board on orders authorized or approved by the Sanitary Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Sanitary Board as the members may from time to time prescribe. He or she shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Sanitary Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman is absent from any meeting, the Vice Chairman shall act as Chairman and shall have all the powers of the Chairman during such period of absence. If the Secretary or Treasurer is absent from any meeting, the remaining members of the Sanitary Board shall select a temporary secretary or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

ARTICLE VII

AMENDMENTS TO BY LAWS AND RULES OF PROCEDURE

These Bylaws and Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Sanitary Board by a majority vote of the entire Sanitary Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

These Bylaws and Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the Sanitary Board. In the event of a conflict between these Bylaws and Rules of Procedure and any provisions of the Charter, such Charter provisions shall prevail.

Adopted this 27th day of September, 2004.

09/23/04
461180.00001

TOWN OF JUNIOR

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

PETITION OF SANITARY BOARD

The Sanitary Board of the Town of Junior (the "Town") hereby petitions the Council of the Town to enact an ordinance directing that sewer revenue bonds of the Town be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed \$320,000 for the purpose of financing a portion of the cost of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the Town, together with all necessary appurtenances, and the costs of issuance and related costs.

Directed this 16th day of April, 2012.

SANITARY BOARD OF THE TOWN OF JUNIOR

By: Gary A. Melly
Its: Chairman

WV MUNICIPAL BOND COMMISSION

1207 Quarrier Street
 Suite 401
 Charleston, WV 25301
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 21-Jun-12

ISSUE: <u>Town of Junior</u>	
<u>Sewer Revenue Bonds, Series 2012 A United States Department of Agriculture)</u>	
ADDRESS: <u>PO Box 247 Junior West Virginia 26275</u>	COUNTY: <u>Barbour</u>
PURPOSE OF ISSUE:	
New Money: <u>x</u>	REFUNDS ISSUE(S) DATED: <u>NA</u>
Refunding: _____	
ISSUE DATE: <u>21-Jun-12</u>	CLOSING DATE: <u>21-Jun-12</u>
ISSUE AMOUNT: <u>\$220,000</u>	RATE: _____
1ST DEBT SERVICE DUE: <u>NA</u>	1ST PRINCIPAL DUE <u>NA</u>
1ST DEBT SERVICE AMOUNT <u>NA</u>	PAYING AGENT: <u>Issuer</u>

BOND COUNSEL:		UNDERWRITERS COUNSEL	
Firm: <u>Steptoe & Johnson PLLC</u>		Firm: _____	
Contact <u>John Stump, Esquire</u>		Contact: _____	
Phone: <u>(304) 353.8196</u>		Phone: _____	
CLOSING BANK:		ESCROW TRUSTEE:	
Bank: <u>Freedom Bank</u>		Firm: _____	
Contact: _____		Contact: _____	
Phone: <u>304.823.1531</u>		Phone: _____	
KNOWLEDGEABLE ISSUER CONTACT		OTHER:	
Contact: <u>Susan Strawder</u>		Agency: <u>United States Department of</u>	
Position: <u>Clerk</u>		<u>Agriculture</u>	
Phone: <u>304.823.1829</u>		Contact: <u>Joe Crickenberger</u>	
		Position: <u>Rural Developoment Specialist</u>	
		Phone: <u>304.636.2158</u>	

DEPOSITS TO MBC AT CLOSE			
By: _____	Wire _____	Accrued Interest: _____	\$ _____
	Check _____	Capitalized Interest: _____	\$ _____
		Reserve Account: _____	\$ _____
		Other: _____	\$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE			
By: _____	Wire _____	To Escrow Trustee _____	\$ _____
	Check _____	To Issuer _____	\$ _____
	IGT _____	To Cons. Invest. Fun _____	\$ _____
		To Other: _____	\$ _____

NOTES: Monthly debt service payments will be made by the Town directly to the National Finance Office.
The Municipal Bond Commission will only hold the Series 2012 A Reserve Account. The first payment into the Reserve Account will commence 24 months following the date hereof.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____

TRANSFERS REQUIRED: _____

LOAN RESOLUTION
(Public Bodies)

10 SEP 2000

A RESOLUTION OF THE Town Council

OF THE Town of Junior

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS Sewer

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

WHEREAS, it is necessary for the Town of Junior
(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

TWO HUNDRED TWENTY THOUSAND AND XX / 100 DOLLARS (\$220,000.00)

pursuant to the provisions of Chapter 16, Article 13, WV Code ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining 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 as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as _____ of the Town of Junior

hereby/certify that the Town Council of such Association is composed of

5 members, of whom 4 constituting a quorum, were present at a meeting thereof duly called and

held on the 21st day of Sept., 2009 ; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of June 21, 2012, the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this ~~June~~ 21st day of June, 2012

Gary A. Miller

Title MAYOR

WATER OR WASTE SYSTEM GRANT AGREEMENT
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

THIS AGREEMENT dated June 21, 2012 between
Town of Junior

a public corporation organized and operating under _____
Chapter 16, Article 13, WV Code
(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (sewer) system to serve the area under jurisdiction at an estimated cost of \$ 760,000 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 220,000 of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 220,000 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 540,000 or 71.05% percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed 71.05% percent of the development costs, as defined by applicable Rural Utilities Service Instructions.

GRANTEE AGREES THAT GRANTEE WILL:

- A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

- B. Permit periodic inspection of the construction by a representative of Grantor during construction.
- C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.
- D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated _____, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.
- E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.
- F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.
- G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.
- H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.
- I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.
- J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.
- K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.
1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.
 2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

All real property owned by the Town of Junior and used in connection with the Town's wastewater collection, transportation, and treatment system.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

- (a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.
- (b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

- (1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds, for Grantee's selling and handling expenses.
- (2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.
- (3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

- (a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.
- (b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment (use continuation sheets as necessary).

None

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1, 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/97]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed **\$540,000.00** which it will advance to Grantee to meet not to exceed 71.05% percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Mayor

and attested and its corporate seal affixed by its duly authorized

Supervisor

Attest:

By: Mark Shiglett

(Title) SUPERVISOR

By: Gary A Miller

(Title) Mayor

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: John D. [Signature] Rural Development Specialist
(Title)

Town of Junior
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK

I, the undersigned duly authorized representative of Freedom Bank, Belington, West Virginia (the "Bank"), hereby certify that on June 21, 2012, the Bank received an automated clearinghouse transfer in the amount of \$97,500 for the Series 2012 A Bonds to the credit of the Project Construction Account (Account Number 321373).

WITNESS my signature on this 21st day of June, 2012.

FREEDOM BANK

By: Diane Poling - Bookkeeping
Its: Authorized Officer
7-18-12

Gary X Gary A. Miller

Susan X Susan Strawder
7-18-12

461180.00004

5663268

TOWN OF JUNIOR

RESOLUTION OF THE TOWN OF JUNIOR APPROVING INVOICES RELATING TO SEWER PROJECT AND COSTS THEREOF,

WHEREAS, the Town of Junior has reviewed the invoices attached hereto and incorporated herein by reference relation to the sewer project funded by the United States Department of Agriculture (USDA) and find as follows:

- a) That none of the items for which payment is proposed has been paid by another source.
- 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	USDA
Thrasher Engineering	54,749.68	54,749.68
Steptoe & Johnson (Bond counsel)	15,500.00	15,500.00
Thomas Michael	11,340.86	11,340.86
RCAP	1,875.00	1,875.00
Bennett & Dobbins	12,500.00	12,500.00
Upshur Agency	1,500.00	1,500.00
Total	97,465.54	97,465.54

ADOPTED BY the Town of Junior, at the meeting held on the 4th day of June, 2012.

By: Gary A. Miller

Its: Mayor

[Signature] 6-19-12
USDA Approval

20-924
Permit file

Dan Ferrell
Dave Watson

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313

CHARLESTON, WV 25301-3713

Telephone (304) 558-2981

PERMIT

(Sewage)

PROJECT: Lift Station #1, #2 and #3 Upgrade/Replacement

PERMIT NO.: 18,789

LOCATION: Junior

COUNTY: Barbour

DATE: 4-14-2011

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

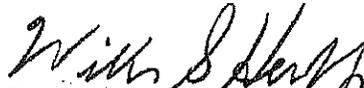
**Town of Junior
P. O. Box 247
Junior, West Virginia 26275**

is hereby granted approval to: upgrade/replace Lift Station #1, #2 and #3 in the Town of Junior. Lift Station #1 will be a 94 GPM duplex submersible station with an emergency generator; Lift Station #2 will be a 108 GPM duplex submersible station with an emergency generator; and Lift Station #3 will be a 205 GPM duplex submersible station with an emergency generator.

The Environmental Engineering Division of the **OEHS-EED Philippi District Office, (304) 457-2296**, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR



William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

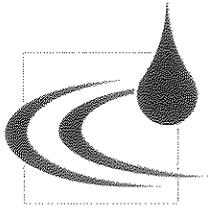
WSH:plk

pc: Thrasher Engineering, Inc.
Katheryn Emery, P.E., DEP
Amy Swann, PSC
Ingrid Ferrell, PSC
Barbour County Health Department
OEHS-EED Philippi District Office

RECEIVED

APR 15 2011

THRASHER ENGINEERING, INC.



WEST VIRGINIA

Water Development Authority

Celebrating 36 Years of Service 1974 - 2012

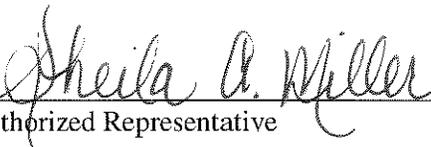
June 21, 2012

Town of Junior
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Bennett and Dobbins, the independent certified public accountant, and the opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative for the West Virginia Water Development Authority, the registered owner of the entire outstanding aggregate principal amount of the Series 2004 A Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture), in the original aggregate principal amount of \$220,000 (the "Series 2012 A Bonds") by the Town of Junior (the "Issuer"), under the terms of the bond ordinance authorizing the Series 2012 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated October 25, 2004, issued in the original aggregate principal amount of \$902,250 (the "Series 2004 A Bonds").

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY



Authorized Representative

461180.00004

TOWN OF JUNIOR

**SEWER REVENUE BONDS, SERIES 2004 A
(WEST VIRGINIA SRF PROGRAM)**

BOND ORDINANCE

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TOWN OF JUNIOR

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE TOWN OF JUNIOR AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF JUNIOR OF NOT MORE THAN \$1,400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING 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 16, Article 13 and Chapter 22C, Article 2 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 sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and

improvements for the existing public sewerage system of the Issuer, consisting of upgrading and expanding the existing sewage collection and treatment system, including a sewer line extension into the Route 33 area near the Barbour/Randolph county lines, in order to serve approximately 190 existing customers and two new customers in Barbour and Randolph counties (collectively, the "Project"), which constitute properties for the collection, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), in the total aggregate principal amount of not more than \$1,400,000 (the "Series 2004 A Bonds"), initially to be represented by a single bond, to permanently finance a portion of the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest, if any, upon the Series 2004 A Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2004 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2004 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 2004 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 30 years.

F. It is in the best interests of the Issuer that its Series 2004 A Bonds be sold to the Authority pursuant to the terms and provisions of a bond purchase agreement (the "Loan Agreement") by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are no outstanding bonds or obligations of the Issuer which will rank on a parity with the Series 2004 A Bonds or 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 Series 2004 A Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2004 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 2004 A Bonds or such final order will not be subject to appeal.

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Council to issue the Series 2004 A Bonds for the purposes set forth herein.

K. 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 2004 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 2004 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 16, Article 13 and Chapter 22C, Article 2 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 2004 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.

"Board" means the Sanitary Board of the Issuer.

"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 2004 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 2004 A Bonds for all or a portion of the proceeds of the Series 2004 A Bonds from the Authority and the DEP.

"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.

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

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

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

"Council" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the State that succeeds to the functions of the DEP.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

"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 Council of the Issuer.

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting

principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof), or any Tap Fees, as hereinafter defined.

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

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

"Investment Property" means:

- (A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),
- (B) any obligation,
- (C) any annuity contract,
- (D) any investment-type property, or
- (E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means 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 of the Issuer.

"Loan Agreement" means the bond purchase agreement heretofore entered, or to be entered, into among the Authority, the DEP and the Issuer, providing for the purchase of the Series 2004 A Bonds from the Issuer by the Authority, the form of which shall be

approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2004 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2004 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2004 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property as defined in Section 148 (b) of the Code, that is not a purpose investment.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, the SRF Administrative Fee, fees and expenses of fiscal agents, the Depository Bank, the Registrar and Paying Agent (all as herein defined), payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

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

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

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

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall

be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

"Recorder" means the Recorder of the Issuer.

"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 created herein.

"Revenue Fund" means the Revenue Fund established herein.

"Series 2004 A Bonds" means the Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2004 A Bonds Construction Trust Fund" means the Series 2004 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2004 A Bonds Reserve Account" means the Series 2004 A Bonds Reserve Account established in Section 5.02 hereof.

"Series 2004 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 2004 A Bonds in the then current or any succeeding year.

"Series 2004 A Bonds Sinking Fund" means the Series 2004 A Bonds Sinking Fund established by Section 5.02 hereof.

"SRF Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"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 2004 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2004 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 Renewal and Replacement Fund, the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account.

"System" means, collectively, the complete existing municipal sewage treatment and collection system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed \$3,338,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2004 A Bonds shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program. The cost of the Project is estimated not to exceed \$3,338,000, of which not to exceed \$1,400,000 will be obtained from proceeds of the Series 2004 A Bonds, \$1,250,000 will be obtained from proceeds of a Small Cities Block Grant, \$488,000 will be obtained from a contribution by the West Virginia Regional Jail and Correctional Facility Authority and \$200,000 will be obtained from a grant from the West Virginia Infrastructure Fund.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2004 A Bonds, if any, funding a reserve account for the Series 2004 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2004 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 2004 A Bonds of the Issuer. The Series 2004 A Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program)", in the principal amount of not more than \$1,400,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2004 A Bonds remaining after funding of the Series 2004 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2004 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2004 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2004 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2004 A Bonds, if any, shall be paid by check or draft of the Paying Agent 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 2004 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2004 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2004 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2004 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 2004 A Bonds shall cease to be such officer of the Issuer before the Series 2004 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 2004 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 2004 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2004 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2004 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 2004 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 2004 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 2004 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 Series 2004 A Bonds or transferring the registered Series 2004 A Bonds are exercised, all Series 2004 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2004 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 2004 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 Series 2004 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2004 A Bonds or, in the case of any proposed redemption of Series 2004 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2004 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate 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 2004 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 2004 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2004 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the Series 2004 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, if any, on and other payments for the Series 2004 A 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 2004 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2004 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2004 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 2004 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 opinion of bond counsel on the Series 2004 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2004 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF JUNIOR
SEWER REVENUE BONDS, SERIES 2004 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-_____ \$ _____

KNOW ALL MEN BY THESE PRESENTS: That 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, 200__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2004.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further 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 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2004, and a Supplemental Resolution duly adopted by the Issuer on _____, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

There are no outstanding bonds or obligations of the Issuer which rank on a parity with the Bonds or are secured by revenues or assets of the System.

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 2004 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, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2004 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or 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 (as defined in the Bond Legislation) by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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

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

IN WITNESS WHEREOF, 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 _____, 2004.

[SEAL]

Mayor

ATTEST:

Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2004.

THE HUNTINGTON NATIONAL BANK
as Registrar

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

the within Bond and does hereby irrevocably constitute and appoint
_____, Attorney to transfer the said Bond
on the books kept for registration of the within Bond of the said Issuer with full power of
substitution in the premises.

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2004 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. The Loan Agreement, including all schedules and exhibits attached hereto, is hereby approved. 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 the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. Filing of Amended Schedule. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule the form of the which will be provided by the DEP, 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 and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer and from each other:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) Series 2004 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 2004 A Bonds Sinking Fund; and
- (2) Series 2004 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

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

- (1) The Issuer shall first, each month, pay from the Revenue Fund all current Operating Expenses of the System.
- (2) The Issuer shall next, on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 2004 A Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 2004 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2004 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased

proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 2004 A Bonds, if not fully funded upon issuance of the Series 2004 A Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 2004 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2004 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2004 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2004 A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the 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 as provided herein. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency 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 2004 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2004 A Bonds as the same shall become due. Monies in the Series 2004 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2004 A Bonds as the same shall come due, when other monies in the Series 2004 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2004 A Bonds Sinking Fund and the Series 2004 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 2004 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2004 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2004 A Bonds Reserve Account which result in a reduction in the balance of the Series 2004 A Bonds Reserve Account to below the Series 2004 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the priority as set forth above.

As and when additional Bonds ranking on a parity with the Series 2004 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2004 A Bonds Sinking Fund or the Series 2004 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2004 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2004 A Bonds Sinking Fund and the Series 2004 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 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2004 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest, if any, and reserve payments with respect to the Series 2004 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this

Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreement.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove 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 as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

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

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

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds: Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2004 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2004 A Bonds, there shall first be deposited with the Commission in the Series 2004 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2004 A Bonds for the period commencing on the date of issuance of the Series 2004 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2004 A Bonds, there shall be deposited with the Commission in the Series 2004 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2004 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2004 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2004 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 2004 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2004 A Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2004 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2004 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

- (1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

Pending such application, monies in the Series 2004 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2004 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 2004 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 2004 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2004 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 2004 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2004 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the Series 2004 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, if any, on the Series 2004 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted May 15, 2000, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2004 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2004 A Bonds shall prove to be insufficient to produce the required sums set forth in

this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Series 2004 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2004 A Bonds, immediately be remitted to the Commission for deposit in the Series 2004 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2004 A Bonds. Any balance remaining after the payment of the Series 2004 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of \$10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$10,000 and not in excess of \$50,000, shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in

writing of the Holders of the Series 2004 A Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Series 2004 A 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 2004 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2004 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 2004 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 2004 A Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2004 A Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the DEP 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. Additional Parity Bonds. No Parity Bonds payable out of the revenues of the System, shall be issued after the issuance of the Series 2004 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereafter shall be on a parity in all respects with the Series 2004 A Bonds.

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

No such Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by Independent

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

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

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

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

All the covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2004 A Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the revenues of the System of which is subject to the prior and superior lien of the Series 2004 A Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made in accordance with this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Series 2004 A Bonds except in the manner and under the conditions provided in this section.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation on account of the Series 2004 A Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of issuance of the Parity Bonds and the Issuer is then in full compliance with all the covenants, agreements and terms of this Bond Legislation and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, 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 DEP 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 DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public

Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Issuer shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2004 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2004 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 in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2004 A Bonds and shall submit the report to the Authority and the DEP, or any other original purchaser of the Series 2004 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Loan Agreement or as promulgated from time to time.

The Issuer shall permit the Authority or the DEP, 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 DEP, 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 DEP with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2004 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, if any, on the Series 2004 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 A Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirement are on deposit respectively in the Series 2004 A Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 2004 A Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance currently in effect.

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

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures

for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP 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 DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the DEP and any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 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 DEP 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 DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP 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 DEP 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 DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, 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 either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law or, if the waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar

termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2004 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 greater of the fair appraised value or the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. In the event of any damage to or destruction of any portion of the System, the proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repair or reconstruction of such damages or destroyed portion or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the prime contractor and subcontractors, as their interests may appear.

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

(3) 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 the Project in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such 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 DEP, and the Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so

requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

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

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2004-A Bonds required by State law, with all appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP 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. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. **PRIVATE BUSINESS USE LIMITATION.** The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2004 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2004 A Bonds during the term thereof is, under the terms of the Series 2004 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2004 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2004 A Bonds during the term thereof is, under the terms of the Series 2004 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2004 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2004 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. **PRIVATE LOAN LIMITATION.** The Issuer shall assure that not in excess of the lesser of 5% or \$5,000,000 of the Net Proceeds of the Series 2004 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. **FEDERAL GUARANTEE PROHIBITION.** The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2004 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. **INFORMATION RETURN.** The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2004 A Bonds and the interest, if any, thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest, if any, on the Series 2004 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

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; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2004 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 DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2004 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 DEP before expending any proceeds of the Series 2004 A Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding as being provided by the DEP 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

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2004 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2004 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2004 A Bonds as a condition to issuance of the Series 2004 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 2004 A Bonds as may be necessary in order to maintain the status of the Series 2004 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 2004 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the West Virginia Infrastructure and Jobs Development Council or the DEP, as the case may be, from which the proceeds of the Series 2004 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, the West Virginia Infrastructure and Jobs Development Council or the DEP, 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 2004 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 2004 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any Series 2004 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2004 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2004 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the

System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2004 A Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of 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 2004 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2004 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2004 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2004 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 2004 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2004 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2004 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 2004 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 2004 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 2004 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 were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

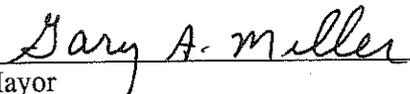
Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

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 newspaper of general circulation in the Town of Junior, there being no newspaper published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading: September 27, 2004

Passed on Second Reading: October 4, 2004

Passed on Final Reading
Following Public
Hearing: October 18, 2004



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF JUNIOR on the 18th day of October, 2004.

Dated: October 25, 2004.

[SEAL]

Al De Smith, Recorder
Recorder

08/2/04
461180.00001

EXHIBIT A

Loan Agreement included in bond transcript as Document No. 3

TOWN OF JUNIOR

Sewer Revenue Bonds, Series 2004 A
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA SRF PROGRAM), OF THE TOWN OF JUNIOR; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the Town of Junior (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective October 18, 2004 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE TOWN OF JUNIOR AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE TOWN OF JUNIOR OF NOT MORE THAN \$1,400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF

SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING 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 Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), of the Issuer (the "Bonds" or the "Series 2004 A Bonds"), in an aggregate principal amount not to exceed \$1,400,000, and has authorized the execution and delivery of the bond purchase agreement relating to the Series 2004 A Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Loan Agreement"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 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;

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, 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 Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$902,250. The Series 2004 A Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2035, and shall bear no interest. The principal of the Series 2004 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2006, and maturing December 1, 2035, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2004 A Bonds. The Series 2004 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2004 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2004 A Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

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 DEP 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, Incorporated, Belington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2004 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2004 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2004 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2004 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2004 A Bonds shall be deposited in or credited to the Series 2004 A Bonds Construction Trust Fund as received from the DEP from time to time for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about October 25, 2004, 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 are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer 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 moneys 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 moneys to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Moneys in the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 14. The Issuer does hereby authorize, approve, ratify and accept the Sewer Treatment Agreement dated October 14, 2004, including all amendments thereto, by and between the Issuer and the West Virginia Regional Jail and Correctional Facility Authority (the "Regional Jail") for the provision of sewage treatment services by the Issuer to the Regional Jail.

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

Adopted this 18th day of October, 2004.

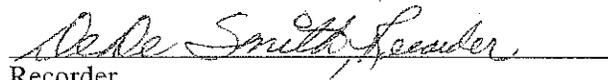
By: Sary A. Miller
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Junior on the 18th day of October, 2004.

Dated: October 25, 2004.

[SEAL]


Recorder

10/14/04
461180.00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF JUNIOR
SEWER REVENUE BONDS, SERIES 2004 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$902,250

KNOW ALL MEN BY THESE PRESENTS: That 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 NINE HUNDRED TWO THOUSAND TWO HUNDRED FIFTY DOLLARS (\$902,250), 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, 2006, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2006, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated October 13, 2004.

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

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herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on October 18, 2004, and a Supplemental Resolution duly adopted by the Issuer on October 18, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

There are no outstanding bonds or obligations of the Issuer which rank on a parity with the Bonds or are secured by revenues or assets of the System.

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 2004 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, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2004 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or 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.

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

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

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

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

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

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IN WITNESS WHEREOF, 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 October 25, 2004.

[SEAL]

Gary A. Miller
Mayor

SPECIMEN

ATTEST:

DeDe Smith, Recorder
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: October 25, 2004.

THE HUNTINGTON NATIONAL BANK
as Registrar

SPECIMEN

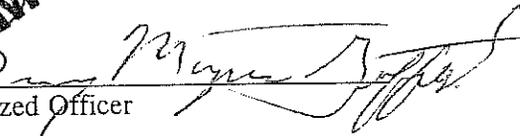

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1)\$ 122,982	10/25/04	(17)\$	
(2)\$		(18)\$	
(3)\$		(19)\$	
(4)\$		(20)\$	
(5)\$		(21)\$	
(6)\$		(22)\$	
(7)\$		(23)\$	
(8)\$		(24)\$	
(9)\$		(25)\$	
(10)\$		(26)\$	
(11)\$		(27)\$	
(12)\$		(28)\$	
(13)\$		(29)\$	
(14)\$		(30)\$	
(15)\$		(31)\$	
(16)\$		(32)\$	
		(33)\$	
		(34)\$	
	TOTAL	\$	

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EXHIBIT B

DEBT SERVICE SCHEDULE

\$902,250

Town of Junior

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: October 25, 2004

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
12/01/2004	-	-	-
03/01/2005	-	-	-
06/01/2005	-	-	-
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	7,518.75	-	7,518.75
06/01/2006	7,518.75	-	7,518.75
09/01/2006	7,518.75	-	7,518.75
12/01/2006	7,518.75	-	7,518.75
03/01/2007	7,518.75	-	7,518.75
06/01/2007	7,518.75	-	7,518.75
09/01/2007	7,518.75	-	7,518.75
12/01/2007	7,518.75	-	7,518.75
03/01/2008	7,518.75	-	7,518.75
06/01/2008	7,518.75	-	7,518.75
09/01/2008	7,518.75	-	7,518.75
12/01/2008	7,518.75	-	7,518.75
03/01/2009	7,518.75	-	7,518.75
06/01/2009	7,518.75	-	7,518.75
09/01/2009	7,518.75	-	7,518.75
12/01/2009	7,518.75	-	7,518.75
03/01/2010	7,518.75	-	7,518.75
06/01/2010	7,518.75	-	7,518.75
09/01/2010	7,518.75	-	7,518.75
12/01/2010	7,518.75	-	7,518.75
03/01/2011	7,518.75	-	7,518.75
06/01/2011	7,518.75	-	7,518.75
09/01/2011	7,518.75	-	7,518.75
12/01/2011	7,518.75	-	7,518.75
03/01/2012	7,518.75	-	7,518.75
06/01/2012	7,518.75	-	7,518.75
09/01/2012	7,518.75	-	7,518.75
12/01/2012	7,518.75	-	7,518.75
03/01/2013	7,518.75	-	7,518.75
06/01/2013	7,518.75	-	7,518.75
09/01/2013	7,518.75	-	7,518.75
12/01/2013	7,518.75	-	7,518.75
03/01/2014	7,518.75	-	7,518.75
06/01/2014	7,518.75	-	7,518.75
09/01/2014	7,518.75	-	7,518.75
12/01/2014	7,518.75	-	7,518.75
03/01/2015	7,518.75	-	7,518.75
06/01/2015	7,518.75	-	7,518.75
09/01/2015	7,518.75	-	7,518.75

\$902,250

Town of Junior

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: October 25, 2004

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
12/01/2015	7,518.75	-	7,518.75
03/01/2016	7,518.75	-	7,518.75
06/01/2016	7,518.75	-	7,518.75
09/01/2016	7,518.75	-	7,518.75
12/01/2016	7,518.75	-	7,518.75
03/01/2017	7,518.75	-	7,518.75
06/01/2017	7,518.75	-	7,518.75
09/01/2017	7,518.75	-	7,518.75
12/01/2017	7,518.75	-	7,518.75
03/01/2018	7,518.75	-	7,518.75
06/01/2018	7,518.75	-	7,518.75
09/01/2018	7,518.75	-	7,518.75
12/01/2018	7,518.75	-	7,518.75
03/01/2019	7,518.75	-	7,518.75
06/01/2019	7,518.75	-	7,518.75
09/01/2019	7,518.75	-	7,518.75
12/01/2019	7,518.75	-	7,518.75
03/01/2020	7,518.75	-	7,518.75
06/01/2020	7,518.75	-	7,518.75
09/01/2020	7,518.75	-	7,518.75
12/01/2020	7,518.75	-	7,518.75
03/01/2021	7,518.75	-	7,518.75
06/01/2021	7,518.75	-	7,518.75
09/01/2021	7,518.75	-	7,518.75
12/01/2021	7,518.75	-	7,518.75
03/01/2022	7,518.75	-	7,518.75
06/01/2022	7,518.75	-	7,518.75
09/01/2022	7,518.75	-	7,518.75
12/01/2022	7,518.75	-	7,518.75
03/01/2023	7,518.75	-	7,518.75
06/01/2023	7,518.75	-	7,518.75
09/01/2023	7,518.75	-	7,518.75
12/01/2023	7,518.75	-	7,518.75
03/01/2024	7,518.75	-	7,518.75
06/01/2024	7,518.75	-	7,518.75
09/01/2024	7,518.75	-	7,518.75
12/01/2024	7,518.75	-	7,518.75
03/01/2025	7,518.75	-	7,518.75
06/01/2025	7,518.75	-	7,518.75
09/01/2025	7,518.75	-	7,518.75
12/01/2025	7,518.75	-	7,518.75
03/01/2026	7,518.75	-	7,518.75
06/01/2026	7,518.75	-	7,518.75
09/01/2026	7,518.75	-	7,518.75

\$902,250

Town of Junior

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: October 25, 2004

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
12/01/2026	7,518.75	-	7,518.75
03/01/2027	7,518.75	-	7,518.75
06/01/2027	7,518.75	-	7,518.75
09/01/2027	7,518.75	-	7,518.75
12/01/2027	7,518.75	-	7,518.75
03/01/2028	7,518.75	-	7,518.75
06/01/2028	7,518.75	-	7,518.75
09/01/2028	7,518.75	-	7,518.75
12/01/2028	7,518.75	-	7,518.75
03/01/2029	7,518.75	-	7,518.75
06/01/2029	7,518.75	-	7,518.75
09/01/2029	7,518.75	-	7,518.75
12/01/2029	7,518.75	-	7,518.75
03/01/2030	7,518.75	-	7,518.75
06/01/2030	7,518.75	-	7,518.75
09/01/2030	7,518.75	-	7,518.75
12/01/2030	7,518.75	-	7,518.75
03/01/2031	7,518.75	-	7,518.75
06/01/2031	7,518.75	-	7,518.75
09/01/2031	7,518.75	-	7,518.75
12/01/2031	7,518.75	-	7,518.75
03/01/2032	7,518.75	-	7,518.75
06/01/2032	7,518.75	-	7,518.75
09/01/2032	7,518.75	-	7,518.75
12/01/2032	7,518.75	-	7,518.75
03/01/2033	7,518.75	-	7,518.75
06/01/2033	7,518.75	-	7,518.75
09/01/2033	7,518.75	-	7,518.75
12/01/2033	7,518.75	-	7,518.75
03/01/2034	7,518.75	-	7,518.75
06/01/2034	7,518.75	-	7,518.75
09/01/2034	7,518.75	-	7,518.75
12/01/2034	7,518.75	-	7,518.75
03/01/2035	7,518.75	-	7,518.75
06/01/2035	7,518.75	-	7,518.75
09/01/2035	7,518.75	-	7,518.75
12/01/2035	7,518.75	-	7,518.75
Total	\$902,250.00	-	\$902,250.00 *

*Plus \$568.61 one-half percent administrative fee paid quarterly. Total fee paid over life of loan is \$68,233.20.

ASSIGNMENT

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

_____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

In the presence of:

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