

STATE OF MISSOURI

Chariton Valley Reply to Staff and Response to Commission Order

Applicant Chariton Valley would respectfully request that the Staff prepare and file its recommendation sufficiently prior to March 31, 2007 to allow Commission consideration and entry of an order by March 31, 2007. Applicant also requests that the Commission enter an Order approving the application by March 31, 2007, as originally requested.

1. In Staff's Response to Commission Order, Staff indicated it would file a recommendation by March 22, 2007. Staff questioned the schedule requested by

Chariton Valley, and noted Chariton Valley did not provide reasons why certain steps could not be completed prior to Commission approval of the Application.

2. In its January 24 Motion for Expedited Treatment, Chariton Valley indicated its proposed schedule would leave it a minimal amount of time, after approval, in which to convene a board meeting, execute the loan documents, record the loan documents, and send the recorded documents to RUS by April 20, 2007. It appears additional clarification may be useful.

3. Attached are the RUS instructions for closing the loan. As indicated, RUS requires Chariton Valley to obtain Commission approval prior to execution of the loan documents. Chariton Valley is not authorized to execute the loan documents prior to a Commission approval order. Assuming approval is received; a regular or special board meeting must be scheduled, with 5 days' advance notice to board members, before the loan documents can be executed. After execution, the loan documents must be recorded in several counties where Chariton Valley owns assets, and with the Secretary of State. These recorded documents, with the recording entities' recording information, must be received back from the recorders. An opinion of counsel as to the security interest of RUS must then be executed. The Commission approval Order, counsel's opinion, and the original recorded documents are then to be sent to RUS with delivery required by April 20.

4. Assuming Commission approval of the Application by March 31, a special board meeting by April 6, recording by April 10, receipt of the recorded documents by Chariton Valley by April 16 (the recorders do not issue recorded documents on the day

they are recorded, but record, scan, and return them by regular mail), Chariton Valley would then need to assure delivery of all to RUS by April 20.

5. The schedule originally proposed by Chariton Valley contains no extra or additional time. Chariton Valley cannot shorten this time by conducting an earlier board meeting, or by executing or recording the loan documents, prior to a Commission Order. It is necessary for the Commission to issue its Order by March 31, 2007 in order to meet this schedule.

WHEREUPON, based upon the foregoing, Chariton Valley respectfully requests that the Commission direct Staff to file its recommendation by a date sufficiently prior to March 31, 2007 to allow Commission consideration and entry of an order by March 31, 2007.

Respectfully submitted,

By /s/ Craig S. Johnson
Craig S. Johnson MO Bar No.28179
Law Office of Craig S. Johnson
1648A East Elm
Jefferson City, Missouri 65101
(573) 632-1900
(573) 634-6018 (fax)
craig@csjohnsonlaw.com

CERTIFICATE OF SERVICE

The undersigned does hereby certify that a true and accurate copy of the foregoing was electronically mailed, this 6th day of February, 2007, to Staff Counsel Jennifer Heintz, and to Office of Public Counsel Michael Dandino.

/s/ Craig S. Johnson
Craig S. Johnson MO Bar No. 28179