

**BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)**

**WATER REFUNDING REVENUE BONDS,
SERIES 2015 E (BANK QUALIFIED)**

BOND RESOLUTION

Table of Contents

RECITALS

**ARTICLE I
DEFINITIONS; STATUTORY AUTHORITY; FINDINGS**

Section 1.01 Definitions
Section 1.02 Authority for this Resolution
Section 1.03 Findings
Section 1.04 Resolution Constitutes Contract

**ARTICLE II
AUTHORIZATION OF REFUNDING**

Section 2.01 Authorization of Refunding

**ARTICLE III
THE BONDS**

Section 3.01 Form and Payment of Bonds
Section 3.02 Execution of Bonds
Section 3.03 Authentication and Registration
Section 3.04 Negotiability and Registration
Section 3.05 Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.06 Term Bonds
Section 3.07 Notice of Redemption
Section 3.08 Persons Treated as Owners
Section 3.09 Temporary Bonds
Section 3.10 Authorization of Bonds
Section 3.11 Book Entry System for Bonds
Section 3.12 Delivery of Bonds
Section 3.13 Form of Bonds
Section 3.14 Disposition of Proceeds of Bonds

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

- Section 4.01 Establishment of Funds and Accounts with Depository Bank
- Section 4.02 Establishment of Funds and Accounts with Bond Commission
- Section 4.03 System Revenues and Application Thereof

**ARTICLE V
INVESTMENTS; NON-ARBITRAGE;
REBATES OF EXCESS INVESTMENT EARNINGS**

- Section 5.01 Investments
- Section 5.02 Arbitrage
- Section 5.03 Tax Certificate and Rebate

**ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER**

- Section 6.01 Covenants Binding and Irrevocable
- Section 6.02 Bonds not to be Indebtedness of the Issuer
- Section 6.03 Bonds Secured by Pledge of Net Revenues
- Section 6.04 Rates
- Section 6.05 Operation and Maintenance
- Section 6.06 Sale of the System
- Section 6.07 Issuance of Other Obligations Payable Out of Revenues and General Covenant
Against Encumbrances
- Section 6.08 Additional Parity Bonds
- Section 6.09 Insurance and Bonds
- Section 6.10 No Free Services
- Section 6.11 Enforcement of Collections
- Section 6.12 No Competing Franchise
- Section 6.13 Books and Records
- Section 6.14 Operating Budget
- Section 6.15 Connections
- Section 6.16 Statutory Mortgage Lien
- Section 6.17 Tax Covenants
- Section 6.18 Designation of Series 2015 E Bonds as Qualified Tax-Exempt Obligations
- Section 6.19 Continuing Disclosures
- Section 6.20 Preliminary Official Statement; Official Statement
- Section 6.21 Municipal Bond Insurance Policy; Municipal Bond Debt Service Reserve Insurance Policy

**ARTICLE VII
DEFAULTS AND REMEDIES**

- Section 7.01 Events of Default
- Section 7.02 Enforcement
- Section 7.03 Appointment of Receiver
- Section 7.04 Restoration of Issuer and Bondholder

**ARTICLE VIII
REGISTRAR AND PAYING AGENT**

- Section 8.01 Appointment of Registrar
- Section 8.02 Responsibilities of Registrar
- Section 8.03 Evidence on Which Registrar May Act
- Section 8.04 Compensation and Expenses
- Section 8.05 Certain Permitted Acts
- Section 8.06 Resignation of Registrar
- Section 8.07 Removal
- Section 8.08 Appointment of Successor
- Section 8.09 Transfer of Rights and Property to Successor
- Section 8.10 Merger or Consolidation
- Section 8.11 Adoption of Authentication
- Section 8.12 Paying Agent

**ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF RESOLUTION**

- Section 9.01 Defeasance; Discharge of Pledge of Resolution

**ARTICLE X
MISCELLANEOUS**

- Section 10.01 Amendment of Resolution
- Section 10.02 Evidence of Signatures of Bondholders and Ownership of Bonds
- Section 10.03 Preservation and Inspection of Documents
- Section 10.04 Cancellation of Bonds
- Section 10.05 Failure to Present Bonds
- Section 10.06 Notices, Demands and Requests
- Section 10.07 No Personal Liability
- Section 10.08 Law Applicable
- Section 10.09 Parties Interested Herein
- Section 10.10 Severability of Invalid Provisions
- Section 10.11 Table of Contents and Headings
- Section 10.12 Conflicting Provisions Repealed
- Section 10.13 Covenant of Due Procedure, Etc.
- Section 10.14 Effective Date

SIGNATURES

CERTIFICATION

EXHIBIT A – FORM OF SERIES 2015 E BONDS

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

A RESOLUTION AUTHORIZING THE REFUNDING OF THE SERIES 2009 BONDS AND THE FINANCING OF THE COSTS THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF WATER REFUNDING REVENUE BONDS, SERIES 2015 E (BANK QUALIFIED), OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$6,500,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT, AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, Berkeley County Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Berkeley County of said State;

WHEREAS, the Issuer presently owns and operates a public waterworks treatment and distribution system (the "System") in Berkeley County and has heretofore financed the acquisition and construction of the System and certain additions, betterments and improvements thereto through the issuance of several series of bonds, notes or refunding bonds, of which there are presently outstanding the Prior Bonds and the Series 2009 Bonds, as hereinafter defined;

WHEREAS, all of the Prior Bonds and Series 2009 Bonds, as hereinafter defined, were issued pursuant to resolutions of the Issuer previously enacted (such resolutions, as so amended and supplemented, collectively herein called the "Prior Resolutions");

WHEREAS, pursuant to the Orders of the Public Service Commission of West Virginia (the "PSC") dated December 28, 2000 and April 26, 2001, in Case No. 00-0893-PWD-PC and the Resolution of The County Commission of Berkeley County (now The County Council of Berkeley County, the "County Council") dated June 28, 2001, the PSC and County Council approved the merger of Hedgesville Public Service District ("Hedgesville") and Opequon Public Service District ("Opequon") into the District and the dissolution of Hedgesville and Opequon, and the System now includes the assets and customers of the Hedgesville and Opequon systems;

WHEREAS, under the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to issue refunding revenue bonds for the purpose of refunding, paying or discharging all or any part of its outstanding debt obligations secured by any revenues of the System, including interest thereon;

WHEREAS, the Issuer has determined and hereby determines that present value debt service savings would result from the Issuer's advance refunding of its outstanding Water Revenue Bonds, Series 2009 (Bank Qualified), dated February 17, 2009, issued in the original aggregate principal amount of \$7,510,000 (the "Series 2009 Bonds");

WHEREAS, the Issuer has determined that it is in the best interests of the customers of Berkeley County Public Service District and other users of the System to advance refund its outstanding Series 2009 Bonds;

WHEREAS, the Issuer has determined that the aforementioned refunding of the Series 2009 Bonds should be financed with the proceeds from the issuance of the Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified), in the original aggregate principal amount of not more than \$6,500,000 (the "Series 2015 E Bonds"), such Series 2015 E Bonds to be secured by and payable from the Net Revenues (as hereinafter defined) of the System;

WHEREAS, upon refunding of the Series 2009 Bonds, there are outstanding obligations of the Issuer, including those assumed from Hedgesville and Opequon, which will rank on a parity with the Series 2015 E Bonds as to liens, pledge and source of and security for payment being the Issuer's:

(1) Water Revenue Bonds, Series 1993 B, dated March 8, 1993, issued in the original aggregate principal amount of \$528,871 and held by the West Virginia Water Development Authority (the "Series 1993 B Bonds");

(2) Water Revenue Bonds, Series 1993 D, dated July 29, 1993, issued in the original aggregate principal amount of \$10,257,957 and held by the West Virginia Water Development Authority (the "Series 1993 D Bonds");

(3) Water Revenue Bonds, Series 1996, dated August 6, 1996, issued in the original aggregate principal amount of \$677,158 and held by the West Virginia Water Development Authority (the "Series 1996 Bonds");

(4) Water Revenue Bonds, Series 2001 A (West Virginia Water Development Authority), dated October 25, 2001, issued in the original aggregate principal amount of \$2,010,000 (the "Series 2001 A Bonds");

(5) Water Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), dated May 15, 2003, issued in the original aggregate principal amount of \$2,430,000 (the "Series 2003 C Bonds");

(6) Water Refunding Revenue Bonds, Series 2012 A (Bank Qualified), dated December 19, 2012, issued in the aggregate principal amount of \$7,425,000 (the "Series 2012 A Bonds");

(7) Water Revenue Bonds, Series 2012 B (Bank Qualified), dated December 20, 2012, issued in the aggregate principal amount of \$7,800,000 (the "Series 2012 B Bonds");

(8) Water Refunding Revenue Bonds, Series 2013 A (Bank Qualified), dated December 30, 2013, issued in the original aggregate principal amount of \$9,900,000 (the "Series 2013 A Bonds");

(9) Water Refunding Revenue Bonds, Series 2013 B (Taxable), dated December 30, 2013, issued in the original aggregate principal amount of \$2,875,000 (the "Series 2013 B Bonds");

(10) Water Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated February 26, 2015, issued in the original aggregate principal amount of \$9,575,000 (the "Series 2015 A Bonds");

(11) Water Refunding Revenue Bonds, Series 2015 B (Bank-Qualified), dated February 26, 2015, issued in the original aggregate principal amount of \$575,000 (the "Series 2015 B Bonds");

(12) Water Refunding Revenue Bonds, Series 2015 C (Bank-Qualified), dated October 1, 2015, issued in the original aggregate principal amount of \$9,910,000 (the "Series 2015 C Bonds"); and

(13) Water Refunding Revenue Bonds, Series 2015 D (Bank-Qualified), dated October 1, 2015, issued in the original aggregate principal amount of \$2,150,000 (the "Series 2015 D Bonds");

and there are outstanding obligations of the Issuer which are subordinate to the Series 2015 E Bonds as to liens, pledge and source of and security for payment, being the Issuer's:

(1) Water Revenue Bonds, Series 1993 C, dated March 8, 1993, issued in the original aggregate principal amount of \$17,629 and held by the West Virginia Water Development Authority (the "Series 1993 C Bonds").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, the Series 2013 B Bonds, the Series 2015 A Bonds, the Series 2015 B Bonds, Series 2015 C Bonds and the Series 2015 D Bonds, are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds." The First Lien Bonds are secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with each other and the Series 2015 E Bonds, which lien and pledge are senior and prior to the lien on the Net Revenues of the System of the Second Lien Bonds. The First Lien Bonds and Second Lien Bonds are collectively referred to as the "Prior Bonds"; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of Berkeley County that its Series 2015 E Bonds be sold to the Original Purchaser (as hereinafter defined) thereof pursuant to the terms and provisions of a bond purchase agreement (the "Bond Purchase Agreement") between the Issuer and the Original Purchaser (hereinafter defined);

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BERKELEY COUNTY
PUBLIC SERVICE DISTRICT:

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Resolution and not otherwise defined in the recitals or in the text hereof shall have the meanings specified below, unless the context expressly requires otherwise:

“Act” means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended and in effect on the date of delivery of the Series 2015 E Bonds.

“Authorized Officer” means the Chairman of the Governing Body of the Issuer or any Acting Chairman duly selected by the Governing Body.

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

“Bond Counsel” shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

“Bondholder,” “Holder of the Bonds,” “Owner of the Bonds” or any similar term means any person who shall be the registered owner of any outstanding Bond.

“Bond Register” means the books of the Issuer maintained by the Registrar for the registration and transfer of Bonds.

“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, or such other period as shall be determined by the Issuer, except that the first Bond Year shall begin on the Closing Date.

“Bonds” means, collectively, the Series 2015 E Bonds, the First Lien Bonds and the Second Lien Bonds, and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

“Business Day” means any day other than a Saturday, Sunday or a day on which national banking associations or West Virginia banking corporations are authorized by law to remain closed.

“Certificate of Authentication and Registration” means the Certificate of Authentication and Registration on the Series 2015 E Bonds in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2015 E Bonds, attached hereto.

“Chairman” means the Chairman of the Governing Body of the Issuer.

“Closing Date” means the date upon which there is an exchange of the Series 2015 E Bonds for the proceeds representing the original purchase prices thereof.

“Code” shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

“Costs” or similar terms mean those costs described in Section 1.03 hereof.

“Costs of Issuance Fund” means the Costs of Issuance Fund created by Section 4.01 hereof.

“Depository Bank” means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

“DTC” means the Depository Trust Company, New York, New York, or its successor thereof.

“DTC-eligible” means, with respect to the Series 2015 E Bonds, meeting the qualifications prescribed by the Depository Trust Company, New York, New York.

“Escrow Agent” means the Bond Commission, or any successor appointed by the Issuer under the Escrow Agreement.

“Escrow Agreement” means the agreement to be entered into between the Issuer and the Escrow Agent, providing for the payment of the outstanding principal of, and interest on, the Series 2009 Bonds on December 1, 2016, and the payment of all interest thereon until such date, through the deposit therein of cash from, and securities purchased with, a portion of the proceeds of the Series 2015 E Bonds, moneys of the Issuer in the various funds and accounts pledged to the Series 2009 Bonds and other matters in connection therewith.

“Escrow Fund” means the escrow trust fund established pursuant to the Escrow Agreement.

“Event of Default” means any occurrence or event specified in Section 7.01.

“FDIC” means the Federal Deposit Insurance Corporation or any successor to the functions of the FDIC.

“First Lien Bonds” means the Issuer's Series 1993 B Bonds, Series 1993 D Bonds, Series 1996 Bonds, Series 2001 A Bonds, Series 2003 C Bonds, Series 2012 A Bonds, Series 2012 B Bonds, Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds.

“First Lien State Bonds” means the Issuer's Series 1993 B Bonds, Series 1993 D Bonds, Series 1996 Bonds, Series 2001 A Bonds and Series 2003 C Bonds.

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

“Governing Body” or “Board” means the Public Service Board of the Issuer, as it may now or hereafter be constituted, as provided by the Act.

“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, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that “Gross Revenues” does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined), any Tap Fees, as hereinafter defined.

“Independent Certified Public Accountant” 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 purpose except keeping the accounts of the System in the normal operation of its business and affairs.

“Investment Property” means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or 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, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

“Issuer” means Berkeley County Public Service District, a public service district and public corporation and political subdivision of the State of West Virginia, in Berkeley County of said State, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Net Proceeds” means the face amount of the Series 2015 E Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 2015 E 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 2015 E 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 which is acquired with the gross proceeds of the Series 2015 E Bonds and is not acquired in order to carry out the governmental purpose of the Series 2015 E Bonds.

“Operating Expenses” unless qualified, means the accrual basis expenses 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 of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles.

“Original Purchaser” means such person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2015 E Bonds directly from the Issuer, as determined by the Supplemental Resolution, as hereinafter defined; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 2015 E Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as determined by said Supplemental Resolution.

“Outstanding,” when used with reference to the Series 2015 E Bonds, the Prior Bonds, and any Additional Parity Bonds, and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer.

“Paying Agent,” initially means the Bond Commission and any other paying agent or other entity designated as such for the Series 2015 E Bonds in the Supplemental Resolution, and any successor thereto appointed in accordance with Section 8.12 hereof.

"Prior Bonds" means collectively, the First Lien Bonds and the Second Lien Bonds.

“Prior Resolutions” means the bond authorizing resolutions, as supplemented, of the Issuer or the bond authorizing resolutions of Hedgesville and Opequon assumed by merger, authorizing the Prior Bonds.

“Private Business Use” means use directly or indirectly in a trade or business carried on by a natural person, including all persons “related” to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons “related” to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"PSC" means the Public Service Commission of West Virginia.

“Purchase Price,” for the purpose of computation of the Yield of the Series 2015 E Bonds, has the same meaning as the term “issue price” in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2015 E Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the Series 2015 E Bonds of each maturity is sold or, if the Series 2015 E Bonds are privately placed, the price paid by the first buyer of the Series 2015 E Bonds or the acquisition cost of the first buyer. “Purchase Price,” for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use

of Gross Proceeds of the Series 2015 E Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2015 E Bonds.

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

(a) Government Obligations;

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

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

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

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

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

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

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

(i) Obligations of states or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Financial Services LLC.

"Rebate Fund" means the Rebate Fund established in Section 4.01 hereof.

"Record Date" means the day of the month which shall be so stated in the Series 2015 E Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means the date fixed for redemption of any Bonds of the Issuer called for redemption.

"Redemption Price" means the price at which any Bonds of the Issuer may be called for redemption and includes the principal of and interest on such Bonds to be redeemed, plus the interest and premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2015 E Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by the Prior Resolutions and continued hereby.

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2015 E Bonds and the Prior Bonds.

"Resolution" means this Resolution and all orders and resolutions supplemental hereto or amendatory hereof.

"Revenue Fund" means the Revenue Fund created by the Prior Resolutions and continued hereby.

"Second Lien Bonds" means the Issuer's Series 1993 C Bonds.

"Secretary" means the Secretary of the Governing Body of the Issuer.

"Series 1993 B Bonds" means the Issuer's Water Revenue Bonds, Series 1993 B, dated March 8, 1993, issued in the original aggregate principal amount of \$528,871 and held by the West Virginia Water Development Authority.

"Series 1993 C Bonds" means the Issuer's Water Revenue Bonds, Series 1993 C, dated March 8, 1993, issued in the original aggregate principal amount of \$17,629 and held by the West Virginia Water Development Authority.

"Series 1993 D Bonds" means the Issuer's Water Revenue Bonds, Series 1993 D, dated July 29, 1993, issued in the original aggregate principal amount of \$10,257,957 and held by the West Virginia Water Development Authority.

"Series 1996 Bonds" means the Issuer's Water Revenue Bonds, Series 1996, dated August 6, 1996, issued in the original aggregate principal amount of \$677,158 and held by the West Virginia Water Development Authority.

"Series 2001 A Bonds" means the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia Water Development Authority), dated October 25, 2001, issued in the original aggregate principal amount of \$2,010,000.

"Series 2003 C Bonds" means the Issuer's Water Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), dated May 15, 2003, issued in the original aggregate principal amount of \$2,430,000.

"Series 2009 Bonds" means the Issuer's Water Revenue Bonds, Series 2009 (Bank Qualified), dated February 17, 2009, issued in the original aggregate principal amount of \$7,510,000, to be advance refunded with the proceeds of the Series 2015 E Bonds and other funds available therefor.

"Series 2009 Bonds Resolution" means the resolution, and any resolution supplemental thereto, of the Issuer authorizing issuance of the Series 2009 Bonds.

"Series 2012 A Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2012 A (Bank Qualified), dated December 19, 2012, issued in the aggregate principal amount of \$7,425,000.

"Series 2012 B Bonds" means the Issuer's Water Revenue Bonds, Series 2012 B (Bank Qualified), dated December 20, 2012, issued in the aggregate principal amount of \$7,800,000.

"Series 2013 A Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2013 A (Bank Qualified), dated December 30, 2013, issued in the original aggregate principal amount of \$9,900,000.

"Series 2013 B Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2013 B (Taxable), dated December 30, 2013, issued in the original aggregate principal amount of \$2,875,000 (the "Series 2013 B Bonds").

"Series 2015 A Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated February 26, 2015, issued in the original aggregate principal amount of \$9,575,000,

"Series 2015 B Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2015 B (Bank-Qualified), dated February 26, 2015, issued in the original aggregate principal amount of \$575,000.

“Series 2015 C Bonds” means the Issuer’s Water Refunding Revenue Bonds, Series 2015 C (Bank-Qualified), dated October 1, 2015, issued in the original aggregate principal amount of \$9,910,000.

“Series 2015 D Bonds” means the Issuer’s Water Refunding Revenue Bonds, Series 2015 D (Bank-Qualified), dated October 1, 2015, issued in the original aggregate principal amount of \$2,150,000.

“Series 2015 E Bonds” means the Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified), of the Issuer, authorized to be issued pursuant to this Resolution.

“Series 2015 E Bonds Cost of Issuance Fund” means the Series 2015 E Bonds Cost of Issuance Fund created by Section 4.02 hereof.

“Series 2015 E Bonds Redemption Account” means the Series 2015 E Bonds Redemption Account created by Section 4.02 hereof.

“Series 2015 E Bonds Reserve Account” means the Series 2015 E Bonds Reserve Account created by Section 4.02 hereof.

“Series 2015 E Bonds Reserve Requirement” means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2015 E Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2015 E Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2015 E Bonds.

“Sinking Funds” means, collectively, the respective Sinking Funds established for the Series 2015 E Bonds and the Prior Bonds.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution amendatory hereof or supplemental hereto and, when preceded by the article “the,” refers specifically to the Supplemental Resolution to be adopted by the Issuer following adoption of this Resolution, setting forth the final amounts, maturities, interest rates and other terms of the Series 2015 E Bonds and authorizing the sale of the Series 2015 E Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by this Resolution 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 Sinking Funds and the Reserve Accounts.

“System” means the complete potable water distribution, storage and treatment system of the Issuer, as presently existing in its entirety or any integral part thereof, and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system, and shall include any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

“Term Bonds” means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa; and any requirement for execution or attestation of the Bond or any certificate or other document by the Chairman or the Secretary shall mean that such Bond, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Resolution; and the term “hereafter” means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.02. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Governing Body hereby finds and determines as follows:

A. The Issuer is a public service district, public corporation and political subdivision of the State of West Virginia in Berkeley County of said State.

B. The Issuer presently owns and operates the System which it has financed or refinanced, in part, pursuant to the issuance of the Prior Bonds and the Series 2009 Bonds.

C. It is deemed necessary for the Issuer to issue its Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified), in one or more series, in the total aggregate principal amount of not more than \$6,500,000 to pay, along with other funds of the Issuer available therefore, all or a portion of the cost of purchasing securities in an amount sufficient, including earnings on such securities, and to provide cash therefore, to pay the entire outstanding principal of, and interest on, the Series 2009 Bonds on December 1, 2016 (excluding the payment of principal of, and interest on, the Series 2009 Bonds due on December 1, 2015, funds for which are already on deposit with the Bond Commission) and to pay the interest payment on the Series 2009 Bonds on June 1, 2016. The proceeds of the Series 2015 E Bonds may also be applied to funding the Series 2015 E Bonds Reserve Account and the payment of underwriter’s discount; financial advisor expenses; legal expenses; the premium for a municipal bond insurance policy, if determined to be financially advantageous for the Issuer; the premium for a municipal bond debt service reserve insurance policy, if determined to be financially advantageous for the Issuer; expenses for estimates of costs and revenues; administrative expense; discount; initial fees for the services of registrar’s, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2015 E Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; 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 2015 E Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall also be permitted.

D. It is in the best interests of the customers of the Issuer and the citizens of Berkeley County that the Series 2015 E Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement or bond purchase agreements to be entered into by and between the Issuer and the Original Purchaser, as shall be approved by supplemental resolution of the Issuer.

E. The Series 2015 E Bonds shall be issued on a parity with one another and the First Lien Bonds and senior and prior to the Second Lien 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 2015ED Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the First Lien Bonds have been met; (ii) the written consent of the Holders of the First Lien State Bonds to the issuance of the Series 2015 E Bonds on a parity with the First Lien State Bonds; and (iii) the written consent of the Holders of the Second Lien Bonds to the issuance of the Series 2015 E Bonds senior and prior to the Second Lien Bonds. The Series 2012 A Bonds, Series 2012 B Bonds, Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds do not require written consent from the holders thereof. Upon payment in full of the Series 2009 Bonds, other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

F. The Series 2015 E Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2015 E BONDS attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Resolution or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

G. All things necessary to make the Series 2015 E Bonds, when authenticated by the Registrar and issued as in this Resolution provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2015 E Bonds, will be timely done and duly performed.

H. The adoption of this Resolution, and the execution and issuance of the Series 2015 E Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

I. The Issuer has complied with all requirements of West Virginia law relating to the operation of the System, the issuance of the Series 2015 E Bonds and the refunding of the Series 2009 Bonds, or will have so complied prior to issuance of any thereof.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2015 E Bonds by those who shall own or hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders of the Series 2015 E Bonds, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of such Bondholders of any and all of such Series 2015 E Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. All Series 2009 Bonds Outstanding as of the date of issuance of the Series 2015 E Bonds, and all unpaid interest accrued thereon, if any, are hereby ordered to be defeased with securities deposited pursuant to the Escrow Agreement and paid in full on the earliest call date and the pledge of Net Revenues in favor of the Registered Owners of the Series 2009 Bonds imposed by the Series 2009 Bond Resolution authorizing the issuance of the Series 2009 Bonds, the monies in the funds and accounts created by the Series 2009 Bond Resolution pledged to payment of the Series 2009 Bonds, and any other funds pledged by the Series 2009 Bond Resolution to payment of the Series 2009 Bonds are hereby ordered terminated, discharged and released upon such payment to the Registered Owners of the Series 2009 Bonds. Contemporaneously with the defeasance of the Series 2009 Bonds, the amounts remaining on deposit not required for the defeasance of the Series 2009 Bonds, in the sinking fund and reserve account, and all other funds and accounts created and maintained on behalf of the Series 2009 Bonds, except the Escrow Fund, shall be released from the lien created by the Series 2009 Bond Resolution authorizing the issuance of the Series 2009 Bonds.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Series 2015 E Bond shall be issued pursuant to this Resolution except as provided in this Article III. Any Series 2015 E Bonds issued pursuant to this Resolution may be issued only as fully registered Series 2015 E Bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Series 2015 E Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2015 E Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2015 E Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2015 E Bonds shall be in default, Series 2015 E Bonds issued in exchange for Series 2015 E Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2015 E Bonds surrendered.

The principal of and the premium, if any, on the Series 2015 E Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2015 E Bonds shall be paid by check or draft made payable and mailed to the Registered Owner thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of \$1,000,000 or more of the Series 2015 E Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2015 E Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Registered Owner thereof, another Series 2015 E Bond in the principal amount of said Series 2015 E Bond then Outstanding.

Section 3.02. Execution of Bonds. The Series 2015 E Bonds shall be executed in the name of the Issuer by the Chairman, by his or her manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2015 E Bonds shall cease to be such officer of the Issuer before the 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 2015 E 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 3.03. Authentication and Registration. No Series 2015 E Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in EXHIBIT A - FORM OF SERIES 2015 E BONDS attached hereto and incorporated herein by reference with respect to such respective Series 2015 E Bond, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Series 2015 E Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration on any Series 2015 E Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2015 E Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2015 E Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Series 2015 E Bonds, shall be conclusively deemed to have agreed that such Series 2015 E Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Series 2015 E Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2015 E Bonds remain Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2015 E Bonds. Series 2015 E Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner

thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2015 E Bond, there shall be issued at the option of the Holder or the transferee another Series 2015 E Bond of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Series 2015 E Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2015 E Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2015 E Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2015 E Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Resolution. All Series 2015 E Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2015 E Bonds, the initial exchange of Series 2015 E Bonds and exchanges of Series 2015 E Bonds in the event of partial redemption of fully registered Series 2015 E Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2015 E Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2015 E Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2015 E Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2015 E Bond of like series, maturity and principal amount as the Series 2015 E Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Series 2015 E Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Series 2015 E Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2015 E Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2015 E Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2015 E Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2015 E Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2015 E Bonds be at any time found by any one, and such duplicate Series 2015 E Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Resolution, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2015 E Bonds Redemption Account in accordance with Subsection 4.03A(3) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory Redemption Date of said Term Bonds, a sum equal to 1/12th of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to the Series 2015 E Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2015 E Bonds Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2015 E Bonds Sinking Fund, as will exhaust as nearly as practicable such Series 2015 E Bonds Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the

Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of \$5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2015 E Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2015 E Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2015 E Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice.

All official notices of redemption shall be dated and shall state:

- (1) The Redemption Date;
- (2) The Redemption Price;
- (3) If less than all outstanding Series 2015 E Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2015 E Bonds, as appropriate, to be redeemed;
- (4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Series 2015 E Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;
- (5) The place where such Series 2015 E Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar; and
- (6) Such other information, if any, as shall be required for DTC-eligible Series 2015 E Bonds.

If funds sufficient to redeem all Series 2015 E Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date (a "Conditional Notice of Optional Redemption"). If such monies are not so deposited, the redemption shall not occur, the Registrar shall notify all holders of Series 2015 E Bonds called for redemption of such fact, and all holders of any Series 2015 E Bonds (past and the present) agree they shall have no claim against the Issuer as a result of such Conditional Notice of Optional Redemption.

Official notice of redemption having been given as aforesaid, the Series 2015 E Bonds or portions of Series 2015 E Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2015 E Bonds or portions of Series 2015 E Bonds shall cease to bear interest. Upon surrender of such Series 2015 E Bonds for redemption in accordance with said notice, such Series 2015 E Bonds shall be paid by the Registrar at the Redemption

Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2015 E Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unredeemed principal of such Series 2015 E Bond. All Series 2015 E Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2015 E Bonds, and failure to mail or otherwise send such notice shall not affect the validity of proceedings for the redemption of any portion of Series 2015 E Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2015 E Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Resolution. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Authorization of Bonds. For the purposes of, in combination with other funds of the Issuer available therefor, purchasing securities, or providing cash, to defease the entirety of the the Series 2009 Bonds, paying the premium for a Municipal Bond Insurance Policy to secure the payment of principal of and interest on the Series 2015 E Bonds, funding the Series 2015 E Bonds Reserve Account, or paying the premium for a Municipal Bond Debt Service Reserve Insurance Policy, in an amount equal to the Series 2015 E Reserve Requirement, and paying costs of issuance in connection therewith, there shall be issued the Series 2015 E Bonds of the Issuer, in an aggregate principal amount of not more than \$6,500,000. The Series 2015 E Bonds shall be designated "Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" and shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 2015 E Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2015 E Bonds shall be numbered from ER-1 consecutively upward. The Series 2015 E Bonds shall be dated, shall be in such aggregate principal amount, shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates, shall mature on such dates and in such amounts, shall be subject to such mandatory and optional redemption provisions, and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Bonds. A. The Series 2015 E Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2015 E Bonds, respectively, of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 2015 E Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2015 E Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2015 E Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2015 E Bond, or any other evidence of ownership of the Series 2015 E Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2015 E Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Series 2015 E Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Resolution, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2015 E Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2015 E Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Resolution. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2015 E Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2015 E Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2015 E Bonds so redeemed, but DTC may return such Series 2015 E Bonds and make an appropriate notation on the Series 2015 E Bonds certificate as to the amount of such partial redemption; provided, that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2015 E Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2015 E Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2015 E Bonds, selecting the Series 2015 E Bonds, or portions thereof, to be redeemed, giving any notice permitted or required to be given to Bondholders under this Resolution, registering the transfer of Series 2015 E Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2015 E Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2015 E Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2015 E Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Resolution, (v) the

selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2015 E Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2015 E Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2015 E Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2015 E Bonds. In either of such events (unless in the case described in clause (ii) above, the Issuer appoints a successor securities depository), the Series 2015 E Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2015 E Bonds.

Section 3.12. Delivery of Bonds. The Issuer shall execute and deliver the Series 2015 E Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2015 E Bonds to the Original Purchaser upon receipt of the documents set forth below:

- (1) A list of the names in which the Series 2015 E Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;
- (2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2015 E Bonds to the Original Purchaser;
- (3) Copies of this Resolution and any Supplemental Resolution certified by the Secretary;
- (4) The unqualified approving opinion upon the Series 2015 E Bonds by Bond Counsel; and
- (5) A copy of such other documents, certifications and verifications as the Original Purchaser may reasonably require.

Section 3.13. Form of Bonds. The definitive Series 2015 E Bonds shall be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2015 E BONDS attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2015 E Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2015 E Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Bonds. Upon the issuance and delivery of the Series 2015 E Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

(1) All interest accrued on the Series 2015 E Bonds from the date thereof to the date of delivery thereof, if any, shall be deposited in the Series 2015 E Bonds Sinking Fund and applied to payment of interest on the Series 2015 E Bonds at the first interest payment date.

(2) An amount of the proceeds of the Series 2015 E Bonds equal to the Series 2015 E Bonds Reserve Requirement shall be remitted to the Bond Commission for deposit in the Series 2015 E Bonds Reserve Account, provided that, to the extent the Series 2015 E Bonds Reserve Requirement is satisfied in whole or in part from a municipal bond debt service reserve insurance policy, a letter of credit, a surety bond or other credit facility and proceeds of the Series 2015 E Bonds shall be used to purchase said municipal bond debt service reserve insurance policy, letter of credit, surety bond or other credit facility, proceeds of the Series 2015 E Bonds shall be deposited in the Series 2015 E Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2015 E Bonds Reserve Requirement.

(3) An amount of the proceeds of the Series 2015 E Bonds which shall, along with other monies available therefore, be sufficient to purchase securities, the principal amount of which, and earnings thereon, shall be sufficient to pay the outstanding principal of, and interest on, the Series 2009 Bonds on the first call date therefore, and to make any payment of interest and/or principal prior to the first call date for the Series 2009 Bonds, shall be deposited into the Escrow Fund for the Series 2009 Bonds held by the Bond Commission as Escrow Agent.

(4) An amount of Series 2015 E Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the Costs of Issuance of the Series 2015 E Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2015 E Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Resolution, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2015 E Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2015 E Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2015 E Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2015 E Bonds from which such proceeds are derived.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds or accounts are hereby created with (or continued if previously established), and shall be held by, the Depository Bank, segregated and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- (1) Revenue Fund (established by the Prior Resolutions and hereby continued);
- (2) Renewal and Replacement Fund (established by the Prior Resolutions and hereby continued);
- (3) Series 2015 E Bonds Costs of Issuance Fund; and
- (4) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. Pursuant to this Article IV, the following special funds or accounts are hereby created with and shall be held by, the Bond Commission, separate and apart from all other funds or accounts of the Bond Commission and the Issuer and from each other:

- (1) Series 1993 B Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (2) Series 1993 B Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (3) Series 1993 C Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (4) Series 1993 C Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (5) Series 1993 D Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (6) Series 1993 D Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (7) Series 1996 Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (8) Series 1996 Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (9) Series 2001 A Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (10) Series 2001 A Bonds Reserve Account (established by the Prior Resolutions and hereby continued);

- (11) Series 2003 C Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (12) Series 2003 C Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (13) Series 2012 A Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (14) Series 2012 A Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (15) Series 2012 B Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (16) Series 2012 B Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (17) Series 2013 A Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (18) Series 2013 A Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (19) Series 2013 B Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (20) Series 2013 B Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (21) Series 2015 A Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (22) Series 2015 A Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (23) Series 2015 B Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (24) Series 2015 B Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (25) Series 2015 C Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (26) Series 2015 C Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (27) Series 2015 D Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);

- (28) Series 2015 D Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (29) Series 2015 E Bonds Sinking Fund; and
- (30) Series 2015 E Bonds Reserve Account.

Section 4.03. System Revenues and Application Thereof. So long as any of the Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System 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 Resolution 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 herein provided.

(1) The Issuer shall first each month pay from the Revenue Fund the Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Resolutions to pay interest on the First Lien Bonds; and (ii) commencing 6 months prior to the first interest payment date on the Series 2015 E Bonds, for deposit in the Series 2015 E Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2015 E Bonds on the next ensuing semiannual interest payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2015 E Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and, provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2015 E Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2015 E Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2015 E Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2015 E Bonds Sinking Fund.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Resolutions to pay the principal of the First Lien Bonds; and (ii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2015 E Bonds, for deposit in the Series 2015 E Bonds Sinking Fund, and in the Series 2015 E Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2015 E Bonds on the next ensuing principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2015 E Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than

12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and, provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2015 E Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the respective Reserve Accounts, the amounts required under the Prior Resolutions to be deposited in the respective reserve requirements for the First Lien Bonds; and (ii) for deposit in the Series 2015 E Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2015 E Bonds Reserve Account below the Series 2015 E Bonds Reserve Requirement or any withdrawal from the Series 2015 E Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2015 E Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2015 E Bonds Reserve Account is less than the Series 2015 E Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2015 E Bonds Reserve Account for deposit into the Series 2015 E Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2015 E Bonds Reserve Account to an amount equal to the Series 2015 E Bonds Reserve Requirement to the full extent that such Net Revenues are available; provided, that no payments shall be required to be made into the Series 2015 E Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2015 E 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, a sum equal to 2.5% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), 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 V hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Bond Commission for deposit in the Sinking Fund for the Second Lien Bonds the amount required under the Prior Resolutions to pay principal of the Second Lien Bonds.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Bond Commission for deposit in the Reserve Account for the Second Lien Bonds the amount required under the Prior Resolutions.

Monies in the Series 2015 E Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2015 E Bonds as the same shall become due, whether by maturity or redemption prior to maturity. Amounts in the Series 2015 E Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2015 E Bonds when due, when amounts in the Series 2015 E Bonds Sinking Fund are insufficient therefor and for no other purpose.

The Issuer shall not be required to make any further payments into the Series 2015 E Bonds Sinking Fund or the Series 2015 E Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of Series 2015 E Bonds issued pursuant to this Resolution then Outstanding, plus the amount of interest due or thereafter to become due on the Series 2015 E Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2015 E 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 or before maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirements therefor.

The payments into the Series 2015 E Bonds Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution.

The Issuer shall restore any withdrawals from the Series 2015 E Bonds Reserve Account which have the effect of reducing the assets therein below the Series 2015 E Bonds Reserve Requirement, from the first Net Revenues available after all required payments have been made in full in the order set forth above.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the First Lien Bonds and the Series 2015 E Bonds, senior and prior to the principal, interest, if any, or reserve payments for the Second Lien Bonds, in accordance with the respective principal amounts then Outstanding.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2015 E Bonds Sinking Fund and Series 2015 E Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Bond Commission from the Revenue Fund by the Issuer at the times provided herein.

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

C. The Issuer shall remit from the Revenue Fund to the Bond Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Bond 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 any charges and fees then due.

D. 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.

E. If on any monthly payment date the Net 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 4.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

F. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Resolution in Qualified Investments to the fullest extent possible under applicable laws, this Resolution, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, 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 Issuer 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 Issuer may make any and all investments permitted by this section through the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) The Issuer shall, or shall cause the Bond Commission to annually transfer from the Series 2015 E Bonds Reserve Account to the Series 2015 E Bonds Sinking Fund,

any earnings on the monies deposited therein and any other funds in excess of the requirement therefor; provided, however, that there shall at all times remain on deposit in the Series 2015 E Bonds Reserve Account an amount at least equal to the Series 2015 E Bonds Reserve Requirement.

(B) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2015 E Bonds Reserve Account, whereupon such account shall be valued immediately after such withdrawal.

(C) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2015 E Bonds and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(D) Notwithstanding the foregoing, all monies deposited in the Series 2015 E Bonds Sinking Fund, including any reserve account therein, may be invested by the Bond Commission in 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.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2015 E Bonds in such manner and to such extent as may be necessary, so that the Series 2015 E Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2015 E Bonds) so that the interest on the Series 2015 E Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate and Rebate. A. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2015 E Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2015 E Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

B. The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such

Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect, with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and the required amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2015 E Bonds from gross income for federal income tax purposes.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Resolution 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 2015 E Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holders of the Series 2015 E Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2015 E Bonds, or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2015 E Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution but shall be payable solely from the Net Revenues of the System, the monies in the Series 2015 E Bonds Sinking Fund and all accounts therein, or the unexpended proceeds of the Series 2015 E Bonds, all as herein provided. No Holder or Holders of the Series 2015 E Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2015 E Bonds, or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all of the Series 2015 E Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the First Lien Bonds, which lien and pledge are senior and prior to the lien on the Net Revenues in favor of the Holders of the Second Lien Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the interest on and principal of the Prior Bonds and the Series 2015 E Bonds herein authorized, and to make the payments into the Series 2015 E Bonds Sinking Fund, the Series 2015 E Bonds Reserve Account, and all other payments provided for in this Resolution and the Prior Resolutions, are hereby irrevocably pledged in the manner provided in this Resolution to the payment of the interest on and principal of the Series 2015 E Bonds herein authorized as the same become due and for the other purposes provided in this Resolution.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Issuer, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued hereunder. Such schedule of rates and charges shall be changed and readjusted 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 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 120% of the maximum amount required in any fiscal year for payment of principal of and interest on the Series 2015 E Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or subordinate to the Series 2015 E Bonds, including the Prior Bonds and any hereinafter issued Additional Parity Bonds.

In the computation provided in the above paragraph, "revenues of the System" shall include increased Net Revenues estimated to be derived from any improvements under construction, and any change in rates adopted by the Issuer and approved by the County Council, whether or not such approved rates are being charged and collected by the Issuer.

The Issuer shall require that each annual audit contain a statement of the auditor that the Issuer either is or is not in compliance with the rate covenant contained in this Section 6.04. In the event that any audit contains a statement that the Issuer is not in compliance with the rate covenant contained in this Section 6.04, the Issuer hereby covenants that it shall, within one hundred and twenty (120) days of receiving the audit report, formally initiate the process of implementing rates and charges sufficient to comply with the above-mentioned rate requirement.

Section 6.05. Operation and Maintenance. The Issuer will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Revenues of said System in the manner provided in this Resolution.

The Issuer has or will obtain all permits required by state and federal laws for the operation of the System.

Section 6.06. 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 except as provided in the Prior Resolutions. Additionally, so long as the Series 2015 E Bonds are Outstanding, the System may 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, or to defease the pledge created by this Resolution and the Prior Resolutions. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the respective Sinking Funds, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance 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 \$500,000, the Issuer may provide for the sale of such property. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$500,000 but not in excess of \$5,000,000 the Issuer, by resolution duly adopted, shall determine that the property is no longer necessary, useful or profitable in the operation of the System and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property which are less than \$500,000 may be deposited in the Revenue Fund or the Renewal and Replacement Fund, at the sole discretion of the Issuer. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$500,000 and not in excess of \$5,000,000, shall be deposited by the Issuer into Sinking Funds for the Bonds or the Renewal and Replacement Fund, at the sole discretion of the Issuer. Such payment of such proceeds into the Sinking Funds for the Bonds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution.

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 \$5,000,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% of the par amount of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any 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 2015 E Bonds, except as provided in Section 6.08 herein. All obligations issued by the Issuer after the issuance of the Series 2015 E 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, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2015 E 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 2015 E Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2015 E Bonds and the interest thereon, if any, in this Resolution, or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. 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.

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

So long as the Series 2015 E Bonds are Outstanding, no such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant, reciting the conclusion 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 such Additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 2 Fiscal Years immediately following the Fiscal Year in which such Additional Parity Bonds are issued, if any, shall not be less than 120% of the Maximum Annual Debt Service on the following:

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

The "estimated average increased annual Net Revenues" as that term is used in the computation provided in the above paragraph, shall include increased Net Revenues estimated to be derived from the improvements to be financed by such Additional Parity Bonds, if any, and any change in rates adopted by the Issuer and approved by the County Council, prior to the date of delivery of such Additional Parity Bonds, whether or not such approved rates are being charged and collected by the Issuer.

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

Additional Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to the lien on and source of and security for payment from such revenues, with the Bonds.

No Additional Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Resolution and the Prior Resolutions with respect to the Bonds then Outstanding, and any other payments provided for in this Resolution and the Prior

Resolutions, shall have been made in full as required to the date of issuance of such Additional Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Resolution and the Prior Resolutions.

Provided, however, that if the audit by an Independent Certified Public Accountant for the Issuer for the Fiscal Year immediately preceding the proposed issuance of Additional Parity Bonds states that the Issuer was not in compliance with the rate covenant in Section 6.04 of this Resolution for the year being audited and the Issuer has, as required by Section 6.04, adopted a resolution implementing rates and charges sufficient to comply with Section 6.04, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of this Resolution, so as to prevent the Issuer from issuing Additional Parity Bonds under this Section 6.08.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2015 E Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged and destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund.

B. 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.

C. WORKERS' COMPENSATION COVERAGE for all employees of or for the System eligible therefore.

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

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Governing Body 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.

Section 6.10. 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 himself 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 6.11. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rates, 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.

To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent 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 and facilities of the System to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, plus reasonable interest and penalty charges for the restoration of service, has been fully paid.

Section 6.12. 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 or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. 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 Series 2015 E Bond 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, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with 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 it shall direct.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by an Independent Certified Public Accountant in compliance with OMB Circular 128 or any successor thereto and the Single Audit Act.

Section 6.14. Operating Budget. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year.

Section 6.15. Connections. To the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2015 E Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2015 E Bonds, pro rata, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the First Lien Bonds, and senior and prior to the lien in favor of the Holders of the Second Lien Bonds.

Section 6.17. 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 2015 E 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 2015 E Bonds during the term thereof is, under the terms of the Series 2015 E Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2015 E 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 2015 E Bonds during the term thereof is, under the terms of the Series 2015 E 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 2015 E Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2015 E Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2015 E Bonds or \$5,000,000 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 2015 E Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2015 E Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2015 E Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.18. Designation of Series 2015 E Bonds as Qualified Tax-Exempt Obligations. The Issuer hereby designates the Series 2015 E Bonds as "Qualified Tax-Exempt Obligations" for purposes of paragraph (3) of Section 265(b) of the Code and affirms that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), have been or shall be issued by the Issuer or any entities subordinate to it, during the calendar year 2015, all as determined in accordance with the Code. For purposes of this paragraph and for the purposes of applying such Section 265(b)(3) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 265(b)(3) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and all entities benefitting thereby shall be treated as one issuer.

Section 6.19. Continuing Disclosures. In order to provide the written undertaking for the benefit of the owners of the Series 2015 E Bonds required by the Securities and Exchange Commission Rule 15c2-12, the Issuer shall enter into a Continuing Disclosure Agreement or Continuing Disclosure Certificate in such form as may be approved by the Supplemental Resolution, and the Chairman is authorized and directed to execute and deliver such Continuing Disclosure Agreement or Continuing Disclosure Certificate on behalf of the Issuer, with such changes as the Chairman shall approve, such approval to be conclusively evidenced by the execution of such Agreement or Certificate by the Chairman.

Section 6.20. Preliminary Official Statement; Official Statement. The distribution of the Preliminary Official Statement with respect to the Series 2015 E Bonds shall be and the same is hereby approved. The form of the Preliminary Official Statement shall be in such form as may be approved by the Supplemental Resolution. The Chairman is hereby authorized and directed to execute and deliver a final official statement on behalf of the Issuer, which shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may be required to reflect the terms of the sale of the Series 2015 E Bonds and as the Chairman may approve (the "Official Statement"). The execution of the Official Statement by the Chairman shall be conclusive evidence of such approval. Copies of the Official Statement are hereby authorized to be prepared and furnished to the Original Purchaser for distribution.

Section 6.21. Municipal Bond Insurance Policy; Municipal Bond Debt Service Reserve Insurance Policy. The Issuer may purchase a municipal bond insurance policy for the Series 2015 E Bonds and/or a municipal bond debt service reserve insurance policy to fund the Series 2015 E Bonds Reserve Account. In the event a municipal bond insurance policy and/or municipal debt service reserve insurance policy is obtained, additional covenants and provisions of the Issuer may be required by the bond insurer as a condition to insuring the Series 2015 E Bonds and/or providing the municipal debt service reserve insurance policy. These additional covenants and provisions shall be set forth in a Supplemental Resolution, shall apply to the Series 2015 E Bonds, shall be supplemental to and amendatory of this Resolution, and shall be controlling in the event any other provisions of this Resolution may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2015 E Bonds:

- (A) If default occurs in the due and punctual payment of the principal of or interest on the Series 2015 E Bonds;
- (B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Resolution or any Supplemental Resolution or in the Series 2015 E Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder;
- (C) 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; or
- (D) If default occurs with respect to the Prior Bonds or the Prior Resolutions.

The Issuer must cure any covenant default within 30 days after notice of the default, and failure to pay principal of or interest on the Bonds shall be an immediate event of default.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

- (A) Bring suit for any unpaid principal or interest then due;
- (B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Resolution;

- (C) Bring suit upon the Series 2015 E Bonds;
- (D) 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 Bondholders; and
- (E) By action or bill in equity enjoin any acts in violation of this Resolution or the rights of the Bondholders.

No remedy by the terms of this Resolution conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute. All rights and remedies of the Holders of the Series 2015 E Bonds shall be on a parity with one another and also on parity with those of the Holders of the First Lien Bonds, and senior and prior to those of the Holders of the Second Lien Bonds.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder 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 on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Resolution and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate, 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 Series 2015 E Bonds issued pursuant to this Resolution and interest thereon and under any covenants of this Resolution for reserve, sinking or other funds and accounts 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 Resolution 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 Bondholder 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, 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 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 the Holders of the Series 2015 E Bonds and the Prior Bonds issued pursuant to this Resolution and the Prior Resolutions, respectively. 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 possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Bondholders, and the curing and making good of any default under the provisions of this Resolution, 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, mortgage or otherwise dispose of any assets of the System.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Resolution by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2015 E Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2015 E Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2015 E Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2015 E Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Resolution and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a

certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2015 E Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2015 E Bonds or this Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Series 2015 E Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Resolution by giving not less than 60 days' written notice to the Issuer, specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Holders of a majority in principal amount of the Series 2015 E Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2015 E Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Resolution.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2015 E Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Series 2015 E Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. So long as required by the Act, the Bond Commission shall serve as the Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Resolution. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Resolution. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agent shall enjoy the same protective provisions in the performance of its duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agent shall, until used or applied as provided in this Resolution, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF RESOLUTION

Section 9.01. Defeasance; Discharge of Pledge of Resolution. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 2015 E Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution and the pledges of the Net Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2015 E Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied, except as may be necessary to assure the exclusion of interest on the Series 2015 E Bonds from gross income for federal income tax purposes.

The Series 2015 E Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on the Series 2015 E Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2015 E Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on the Series 2015 E Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of the Series 2015 E Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Series 2015 E Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on the Series 2015 E Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations, as such term is limited by the provisions in Section 1.01 hereof or such additional securities as shall be set forth in the Supplemental Resolution.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Resolution. This Resolution and any Supplemental Resolution may be amended or modified without the consent of any Registered Owner or other person, solely for the purpose of maintaining the tax-exempt status of the Series 2015 E Bonds. Otherwise, no materially adverse amendment or modification to this Resolution, or any Supplemental Resolution, may be made without the written consent of the Registered Owners of at least 51% in aggregate principal amount of the Series 2015 E Bonds then Outstanding and affected thereby, which must be filed with the Secretary of the Issuer before any such modification or amendment may be made. Notwithstanding the foregoing provision, no such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2015 E Bond without the express written consent of the Registered Owner of such Bond, nor reduce the percentage of Series 2015 E Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Resolution may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Resolution if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Resolution shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be

destroyed or otherwise disposed of at any time after such date as the pledge created by this Resolution shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Resolution and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Resolution to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Paying Agent, the Depository Bank, the Original Purchaser shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below.

ISSUER

Berkeley County Public Service District
251 Caperton Boulevard
Martinsburg, West Virginia 25403
Attention: Chairman

REGISTRAR

[Name(s) and address(es) to be set forth in Supplemental Resolution]

PAYING AGENT

West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, West Virginia 25301
Attention: Executive Director

DEPOSITORY BANK

[Name and address to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER

[Name and address to be set forth in Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Issuer or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Resolution.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Resolution and of all Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2015 E Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Resolution. All the covenants, stipulations, promises and agreements contained in this Resolution by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2015 E Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Resolution.

Section 10.11. 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 10.12. Conflicting Provisions Repealed. All orders, resolutions or parts thereof in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Resolution and the resolutions authorizing the Prior Bonds, the resolutions authorizing the Prior Bonds shall control, unless less restrictive, so long as the Prior Bonds are Outstanding.

Section 10.13. 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 Resolution 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 Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

[Remainder of Page Intentionally Blank]

Section 10.14. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 26th day of October, 2015.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT



Chairman

CERTIFICATION

Certified a true, correct and complete copy of a Resolution duly adopted by the Public Service Board of Berkeley County Public Service District on the 26th day of October, 2015.

Dated: December 1, 2015.

[SEAL]


Secretary

EXHIBIT A – FORM OF SERIES 2015 E Bonds

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

No. ER- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

INTEREST RATE MATURITY DATE BOND DATE CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the “Registered Owner”), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an “Interest Payment Date”), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$ _____ designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; [(ii) to purchase a municipal bond insurance policy from _____ to secure the payment of the principal of, and interest on, the Series 2015 E Bonds; (iii) to fund the Series 2015 E Bonds Reserve Account (as hereinafter defined) (or purchase a municipal bond debt service reserve insurance policy from _____ in an amount sufficient to satisfy the Reserve Requirement for the Series 2015 E Bonds;] and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on _____, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on _____, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");

- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");
- (IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");
- (V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");
- (VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");
- (VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");
- (VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");
- (IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");
- (X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");
- (XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");
- (XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND
- (XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by _____.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds are subject to optional redemption prior to maturity as follows:

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, are subject to mandatory sinking fund redemption prior to maturing on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing
Year () Principal Amount

Bonds Maturing
Year () Principal Amount

Bonds Maturing
Year () Principal Amount

* Final Maturity

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely to pay the Series 2009 Bonds, fund a reserve account for the Series 2015 E Bonds and pay costs of issuance hereof, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, 2015.

UNITED BANK, INC.,
as Registrar

By: _____
Its Authorized Officer

(Form of)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING PARAMETERS AS TO DATES, AMOUNTS, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER DETAILS AS TO THE WATER REFUNDING REVENUE BONDS, SERIES 2015 E (BANK QUALIFIED) OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT, A TAX COMPLIANCE POLICY, AND OTHER INSTRUMENTS RELATING TO THE BONDS; APPOINTING A REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; AUTHORIZING THE PURCHASE OF A MUNICIPAL BOND INSURANCE POLICY AND/OR MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND AMENDMENT AND/OR MODIFICATION OF THE RESOLUTION TO COMPLY THEREWITH; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, Berkeley County Public Service District (the "Issuer"), in the County of Berkeley, State of West Virginia, is a public service district and public corporation of said State, the governing body of which is this public service board (the "Governing Body");

WHEREAS, the Governing Body duly adopted on October 26, 2015, a resolution (the "Resolution") entitled:

A RESOLUTION AUTHORIZING THE REFUNDING OF THE SERIES 2009 BONDS AND THE FINANCING OF THE COSTS THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF WATER REFUNDING REVENUE BONDS, SERIES 2015 E (BANK QUALIFIED), OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$6,500,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT, AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Resolution when used herein;

WHEREAS, the Resolution provided for the advance refunding of the Issuer's Water Revenue Bonds, Series 2009 (Bank Qualified), dated February 17, 2009, issued in the original aggregate principal amount of \$7,510,000 (the "Series 2009 Bonds"), presently outstanding in the aggregate principal amount of \$6,140,000, and to be outstanding on December 1, 2015, the anticipated date of defeasance of the Series 2009 Bonds, in the aggregate principal amount of \$5,875,000, and the issuance by the Issuer of its Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified) in the aggregate principal amount of not more than \$6,500,000 (the "Series 2015 E Bonds"), for the purposes of, along with other monies of the Issuer available therefore, (i) paying the purchase price of securities to be deposited in the Escrow Account for the Series 2009 Bonds, the principal amount of which, including the interest earnings thereon, will be sufficient to pay the entire outstanding principal of, and interest on, the Series 2009 Bonds on December 1, 2016, and to pay the interest due on the Series 2009 Bonds on June 1, 2016; (ii) purchasing, if determined to be economically advantageous, a municipal bond insurance policy to secure the payment of principal of and interest on the Series 2015 E Bonds; (iii) funding the reserve account for the Series 2015 E Bonds, or purchasing a municipal bond debt service reserve insurance policy for the reserve account for the Series 2015 E Bonds, in an amount equal to the Series 2015 E Bonds Reserve Requirement; and (iv) paying costs of issuance thereof, all in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, the Resolution further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2015 E Bonds should be established by Supplemental Parameters Resolution, that a Registrar, Paying Agent and Depository Bank be designated, that a Bond Purchase Agreement, a Preliminary Official Statement a Continuing Disclosure Agreement, an Escrow Agreement, a Registrar Agreement, a Preliminary Official Statement and an Official Statement be approved and that other matters pertaining to the Series 2015 E Bonds be provided for by a supplemental parameters resolution of the Governing Body, that additional covenants and provisions relating to the Series 2015 E Bonds be provided therein, and as may be required by any Bond Insurer as a condition to providing a municipal bond insurance policy and/or a municipal bond debt service reserve insurance policy for the Series 2015 E Bonds and that other matters pertaining to the Series 2015 E Bonds be provided for by a supplemental parameters resolution of this Board;

WHEREAS, the Series 2015 E Bonds are proposed to be purchased pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof and in general form attached hereto and incorporated herein by reference (the "Bond Purchase Agreement");

WHEREAS, the Governing Body desires to adopt a tax compliance policy regarding the Series 2015 E Bonds (the "Tax Compliance Policy") and affirm that the Continuing Disclosure Policies and Procedures approved by the Governing Body on November 10, 2014 (the "Continuing Disclosure Policy"), remains in effect and is applicable to the Series 2015 E Bonds;

WHEREAS, the Governing Body has determined that the Chairman shall be empowered and authorized to execute the Bond Purchase Agreement, within the parameters set forth herein, at such time as such person shall determine most advantageous to the District; and

WHEREAS, the Governing Body deems it essential and desirable that this Resolution be adopted, that the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 2015 E Bonds, hereinafter described, be approved, that the

Issuer's Chairman be authorized to enter into the Bond Purchase Agreement within the parameters hereby approved by the Governing Body, and that other matters relating to the Series 2015 E Bonds be herein provided for all in accordance with the Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2015 E Bonds. The Series 2015 E Bonds shall be issued in the aggregate principal amount not to exceed \$6,500,000 shall bear interest at a rate not to exceed 7.00%, payable semiannually each year, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates (with final maturity not to exceed December 1, 2030) shall be subject to such redemption provisions, all as shall subsequently be approved by the Chairman; and shall be substantially in the form set forth in the Resolution, provided however, that the specific terms of the Series 2015 E Bonds shall be as determined by the Chairman at the time of the execution of the Bond Purchase Agreement and as approved by the Chairman in the Certificate of Determinations attached hereto as EXHIBIT A. All other provisions relating to the Series 2015 E Bonds shall be as provided in the Resolution.

Section 2. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved, and directed. The Chairman is hereby empowered and authorized to execute the Bond Purchase Agreement on behalf of the District at such time as the Chairman shall determine to be most advantageous. The Chairman shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Bond Purchase Agreement by the Chairman shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2015 E Bonds, including the payment of all necessary fees and expenses in connection therewith.

Section 3. The Escrow Agreement by and between the West Virginia Municipal Bond Commission and the Issuer, dated the date of delivery of the Series 2015 E Bonds, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved, and directed. The Chairman shall execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Escrow Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 4. The Issuer does hereby approve, simultaneously with the issuance of the Series 2015 E Bonds, the transfer of all of the monies from the Series 2009 Bonds Reserve Account, held by the West Virginia Municipal Bond Commission, to the Series 2009 Bonds Escrow Fund (the "Escrow Fund") to provide sufficient funds, in addition to the proceeds of the Series 2015 E Bonds, and other funds of the Issuer, to purchase securities and/or provide cash to defease the Series 2009 Bonds, or to such other account as may be determined by the Chairman in the Certificate of Determinations.

Section 5. The Continuing Disclosure Agreement or Continuing Disclosure Certificate (the "Continuing Disclosure Agreement") from the Issuer, to be dated as of the date of delivery of the Series 2015 E Bonds, substantially in the form included in the Official Statement, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved and directed. The Chairman shall execute and deliver the Continuing Disclosure Agreement

with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Continuing Disclosure Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 6. The Official Statement to be substantially in the form attached hereto as EXHIBIT B (with such changes, insertions and omissions as may be necessary or advisable in the opinion of, and approved by, the Chairman), and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Chairman shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Official Statement by the Chairman shall be conclusive evidence of any approval required by this Section. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Chairman is hereby ratified and approved.

Section 7. The Registrar Agreement by and between the Issuer and the Registrar designated herein, to be dated as of the date of delivery of the Series 2015 E Bonds, shall be and the same is hereby approved. The Chairman shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Registrar Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 8. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Series 2015 E Bonds. Compass Municipal Advisors, LLC, Lexington, Kentucky, is hereby appointed municipal advisor to the Issuer in connection with the issuance of the Series 2015 E Bonds.

Section 9. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, for the purpose of serving in the capacity of Registrar and Susquehanna Bank., Martinsburg, West Virginia, as Depository Bank.

Section 10. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Paying Agent.

Section 11. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Escrow Agent.

Section 12. Municipal Bond Insurance Policy. The Issuer may purchase a Municipal Bond Insurance Policy for the Series 2015 E Bonds. In the event a Municipal Bond Insurance Policy is purchased, additional covenants and provisions of the Issuer may be required by the Bond Insurer providing the Municipal Bond Insurance Policy as a condition to insuring the Series 2015 E Bonds. These additional covenants and provisions shall be set forth in a Certificate of Determinations, shall apply to the Series 2015 E Bonds, shall be supplemental to, and amendatory of, the Resolution and the Supplemental Resolution, and shall be controlling in the event any other provisions of the Resolution and this Supplemental Parameters Resolution may be in conflict therewith.

Section 13. Municipal Bond Debt Service Reserve Insurance Policy. The Issuer may purchase a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2015 E Bonds. In the event a Municipal Bond Debt Service Reserve Insurance Policy is purchased, additional covenants and provisions of the Bond Issuer may be required by the provider of the Municipal Bond Debt Service Reserve Insurance Policy as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants and provisions shall be set forth in a Certificate of Determinations,

shall apply to the Series 2015 E Bonds, shall be supplemental to, and amendatory of, the Resolution and the Supplemental Resolution, shall be supplemental to, and amendatory of, the Resolution and the Supplemental Resolution, and shall be controlling in the event any other provisions of the Resolution and this Supplemental Parameters Resolution may be in conflict therewith.

Section 14. Tax Compliance Policies; Continuing Disclosure Policies and Procedures.

The Issuer hereby approves such Tax Compliance Policy for the Series 2015 E Bonds as shall be recommended by Bond Counsel and approved by the Chairman. The Issuer hereby affirms that the Continuing Disclosure Policy remains in effect and is applicable to the Series 2015 E Bonds.

Section 15. The notice addresses for the Registrar and Paying Agent shall be as follows:

REGISTRAR

United Bank, Inc.
500 Lee Street, East
Charleston, West Virginia 25301
Attention: Trust Department

PAYING AGENT

West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, West Virginia 25302
Attention: Executive Director

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Section 16. This Supplemental Parameters Resolution shall be effective immediately.

Adopted this 26th day of October, 2015.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT



Chairman

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Parameters Resolution duly adopted by the Public Service Board of BERKELEY COUNTY PUBLIC SERVICE DISTRICT on the 26th day of October, 2015.

Dated: December 1, 2015.

[SEAL]


Secretary

067780.00033

EXHIBIT A
FORM OF CERTIFICATE OF DETERMINATIONS

Berkeley County Public Service District
Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)

CERTIFICATE OF DETERMINATIONS

The undersigned, Gregory Rhoe, Chairman of Berkeley County Public Service District (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Public Service Board of the Issuer on October 26, 2015 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified) (the "Series 2015 E Bonds"), hereby finds and determines as follows:

1. The Series 2015 E Bonds shall be dated _____, 2015 and shall bear interest payable on _____ 1 and _____ 1 of each year commencing _____ 1, 20__.
2. The Series 2015 E Bonds shall be issued in the aggregate principal amount of \$_____, at a true interest cost of ____%. Such interest rates do not exceed 7.00%, being the maximum interest rate authorized by the Supplemental Parameters Resolution. The Net Present Value of the savings realized from the advance refunding of the Series 2009 Bonds with the proceeds of the Series 2015 E Bonds is ____%.
3. The Series 2015 E Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.
4. The Series 2015 E Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.
5. The Series 2015 E Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.
6. The Series 2015 E Bonds shall be sold to Piper Jaffray & Co., Charlotte, North Carolina and Crews & Associates, Inc., Charleston, West Virginia (collectively, the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, the final form of which is hereby approved, at an aggregate purchase price of \$_____ (representing par value less an Underwriter's discount of \$_____ and [a net original issue premium of \$_____]), [plus interest accrued of \$_____ on the Series 2015 E Bonds from _____ 1, 2015 to _____, 2015] (the "Closing Date").

7. The forms of the Official Statement, the Continuing Disclosure Agreement, the Escrow Agreement and the Registrar Agreement attached hereto under Exhibit A are hereby approved.

8. The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by Build America Mutual Assurance Company ("BAM") for the Series 2015 E Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such insurance policy, and accordingly accepts the Municipal Bond Insurance Commitment (the "Insurance Commitment") dated _____, 2015. The Chairman's execution of the Insurance Commitment and delivery of the same to BAM, is hereby ratified and affirmed.

9. Pursuant to the Insurance Commitment and, as permitted by Section 11 of the Supplemental Resolution, the covenants and provisions which are required by BAM as a condition precedent to issuance of its Insurance Policy for the Series 2015 E Bonds are attached hereto as Exhibit B and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to, the Resolution and applicable to the Series 2015 E Bonds.

10. The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by BAM for the Reserve Account for the Series 2015 E Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Debt Service Reserve Insurance Policy, and accordingly accepts the Municipal Bond Debt Service Reserve Policy Insurance Commitment (the "Reserve Commitment") dated _____, 2015. The Chairman's execution of the Reserve Commitment and delivery of the same to BAM, is hereby ratified and affirmed.

11. Pursuant to the Reserve Commitment and, as permitted by Section 12 of the Supplemental Resolution, the covenants and provisions which are required by BAM as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy for the Series 2015 E Bonds are attached hereto as Exhibit C and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to, the Resolution and applicable to the Series 2015 E Bonds.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2015 E Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2015 E Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

[Remainder of Page Intentionally Blank]

WITNESS my signature this ____ day of _____, 2015.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

067780.00033

Schedule 1

Maturity Schedule

SERIES 2015 E BOND TERMS

<u>Bond No.</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
ER-1				
ER-2				
ER-3				

Schedule 2

SERIES 2015 E BONDS REDEMPTION PROVISIONS

EXHIBIT A

FORMS OF DOCUMENTS

EXHIBIT B

PROVISIONS RELATING TO MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Commitment

[insert]

EXHIBIT C

PROVISIONS RELATING TO MUNICIPAL BOND DEBT SERVICE RESERVE
INSURANCE POLICY

Municipal Bond Debt Service Reserve Insurance Commitment

[insert]

EXHIBIT B

Form of Official Statement

Berkeley County Public Service District
Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)

CERTIFICATE OF DETERMINATIONS

The undersigned, Gregory Rhoe, Chairman of Berkeley County Public Service District (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Public Service Board of the Issuer on October 26, 2015 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified) (the "Series 2015 E Bonds"), hereby finds and determines as follows:

1. The Series 2015 E Bonds shall be dated December 1, 2015 and shall bear interest payable on June 1 and December 1 of each year commencing June 1, 2016.

2. The Series 2015 E Bonds shall be issued in the aggregate principal amount of \$5,460,000, at a true interest cost of 2.487%. The interest rates do not exceed 7.00%, being the maximum interest rate authorized by the Supplemental Parameters Resolution. The Net Present Value of the savings realized from the advance refunding of the Series 2009 Bonds with the proceeds of the Series 2015 E Bonds is 9.713%.

3. The Series 2015 E Bonds shall mature in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2015 E Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2015 E Bonds shall be subject to optional redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. The Series 2015 E Bonds shall be sold to Piper Jaffray & Co., Charlotte, North Carolina and Crews & Associates, Inc., Charleston, West Virginia (collectively, the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, the final form of which is hereby approved, at an aggregate purchase price of \$5,550,379.10 (representing par value less an Underwriter's discount of \$26,293.75 and plus a reoffering premium of \$116,672.85).

7. The forms of the Official Statement, the Continuing Disclosure Agreement, the Escrow Agreement and the Registrar Agreement attached hereto under Exhibit A are hereby approved.

8. The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by Build America Mutual Assurance Company ("BAM") for the Series 2015 E Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such insurance policy, and accordingly accepts the Municipal Bond Insurance Commitment (the "Insurance Commitment") dated October 26, 2015. The Chairman's execution of the Insurance Commitment and delivery of the same to BAM, is hereby ratified and affirmed.

9. Pursuant to the Insurance Commitment and, as permitted by Section 12 of the Supplemental Resolution, the covenants and provisions which are required by BAM as a condition

precedent to issuance of its Insurance Policy for the Series 2015 E Bonds are attached hereto as Exhibit B and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to, the Resolution and applicable to the Series 2015 E Bonds.

10. The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by BAM for the Reserve Account for the Series 2015 E Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Debt Service Reserve Insurance Policy, and accordingly accepts the Municipal Bond Debt Service Reserve Policy Insurance Commitment (the "Reserve Commitment") dated October 26, 2015. The Chairman's execution of the Reserve Commitment and delivery of the same to BAM, is hereby ratified and affirmed.

11. Pursuant to the Reserve Commitment and, as permitted by Section 13 of the Supplemental Resolution, the covenants and provisions which are required by BAM as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy for the Series 2015 E Bonds are attached hereto as Exhibit C and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to, the Resolution and applicable to the Series 2015 E Bonds.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2015 E Bonds are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2015 E Bonds may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

[Remainder of Page Intentionally Blank]

WITNESS my signature this 2nd day of November, 2015.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

By:


Its: Chairman

067780.00033

Schedule 1

Maturity Schedule

SERIES 2015 E BOND TERMS

<u>Bond No.</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>
ER-1	December 1, 2017	\$595,000	2.000%	101.975%	1.000%
ER-2	December 1, 2018	755,000	2.000%	102.201%	1.250%
ER-3	December 1, 2019	265,000	2.000%	101.934%	1.500%
ER-4	December 1, 2020	275,000	2.000%	101.191%	1.750%
ER-5	December 1, 2021	275,000	2.000%	100.000%	2.000%
ER-6	December 1, 2022	285,000	2.150%	100.000%	2.150%
ER-7	December 1, 2023	295,000	2.300%	100.000%	2.300%
ER-8	December 1, 2024	300,000	3.000%	104.830%	2.400%
ER-9	December 1, 2025	315,000	3.000%	104.399%	2.500%
ER-10	December 1, 2026	915,000	3.000%	103.056%*	2.650%
ER-11	December 1, 2027	940,000	3.000%	102.172%*	2.750%
ER-12	December 1, 2028	245,000	3.000%	101.297%*	2.850%

* Priced to December 1, 2025 optional redemption.

Schedule 2

SERIES 2015 E BONDS REDEMPTION PROVISIONS

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

EXHIBIT A

FORMS OF DOCUMENTS

Official Statement
Continuing Disclosure Agreement
Escrow Agreement
Registrars Agreement

EXHIBIT B

Municipal Bond Insurance Commitment



MUNICIPAL BOND INSURANCE COMMITMENT

ISSUER: Berkeley County Public Service District, West Virginia
MEMBER: Berkeley County Public Service District, West Virginia
Effective Date: October 26, 2015
Expiration Date: December 24, 2015
BONDS: Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)

in aggregate principal amount not to exceed \$5,465,000

Insurance Payment: 0.346% of the Total Debt Service on the Bonds

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”) hereby commits, subject to the terms and conditions contained herein or added hereto, to issue its Municipal Bond Insurance Policy (the “Policy”) relating to the Bonds referenced above (the “Bonds”) issued by or on behalf of the Member. To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to grant or deny a renewal in its sole discretion.

THE MUNICIPAL BOND INSURANCE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The documents to be executed and delivered in connection with the issuance and sale of the Bonds (collectively, the “Security Documents”), shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof (the “Closing Date”).
3. As of the Closing Date, there shall have been no material adverse change in, as to or affecting (i) the Member or the Bonds, including, without limitation, the security for the Bonds or (ii) any disclosure document relating to the Bonds (including any financial statements and other information included or incorporated by reference therein) (the “Official Statement”), the Security Documents to be executed and delivered with respect to the Bonds, any project to be

financed with the proceeds of the Bonds (if applicable), the legal opinions to be delivered in connection with the issuance and sale of the Bonds, or any other information submitted to BAM with respect to the issuance and sale of the Bonds, including the proposed debt service schedule of the Bonds, from information previously provided to BAM in writing.

4. The applicable transaction documents shall contain the document provisions set forth in Exhibit A hereto. No variation shall be permitted therefrom except as specifically approved by BAM in writing prior to the Closing Date.

5. The Bonds shall contain no reference to BAM, the Policy or the insurance evidenced thereby except as may be approved in writing by BAM. BOND PROOFS SHALL BE APPROVED IN WRITING BY BAM PRIOR TO PRINTING. The Bonds shall bear a Statement of Insurance in the form found on BAM's website (www.buildamerica.com) and in Exhibit B hereto entitled "DOCUMENT, PRINTING AND DISCLOSURE INFORMATION FOR PUBLIC FINANCE TRANSACTIONS".

6. The Official Statement shall contain the language provided by BAM and only such other references to BAM as BAM shall supply or approve in writing, and BAM shall be provided with final drafts of any preliminary and final Official Statement at least two business days prior to printing/electronic posting. BAM SHALL BE PROVIDED WITH AN ELECTRONIC COPY OF THE OFFICIAL STATEMENT SEVEN (7) DAYS PRIOR TO CLOSING, unless BAM shall agree in writing to a shorter period.

7. BAM shall be provided with:

(a) Copies of all Transaction Document drafts prepared subsequent to the date of this Commitment (blacklined to reflect all revisions from previously reviewed drafts) for review and approval. Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(b) Copies of any consulting reports, feasibility studies, rate reports, engineer's reports or similar expert reports for review and approval, along with any revisions thereto (blacklined to reflect all revisions from previously reviewed drafts). Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(c) The amortization schedule for, and final maturity date of, the Bonds, which schedule shall be acceptable to BAM. Please be aware that BAM will only insure fixed rate Bonds.

(d) A description of all material pending litigation relating to the Member or the Bonds and any opinions BAM shall request in connection therewith.

(e) A description of any material change in the Member's financial position from and after the date of the financial statements provided to BAM.

(f) Executed copies of all Security Documents, the Official Statement and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the Closing Date and which, except for the opinions of counsel relating to the adequacy of disclosure, shall be addressed to BAM or accompanied by a letter of such counsel permitting BAM to rely on such opinion as if such opinion were addressed to BAM), including, without limitation, the unqualified approving opinion of bond counsel, in form and substance satisfactory to BAM. The foregoing shall be in form and substance acceptable to BAM. (For your information, the form of legal opinion, primary market disclosure certificate and officer's certificate to be delivered by BAM at Closing is attached hereto as Exhibit C.)

(g) Evidence of wire transfer in federal funds of an amount equal to the Insurance Payment, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the Closing Date.

8. Bonds must have an underlying, long-term rating of at least:

N/A	Standard and Poor's
A2	Moody's Investors Service
NR	Fitch Ratings

9. Promptly, but in no event more than thirty (30) days after the Closing Date, BAM shall receive two (2) CD-ROMs, which contain the final closing transcript of proceedings or if CD-ROMs are not available, such other electronic form as BAM shall accept.

10. To maintain this commitment until the Expiration Date set forth above, BAM must receive a copy of the signature page of this Commitment fully executed by an authorized officer of the undersigned by the earlier of the date on which the Official Statement containing disclosure language regarding BAM is circulated and ten (10) days after the date of this Commitment.

REPRESENTATION AND AGREEMENT BY BAM

(a) BAM is a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York.

(b) BAM covenants that it will only insure obligations of states, political subdivisions, an integral part of states or political subdivisions or entities otherwise eligible for the exclusion of income under Section 115 of the Internal Revenue Code of 1986, as amended, or any successor thereto.

(c) BAM covenants that it will not seek to convert to a stock insurance corporation.

(d) The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

(e) Refundings.

If (1) the Security Documents relating to the Bonds permit a legal defeasance (such that the bonds are no longer treated as outstanding under the Security Documents), (2) refunding bonds ("Refunding Bonds") will be issued for the purpose of legally defeasing such then outstanding BAM-insured Bonds (in this context, the "Refunded Bonds") and (3) upon their issuance (A) such Refunding Bonds have a final maturity date that is not later than the final Maturity Date of the Refunded Bonds, (B) the average annual debt service on the Refunding Bonds does not exceed the average annual debt service on the Refunded Bonds, and (C) the net proceeds of such Refunding Bonds are applied solely towards the legal defeasance of the Refunded Bonds and related costs of issuance, then, if BAM is requested to, and in its sole discretion determines to, offer a municipal bond insurance policy covering the Refunding Bonds (the "Refunding Policy") BAM will credit the Member Surplus Contribution (set forth on the front page of the Policy) for the Refunded Bonds against the insurance payment then charged with respect to the Refunding Bonds. If the Security Documents are silent on the matter of a legal defeasance, BAM may, in its sole and absolute discretion, accept such certificates, opinions and reports from or on behalf of the Member in connection with the issuance of such Refunding Bonds in order to establish to its satisfaction that the Refunding Bonds will be issued to retire the outstanding Refunded Bonds and that the Refunding Bonds comply with the criteria set forth in clause (3) of the preceding sentence for the purpose of determining whether a supplemental Member Surplus Contribution is or is not required to be made at that time.

**BUILD AMERICA MUTUAL
ASSURANCE COMPANY**

Authorized Officer

October 26, 2015
Date

AGREED AND ACCEPTED

The undersigned agrees and accepts the conditions set forth above and further agrees that (i) if the Bonds (and any of the Bonds to be issued on the same date and for which BAM has issued a commitment) are insured by a policy of municipal bond insurance, such insurance shall be provided by BAM in accordance with the terms of this Commitment; (ii) it has made an independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Bonds and whether the Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore it is not relying on, any recommendation from BAM that the Bonds be insured or that a Policy be obtained, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to insure the Bonds or obtain the Policy; (iv) the undersigned acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the undersigned acknowledges that a credit or claims-paying rating of BAM assigned by a Rating Agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning Rating Agency, any such rating may change or be suspended, placed under review or withdrawn by such Rating Agency if circumstances so warrant, and BAM compensates a Rating Agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; (vi) the undersigned acknowledges that BAM may in its sole and absolute discretion at any time request that a Rating Agency withdraw any rating maintained in respect of BAM. Notwithstanding anything to the contrary set forth herein, upon issuance of the Policy, the provisions set forth under subparagraphs (ii) through (vi) above and the representations and agreements of BAM shall survive the expiration or termination of this Commitment.

**BERKELEY COUNTY PUBLIC SERVICE
DISTRICT, WEST VIRGINIA**

By: _____

Authorized Officer

10/28/2015
Date

EXHIBIT A

DOCUMENT PROVISIONS

GENERAL REVENUE BOND TRANSACTION DOCUMENT
PROVISIONS

The following terms and provisions (the “Insurer Provisions”) shall be incorporated into the Security Documents. If the Insurer Provisions are attached to any of the Security Document as an exhibit, such Security Document shall include a provision that incorporates by reference the Insurer Provisions directly into the Security Documents. The Insurer Provisions shall control and supersede any conflicting or inconsistent provisions in the Security Documents.

- 1) Notice and Other Information to be given to BAM. The [Issuer] [Obligor] will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Insured Obligations or the Trustee under the Security Documents.

The notice address of BAM is: Build America Mutual Assurance Company, 1 World Financial Center, 27th Floor, 200 Liberty Street, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

- 2) Defeasance. The investments in the defeasance escrow relating to Insured Obligation shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by BAM.

At least (three) 3 Business Days prior to any defeasance with respect to the Insured Obligations, the Issuer shall deliver to BAM draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Obligations, and a verification report (a “Verification Report”) prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

- a) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond

counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Obligations is excludable) from gross income of the holders of the Insured Obligations of the interest on the Insured Obligations for federal income tax purposes and the prior written consent of BAM, which consent will not be unreasonably withheld.

- b) The [Issuer] [Obligor] will not exercise any prior optional redemption of Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.
- c) The [Issuer] [Obligor] shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

3) Trustee and Paying Agent.

- a) BAM shall receive prior written notice of any name change of the trustee (the "Trustee") or, if applicable, the paying agent (the "Paying Agent") for the Insured Obligations or the resignation or removal of the Trustee or, if applicable, the Paying Agent. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (C) otherwise approved by BAM in writing.
- b) No removal, resignation or termination of the Trustee or, if applicable, the Paying Agent shall take effect until a successor, acceptable to BAM, shall be qualified and appointed.

4) Amendments, Supplements and Consents. BAM's prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The [Issuer] [Obligor] shall send copies of any such amendments or supplements to BAM and the rating agencies which have assigned a rating to the Insured Obligations.

- a) *Consent of BAM.* Any amendments or supplements to the Security Documents shall require the prior written consent of BAM with the exception of amendments or supplements:
 - i. To cure any ambiguity or formal defect or omissions or to correct any

inconsistent provisions in the transaction documents or in any supplement thereto, or

- ii. To grant or confer upon the holders of the Insured Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Obligations, or
 - iii. To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or
 - iv. To add to the covenants and agreements of the [Issuer/Obligor] in the Security Documents other covenants and agreements thereafter to be observed by the [Issuer/Obligor] or to surrender any right or power therein reserved to or conferred upon the [Issuer/Obligor].
- b) *Consent of BAM in Addition to Bondholder Consent.* Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Insured Obligations or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.
- c) *Consent of BAM in the Event of Insolvency.* Any reorganization or liquidation plan with respect to the Issuer [or Obligor] must be acceptable to BAM. In the event of any reorganization or liquidation of the Issuer [or Obligor], BAM shall have the right to vote on behalf of all holders of the Insured Obligations absent a continuing failure by BAM to make a payment under the Policy.
- d) *Consent of BAM Upon Default.* Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Obligations or the Trustee or Paying Agent for the benefit of the holders of the Insured Obligations under any Security Document. No default or event of default may be waived without BAM's written consent.
- e) *BAM as Owner.* Upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole owner of the Insured Obligations for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.
- f) *Consent of BAM for acceleration.* BAM's prior written consent is required as a condition precedent to and in all instances of acceleration.
- g) *Grace Period for Payment Defaults.* No grace period shall be permitted for payment defaults on the Insured Obligations. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

h) *Special Provisions for Insurer Default.* If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs 4(a)-(e) above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other holder of the Insured Obligations for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, “Insurer Default” means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

5) Loan/Lease/Financing Agreement.

- a) The security for the Insured Obligations shall include a pledge and assignment of any agreement with any underlying obligor that is a source of payment for the Insured Obligations (a “Financing Agreement”) and a default under any Financing Agreement shall constitute an Event of Default under the Security Documents. In accordance with the foregoing, any such Financing Agreement is hereby pledged and assigned to the Trustee for the benefit of the holders of the Insured Obligations.
- b) Any payments by the Obligor under the Financing Agreement that will be applied to the payment of debt service on the Insured Obligations shall be made directly to the Trustee at least fifteen (15) days prior to each debt service payment date for the Insured Obligations.

6) BAM As Third Party Beneficiary. BAM is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of

the Security Documents as if it were a party thereto.

7) Payment Procedure Under the Policy.

In the event that principal and/or interest due on the Insured Obligations shall be paid by BAM pursuant to the Policy, the Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Insured Obligations.

In the event that on the second (2nd) business day prior to any payment date on the Insured Obligations, the Paying Agent or Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Obligations due on such payment date, the Paying Agent or Trustee shall immediately notify BAM or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify BAM or its designee.

In addition, if the Paying Agent or Trustee has notice that any holder of the Insured Obligations has been required to disgorge payments of principal of or interest on the Insured Obligations pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent or Trustee shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

The Paying Agent or Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Obligations as follows:

- a) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Obligations, the Paying Agent or Trustee shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holders of the Insured Obligations in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Insured Obligations, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from BAM with respect to the claims for interest so assigned, and (iii) disburse the same to such respective holders; and
- b) If there is a deficiency in amounts required to pay principal of the Insured

Obligations, the Paying Agent or Trustee shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holder of the Insured Obligations in any legal proceeding related to the payment of such principal and an assignment to BAM of the Insured Obligations surrendered to BAM, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from BAM, and (iii) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal on Insured Obligations paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Obligations registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Obligation shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Obligation or the subrogation or assignment rights of BAM.

Payments with respect to claims for interest on and principal of Insured Obligations disbursed by the Paying Agent or Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Insured Obligations, and BAM shall become the owner of such unpaid Insured Obligations and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

Irrespective of whether any such assignment is executed and delivered, the Issuer[, Obligor] and the Paying Agent and Trustee agree for the benefit of BAM that:

- a) They recognize that to the extent BAM makes payments directly or indirectly (*e.g.*, by paying through the Paying Agent or Trustee), on account of principal of or interest on the Insured Obligations, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer/Obligor, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Insured Obligations; and
- b) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Obligations, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Obligations to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

- 8) Additional Payments. The [Issuer] [Obligor] agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The [Issuer] [Obligor] agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the Issuer agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Policy ("BAM Policy Payment"); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Issuer, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. The Issuer hereby covenants and agrees that the BAM Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Obligations on a parity with debt service due on the Insured Obligations.

- 9) Debt Service Reserve Fund and Construction Fund.

a) The prior written consent of BAM shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund, if any. Amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Insured Obligations.

b) Unless BAM otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Insured Obligations.

- 10) Exercise of Rights by BAM. The rights granted to BAM under the Security Documents to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Policy. Any exercise by BAM of such rights is merely an exercise of the BAM's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Obligations and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Insured Obligations or any other person is required in addition to the consent of BAM.

- 11) BAM shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Policy) and any amounts due on the Insured Obligations as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not BAM has received a claim upon the Policy.
- 12) So long as the Insured Obligations are outstanding or any amounts are due and payable to BAM, the [Issuer/Obligor] shall not sell, lease, transfer, encumber or otherwise dispose of the [System] or any material portion thereof, except upon obtaining the prior written consent of BAM.
- 13) No contract shall be entered into or any action taken by which the rights of BAM or security for or source of payment of the Insured Obligations may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of BAM.
- 14) If an event of default occurs under any agreement pursuant to which any Obligation of the [Issuer/Obligor] has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Obligations or BAM, as BAM may determine in its sole discretion, then an event of default shall be deemed to have occurred under this [Indenture] and the related Security Documents for which BAM or the Trustee, at the direction of BAM, shall be entitled to exercise all available remedies under the Security Documents, at law and in equity. For purposes of the foregoing "Obligation" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Obligations.

15) Definitions.

“BAM” shall mean Build America Mutual Assurance Company, or any successor thereto.

“Insured Obligations” shall mean the [bonds].

“Issuer” shall mean the [Authority].

“Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime

Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

“Obligor” shall mean the [_____].

“Policy” shall mean the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Insured Obligations when due.

“Security Documents” shall mean the resolution, trust agreement, indenture, ordinance, loan agreement, lease agreement, bond, note, certificate and/or any additional or supplemental document executed in connection with the Insured Obligations.

EXHIBIT B

**DOCUMENT, PRINTING AND DISCLOSURE
INFORMATION FOR
PUBLIC FINANCE TRANSACTIONS**



BUILD AMERICA MUTUAL ASSURANCE COMPANY

DOCUMENT, PRINTING AND DISCLOSURE

INFORMATION FOR

PUBLIC FINANCE TRANSACTIONS

This information is intended for use by bond counsel, the underwriters, financial advisors, printers and preparers of municipal bond offerings that will be insured in whole or in part by Build America Mutual Assurance Company ("BAM").

Prior to any reference to BAM in your marketing efforts, including, but not limited to any preliminary or final Official Statement and any rating agency presentation, in respect of a BAM-insured issue, BAM must receive an executed copy of its Commitment Letter. Blacklined copies of each draft of each transaction document, preliminary and final official statements with Appendices, and bond form(s) should be delivered to BAM for review and comment with reasonable opportunity to submit any comments prior to printing or execution, but in any event not less than three business days prior to execution. Such documents shall be delivered to the BAM attorney working on the transaction. If you are uncertain of the proper person to whom to deliver the documents, please email the documents to: documents@buildamerica.com. Please identify the issuer, obligor and issue name in the subject line of the email.

BAM will deliver to Bond Counsel, at the pre-closing for any such municipal bond offering (such offering to the extent insured by BAM, the "Insured Obligations"), assuming the requirements of the Commitment Letter have been met,

- an opinion of counsel as to the validity of the policy,
- a disclosure, no default and tax certificate of BAM, the executed policy and
- other certificates, if any, required in the transaction.

Prior to closing, BAM will obtain the rating letter from Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, relating to any Insured Obligations. Note that any questions with regards to rating agency fees should be directed to the rating agency.

INDEX

	<u>EXHIBIT NO.</u>
<u>DIRECTORY</u>	
Legal Department Directory	1
<u>OFFICIAL STATEMENT</u>	
BAM Disclosure Information (for inclusion in the Official Statement).....	2
Specimen:	
Municipal Bond Insurance Policy	3
<u>BOND FORM</u>	
Statement of Insurance (Language for Bond Form)	4
<u>WIRE INSTRUCTIONS</u>	
Procedures For Premium Payment (including wire-transfer instructions)	5

BAM DIRECTORY

<u>Name</u>	<u>Title</u>	<u>Telephone</u>	<u>Email</u>
<i><u>BAM ATTORNEYS</u></i>			
Jill Greiss	Deputy Counsel	212-235-2515	jgreiss@buildamerica.com
<i><u>CLOSING COORDINATORS</u></i>			
Miranda Ganzer		212-235-2535	mganzer@buildamerica.com

**BUILD AMERICA MUTUAL ASSURANCE COMPANY
("BAM")
DISCLOSURE INFORMATION
(FOR INCLUSION IN THE OFFICIAL STATEMENT)**

The following are BAM's requirements for printing the preliminary and final official statements:

1. Both the preliminary and final official statements must contain the information set forth in these Exhibits and BAM must be provided with final drafts for its approval and sign off thereon at least two business days prior to the printing thereof;
2. Any changes made to the BAM Disclosure Information for inclusion in the preliminary and final official statements must first be approved by BAM, and
3. BAM must receive an electronic copy of the final official statement seven (7) days prior to closing, unless BAM shall have agreed to some shorter period.

TO BE PRINTED ON THE COVER OF THE OFFICIAL STATEMENT:

The following language should be used when insuring:

1. THE ENTIRE ISSUE:

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

2. CAPITAL APPRECIATION BONDS:

The scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):

The scheduled payment of principal of and interest on the Bonds maturing on _____ of the years ____ through _____, inclusive, with CUSIP #(s) _____ (collectively, the "Insured Bonds"), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

4. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**PRINTER'S NOTE: USE BUILD AMERICA MUTUAL ASSURANCE COMPANY
LOGO AND INK #PMS BLUE 2736; REDS 199, 201 AND 1817.**

THE LOGO MAY BE OBTAINED FROM BAM'S WEBSITE
WWW.BUILDAMERICA.COM

TO BE PRINTED IN THE BODY OF THE OFFICIAL STATEMENT OR AS AN EXHIBIT

USE THE FOLLOWING LANGUAGE WHEN INSURING THE ENTIRE ISSUE:

NOTE: The language under the subheading "Bond Insurance Policy" should be modified when insuring Capital Appreciation Bonds, Partial Maturities (less than the entire issue), Certificates and/or Notes.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2015 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$466.5 million, \$22.2 million and \$444.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/.

Obligor Disclosure Briefs. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Obligor Disclosure Brief for those bonds. These pre-sale Obligor Disclosure Briefs provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Obligor Disclosure Briefs will be updated and superseded by a final Obligor Disclosure Brief to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Obligor Disclosure Briefs are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce an Obligor Disclosure Brief for all bonds insured by BAM, whether or not a pre-sale Obligor Disclosure Brief has been prepared for such bonds.

Disclaimers. The Obligor Disclosure Briefs and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Obligor Disclosure Briefs and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Obligor Disclosure Briefs and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

The Bond Insurance language for the Official Statement under the subheading “Bond Insurance Policy” should be replaced with the following language when insuring:

1. CAPITAL APPRECIATION BONDS:

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

2. PARTIAL MATURITIES (LESS THAN THE ENTIRE ISSUE):

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Bonds maturing on _____ of the years _____ through _____, inclusive, with CUSIP #'s___ (collectively, the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

3. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**TO BE PRINTED ON THE INSIDE COVER OF OFFICIAL STATEMENT
AS PART OF THE DISCLAIMER STATEMENT:**

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “Bond Insurance” and “Exhibit __ - Specimen Municipal Bond Insurance Policy”.

Specimen Municipal Bond Insurance Policy



BAM

**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor

200 Liberty Street

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

STATEMENT OF INSURANCE
(Language for the Bond Form)
This form is not to be included in the Official Statement.

The Bonds shall bear a Statement of Insurance in the following form.

The following language should be used when insuring

1. THE ENTIRE ISSUE:

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, [as paying agent for the Bonds (the "Paying Agent")] [as trustee for the Bonds (the "Trustee")]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent] [Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent][Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

2. CAPITAL APPRECIATION BONDS:

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") in respect of the scheduled payments due of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on this Bond to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, as [paying agent for the Bonds (the "Paying Agent")] as trustee for the Bonds (the "Trustee"). Said Policy is on file and available for inspection at the principal office of the [Paying Agent][Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent][Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on the Bonds maturing on _____ of the years _____ through _____, inclusive (the "Insured Bonds"), to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, [as paying agent for the Insured Bonds (the "Paying Agent")][as trustee for the Insured Bonds (the "Trustee")]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent][Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent][Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

4. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**PROCEDURES FOR PREMIUM PAYMENT
TO
BAM**

This form is not to be included in the Official Statement.

BAM's issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the premium. NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED. Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Upon determination of the final debt service schedule, email or fax such schedule to the appropriate BAM Underwriter

Andrew Bevan

Phone No. 212-235-2526

Email. abevan@buildamerica.com

Confirm with the individual in our underwriting department that you are in agreement with respect to par and premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the Insured Bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank: First Republic Bank
ABA#: 321081669
Acct. Name: Build America Mutual Assurance Company
Account No.: 80001613703
Policy No.: [To Be Assigned] - (Include in OBI Field)

CONFIRMATION OF PREMIUM

BAM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated to the Closing Coordinator on the closing date:

Miranda Ganzer	(212) 235-2535
Patrice James	(212) 235-2559
Nolan Miller	(212) 235-2511

EXHIBIT C

BAM LEGAL OPINION AND CERTIFICATE

[CLOSING DATE]

[ADDRESSEES (ISSUER, UNDERWRITER AND TRUSTEE)]

Re: Municipal Bond Insurance Policy No. [POLICY NO.] With Respect to
\$____ [Name of Issuer] (the "Issuer")
____ Bonds, Series ____ (the "Bonds")

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.
2. The Policy has been duly authorized, executed and delivered by BAM.
3. The Policy constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.
4. The issuance of the Policy qualifies [the Issuer] as a member of BAM until [the Bonds] are no longer outstanding. As a member of BAM, [the Issuer] is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

In addition, please be advised that I have reviewed the description of the Policy under the caption "BOND INSURANCE" in the official statement relating to the above-referenced Bonds dated [DATE] (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy referred to above, as of the date of the Official Statement or

as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that I express no opinion with respect to any information contained in, or omitted from, "the Official Statement".

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addressee hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

**DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF
BUILD AMERICA MUTUAL ASSURANCE COMPANY**

The undersigned hereby certifies on behalf of BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), in connection with the issuance by BAM of its Policy No. [POLICY NO.] (the "Policy") in respect of the [\$AMOUNT] [NAME OF TRANSACTION] (the "Bonds") that:

- (i) The information set forth under the caption "BOND INSURANCE-BUILD AMERICA MUTUAL ASSURANCE COMPANY" in the official statement dated [DATE], relating to the Bonds (the "Official Statement") is true and correct;
- (ii) BAM is not currently in default nor has BAM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation;
- (iii) The Policy is an unconditional and recourse obligation of BAM (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds when due in the event of Nonpayment by the Issuer (as set forth in the Policy);
- (iv) The insurance payment (inclusive of the sum of the Risk Premium and the Member Surplus Contribution) (the "Insurance Payment") is a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to BAM as a condition to the issuance of the Policy;
- (v) BAM will, for federal income tax purposes, treat the Insurance Payment as solely in consideration for the insurance risk it assumes in the Policy and not as consideration for an investment in BAM or its assets;
- (vi) No portion of such Insurance Payment represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by BAM to maintain its rating, which, together with all other overhead expenses of BAM, are taken into account in the formulation of its rate structure, or for the provision of additional services by BAM, nor the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor);
- (vii) BAM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Insurance Payment, BAM will not use any portion of the Bond proceeds;
- (viii) Except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by BAM, unless BAM has issued a debt service reserve insurance policy with respect to the Bonds.
- (ix) BAM does not expect that a claim will be made on the Policy; and

(x) Neither the Issuer nor any other Obligor is entitled to a refund of the Insurance Payments for the Policy in the event a Bond is retired before the final maturity date.

BAM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Dated: [CLOSING DATE]

**Primary Market Disclosure Certificate
[Bond Description] (the "Insured Bonds")**

For the benefit of _____ (the "Issuer"), and acknowledging that the Issuer will be relying on the contents hereof in addressing certain tax and disclosure items and for other matters, Build America Mutual Assurance Company ("Build America") makes the following representations and warranties as of the date hereof:

1. Neither Build America nor any affiliate of Build America has purchased, or has committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise;
2. Neither Build America nor any affiliate of Build America has entered into any agreement or understanding regarding the purchase or sale of the Insured Bonds, except for the insurance policies that Build America has provided regarding payments due under the Insured Bonds and the documentation associated with said insurance policies.

For the purposes of this certificate, "affiliate of Build America" means a person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, Build America.

[dated as of the closing date]

Build America Mutual Assurance Company

By

Authorized Officer

EXHIBIT C

Municipal Bond Debt Service Reserve Insurance Commitment



**MUNICIPAL BOND DEBT SERVICE RESERVE
INSURANCE COMMITMENT**

Issuer: Berkeley County Public Service District, West Virginia Effective Date: October 26, 2015

Member: Berkeley County Public Service District, West Virginia Expiration Date: December 24, 2015

Bonds: Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified) insured by BAM in aggregate principal amount not to exceed \$5,465,000

Premium: 2.25% of Policy Limit

Policy Limit: An amount not to exceed the debt service reserve requirement for the Bonds insured by BAM as set forth in the Security Documents (the "Reserve Account Requirement"). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement in accordance with the Security Documents

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), a New York mutual insurance corporation, hereby commits to issue its Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy"), in the form attached hereto as **Exhibit A**, relating to the above-described debt obligations (the "Bonds"), subject to the terms and conditions contained herein or added hereto. All terms used herein and not otherwise defined shall have the meanings ascribed to them in the Bond Insurance Commitment referred to in Paragraph 1 below or, if not defined therein, in the Debt Service Reserve Agreement referred to in Paragraph 3(a) below.

To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to deny or grant a renewal in its sole discretion. To keep the Commitment in effect to the Expiration Date set forth above, BAM must receive a duplicate of this Commitment executed by an authorized officer of the Issuer within ten days of the date of this Commitment.

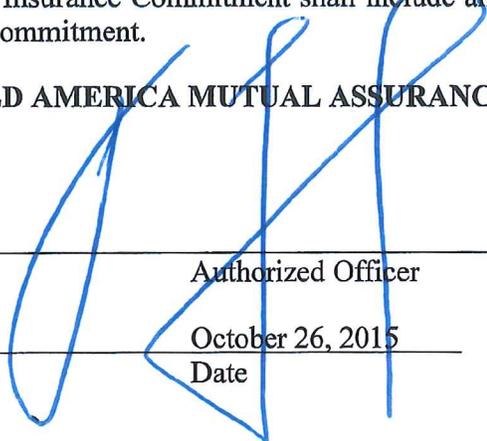
THE RESERVE POLICY SHALL BE ISSUED UPON SATISFACTION OR THE WAIVER BY BAM OF THE FOLLOWING CONDITIONS, AND THE ISSUER AGREES AS FOLLOWS:

1. **Conditions to Municipal Bond Policy Satisfied.** All conditions required under the Municipal Bond Insurance Commitment, dated October 26, 2015 issued by BAM with respect to the Bonds (the “Bond Insurance Commitment”) for the issuance of the municipal bond insurance policy to be issued thereunder shall have been satisfied and the Bonds are simultaneously insured by BAM. All conditions set forth in this Commitment shall be in addition to the requirements set forth in Bond Insurance Commitment.
2. **The Transaction Documents** shall contain the document provisions set forth in **Exhibit B** hereto.
3. **Agreement and Related Opinions.** BAM shall be provided with the following:
 - (a) A copy of the Debt Service Reserve Agreement, substantially in the form of **Exhibit C**, duly executed by the Issuer, subject only to such changes as shall be agreed to by BAM, as evidenced by BAM’s execution thereof (For your information, the form of legal opinion to be delivered by BAM at closing is attached hereto as **Exhibit D**).
 - (b) An opinion(s) of bond counsel or other counsel acceptable to BAM, addressed and in form and substance satisfactory to BAM, as to (i) the due authorization, validity and enforceability of the Debt Service Reserve Agreement, and (ii) if applicable, the Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund or account (the “Reserve Fund”) under the Security Documents, and as to such other matters as BAM shall reasonably request.
 - (c) Evidence of wire transfer of immediately available funds in an amount equal to the Premium stated above, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the delivery date of the Reserve Policy. Please see “Procedures for Premium Payment” attached hereto.
4. **Security for Repayment of Draws under the Reserve Policy, and Policy Costs.** The Security Documents shall secure repayment of draws under the Reserve Policy and all Policy Costs consistent with the terms of the Debt Service Reserve Agreement.
5. **Payments Due under the Policy.** All amounts on deposit under the Security Documents available to pay debt service on the Bonds (exclusive of the Reserve Policy) shall be used to pay such debt service before any drawing may be made on the Reserve Policy or any other credit facility. Draws on the Reserve Policy may be used only to pay principal of and/or interest on the Bonds.
6. **Ascertainment of Amounts to be Drawn.** The Security Documents shall require the Trustee or Paying Agent to determine the necessity for a claim upon the Reserve Policy and to provide notice to BAM in accordance with the terms of the Reserve Policy.

7. **Final Documents.** Copies of all transaction documents and opinions required by this Commitment prepared subsequent to the date of this Commitment (black-lined to reflect all revisions from previously reviewed drafts) shall be furnished to BAM for review and approval at the same time and in the same manner as other transaction documents are required to be provided under (and as defined in) the Bond Insurance Commitment.
8. **Expiration of the Reserve Policy.** The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

Closing Transcript. The closing transcript required to be provided to BAM pursuant to the Bond Insurance Commitment shall include all transaction documents and opinions required by this Commitment.

BUILD AMERICA MUTUAL ASSURANCE COMPANY



Authorized Officer

October 26, 2015
Date

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AGREED AND ACCEPTED

The undersigned, an authorized officer of the Issuer, agrees and accepts the conditions set forth above and further agrees that (i) if the debt service reserve fund requirement for the Bonds is met by a credit instrument, such credit instrument shall be a Reserve Policy provided by BAM in accordance with the terms of this Commitment; (ii) the Issuer has made an independent investigation and decision as to whether to satisfy its reserve fund requirement with the Reserve Policy or whether the Reserve Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore the Issuer is not relying on, any recommendation from BAM that the Issuer satisfy its reserve fund requirement with or obtain the Reserve Policy, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Reserve Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to insure the Bonds or obtain the Reserve Policy; (iv) the Issuer acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the Issuer acknowledges that a credit or claims-paying rating of BAM assigned by a Rating Agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning Rating Agency, any such rating may change or be suspended, placed under review or withdrawn by such Rating Agency if circumstances so warrant, and BAM compensates a Rating Agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; and (vi) the Issuer also acknowledges that BAM may in its sole and absolute discretion at any time request that a Rating Agency withdraw any rating maintained in respect of BAM. Notwithstanding anything to the contrary set forth herein, the provisions set forth under subparagraphs (ii) through (vi) above shall survive the expiration or termination of this Commitment.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA

By: 

Title: CHAIRMAN

Date: 10/28/2015

**PROCEDURES FOR PREMIUM PAYMENT
TO
BUILD AMERICA MUTUAL ASSURANCE COMPANY
("BAM")**

BAM's issuance of its municipal bond debt service reserve insurance policy at bond closing is contingent upon payment and receipt of the Initial Premium. NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED BY BAM. Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Confirmation of Amount to be Paid: **Upon determination of the final debt service reserve fund requirement, fax or email such schedule to BAM**
Attention: Andrew Bevan
Email: abevan@buildamerica.com
Phone No.: 212-235-2526
Fax No.: 212-962-1524

Confirm with BAM's credit analyst that you are in agreement with respect to Reserve Fund Policy Limit and Initial Premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the Bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank: First Republic Bank
ABA#: 321081669
Acct. Name: Build America Mutual Assurance Company
Account No.: 80001613703
Policy No.: POLICY# _____ (Include in OBI Field)

CONFIRMATION OF PREMIUM WIRE NUMBER AT CLOSING

BAM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to Miranda Ganzer, Closing Coordinator, 212-235-2535, email: mganzer@buildamerica.com.

EXHIBIT A

Specimen Municipal Bond Debt Service Reserve Insurance Policy



**MUNICIPAL BOND DEBT
SERVICE RESERVE
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF
TRANSACTION]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon such payment, BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement, if any.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such

payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the

Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. If the amount payable under this Policy is also payable under another BAM issued policy insuring the Bonds, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “**Business Day**” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. [“**Debt Service Reserve Agreement**” means the Debt Service Reserve Fund Agreement, if any, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time.] “**Due for Payment**” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “**Nonpayment**” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “**Nonpayment**” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “**Notice**” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “**Owner**” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “**Owner**” shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. “**Policy Limit**” means the dollar amount of the debt service reserve fund required to be maintained for the Bonds by the Security Documents from time to time (the “**Reserve Account Requirement**”), or the portion of the Reserve Account Requirement for the Bonds provided by this Policy as specified in the Security Documents or Debt Service Reserve Agreement, if any, but in no event shall the Policy Limit

exceed \$_____. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of or, if this Policy is only providing a portion of the Reserve Account Requirement, in the same proportion as, each reduction in the

Reserve Account Requirement, as provided in the Security Documents or Debt Service Reserve Agreement. **"Security Documents"** means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement and any additional or supplemental document executed in connection with the Bonds. **"Term"** means the period from and including the Effective Date until the earlier of (i) the maturity date for the Bonds and (ii) the date on which the Bonds are no longer outstanding under the Security Documents.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy is being issued under and pursuant to and shall be construed under and governed by the laws of the State of New York, without regard to conflict of law provisions.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: _____
Authorized Officer

SPECIMEN

Schedule

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor

200 Liberty Street

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Security Documents or Debt Service Reserve Agreement, if any, and, as of the date hereof, the Policy Limit is \$ _____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: _____
Name:
Title:

SPECIMEN

EXHIBIT B

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in the Authorizing Documents the Issuer and the Trustee agree to comply with the following provisions:

- (a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the “Reserve Policy”) and pay all related reasonable expenses incurred by BAM (the “Bond Insurer”). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Bond Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Bond Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Debt Service Reserve Fund established for the Bonds shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Reserve Fund Credit Instrument in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt Service Reserve Fund. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to

honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

- (b) Draws under the Reserve Policy may only be used to make payments on Bonds insured by the Bond Insurer.
- (c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Indenture other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect owners of the Bonds.
- (d) This Indenture shall not be discharged until all Policy Costs owing to the Bond Insurer shall have been paid in full. The Issuer's obligation to pay such amount shall expressly survive payment in full of the Bonds.
- (e) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to the Bond Insurer at least three business days prior to each date upon which interest or principal is due on the Bonds.
- (f) The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

EXHIBIT C

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated _____ (the “Agreement”), by and between Berkeley County Public Service District, West Virginia (the “Obligor”) and BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”).

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. @@POLICY_NO@@ (the “Reserve Policy”) with respect to the Berkeley County Public Service District, West Virginia Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified) Series 2015 E [Bonds] and any [parity bonds] (the “Bonds”) issued under the [Indenture/Resolution/Ordinance] dated as of _____, between the [Obligor] [Issuer] and the [Trustee] (the “Trustee”) (the “Authorizing Document”) [, which bonds are secured by the [Lease/Loan] payments of the Obligor under the [Lease/Loan] Agreement dated as of _____ [the “[Lease/Loan] Agreement”] between the Issuer and the Obligor and the other revenue and collateral described in the Authorizing Document,] and the payment to BAM of the Initial Insurance Payment for the Reserve Policy, the Obligor, Issuer and BAM hereby covenant and agree as follows:

1. The Obligor shall repay BAM any draws under the Reserve Policy and pay all Administrative Expenses (as defined below) incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base-lending rate of such national bank as BAM shall designate.
2. Repayment of draws and payment of Administrative Expenses and the interest accrued thereon at the Late Payment Rate (collectively, “Policy Costs”) shall commence in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregated of Policy Costs related to such draw[; *provided, however, that all such payments shall be due prior to termination of the [Lease] Agreement dated as of _____ between the Issuer and Obligor*]. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due. *[For Ca. RDA add: The Obligor shall include the repayment of Policy Costs in its Recognized Payment Obligation Schedule.]*

3. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.
4. All cash and investments in the debt service reserve fund or account securing the Insured Obligations (the "Reserve Fund") shall be transferred to the debt service fund for payment of debt service on the Insured Obligations before any drawing may be made on the Reserve Policy or on any alternative credit instrument. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all alternative credit instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such alternative credit instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to alternative credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.
5. Draws on the Reserve Policy may only be used to make payments on the Insured Obligations (and for the avoidance of doubt, not any other obligations of the *[Issuer or]* Obligor, whether issued on parity with the Insured Obligations, or otherwise).
6. If the Obligor shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document, other than (i) acceleration of the maturity of the Insured Obligations or (ii) remedies which would adversely affect owners of the Insured Obligations.
7. The Authorizing Document shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Obligor's obligation to pay such amounts shall expressly survive payment in full of the Insured Obligations.
8. In order to secure the Obligor's payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Insured Obligations) in all revenues and collateral pledged as security for the Insured Obligations *[payment obligations of the Obligor under the Lease/Loan Agreement]*.
9. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Authorizing Document *[Lease/Loan Agreement]*.

10. The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Insured Obligations. Where deposits are required to be made by the Obligor with the Trustee to the debt service fund for the Insured Obligations more often than semi-annually, the Trustee shall give notice to BAM of any failure of the Obligor to make timely payment in full of such deposits within two business days of the date due.
11. The Obligor agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Document and any other document executed in connection with the Insured Obligations ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Obligor agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.
12. The obligation of the Obligor to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Obligor and will be paid or performed strictly in accordance with this Agreement.
13. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Document or any other document executed in connection with the Insured Obligations, the Obligor shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.
14. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com; with a copy of such notice or other communication sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214.
15. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this

Agreement. In the event of any conflict in the terms of this Agreement and the Authorizing Document, the terms of this Agreement shall control.

16. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.
17. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.
18. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT,
WEST VIRGINIA

By: _____
Title:

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Title:

EXHIBIT D

BAM LEGAL OPINION



[CLOSING DATE]

[ADDRESSEES (ISSUER, UNDERWRITER AND TRUSTEE)]

Re: Bond Insurance Policy: Municipal Bond Insurance Policy No. [POLICY NO.]
DSR Policy: Debt Service Reserve Policy No. [POLICY NO.]
Member:
Bonds:
Official Statement: dated []

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced Bond Insurance Policy and DSR Policy (collectively, the "Policies"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.
2. The Policies have been duly authorized, executed and delivered by BAM.
3. Each of the Policies constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.

4. The issuance of the Policies qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policies are non-assessable and create no contingent mutual liability.

In addition, please be advised that I have reviewed the description of the Bond Insurance Policy under the caption "BOND INSURANCE" in the Official Statement related to the above-referenced Bonds. There has not come to my attention any information which would cause me to believe that the description of the Bond Insurance Policy, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to the make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that except as described above, I express no opinion with respect to any information contained in, or omitted, from the Official Statement.

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addressees hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

SPECIMEN

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

No. ER-1

\$595,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
2.000%	12/01/2017	12/01/2015	084246 LM7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE HUNDRED NINETY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2016 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$5,460,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company ("BAM") to secure the payment of the principal of, and interest on, the Series 2015 E Bonds (the "Insurance Policy"); (iii) to fund the Series 2015 E Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from BAM; and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 26, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on October 26, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");
- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");

(IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");

(X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");

(XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");

(XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND

(XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Build America Mutual Assurance Company.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) pay the premium for a municipal bond insurance policy (the "Insurance Policy") through BAM; (iii) fund the Series 2015 E Bonds Reserve Account with the purchase of municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM") and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the 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, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]


Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2015.

UNITED BANK, INC.,
as Registrar

By:  _____
Its Authorized Officer

NOTE: A large blue diagonal stamp reading 'SPECIMEN' is overlaid on the signature area.

(Form of)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as Paying Agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

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

SPECIMEN

No. ER-2

\$755,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)

WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
2.000%	12/01/2018	12/01/2015	084246 LN5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED FIFTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2016 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$5,460,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company ("BAM") to secure the payment of the principal of, and interest on, the Series 2015 E Bonds (the "Insurance Policy"); (iii) to fund the Series 2015 E Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from BAM; and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 26, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on October 26, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");
- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");

(IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");

(X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");

(XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");

(XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND

(XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Build America Mutual Assurance Company.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) pay the premium for a municipal bond insurance policy (the "Insurance Policy") through BAM; (iii) fund the Series 2015 E Bonds Reserve Account with the purchase of municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM") and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the 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, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]


Chairman

SPECIMEN

ATTEST:


Secretary

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2015.

UNITED BANK, INC.,
as Registrar

By: 
Its Authorized Officer

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____ the within Bond and does hereby irrevocably constitute and appoint

_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as Paying Agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

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

SPECIMEN

No. ER-3

\$265,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
2.000%	12/01/2019	12/01/2015	084246 LP0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SIXTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2016 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$5,460,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company ("BAM") to secure the payment of the principal of, and interest on, the Series 2015 E Bonds (the "Insurance Policy"); (iii) to fund the Series 2015 E Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from BAM; and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 26, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on October 26, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");
- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");

(IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");

(X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");

(XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");

(XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND

(XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Build America Mutual Assurance Company.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) pay the premium for a municipal bond insurance policy (the "Insurance Policy") through BAM; (iii) fund the Series 2015 E Bonds Reserve Account with the purchase of municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM") and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the 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, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]


Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2015.

UNITED BANK, INC.,
as Registrar

By:  _____
Its Authorized Officer



(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____ the within Bond and does hereby irrevocably constitute and appoint

_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as Paying Agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

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

SPECIMEN

No. ER-4

\$275,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
2.000%	12/01/2020	12/01/2015	084246 LQ8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SEVENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2016 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$5,460,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company ("BAM") to secure the payment of the principal of, and interest on, the Series 2015 E Bonds (the "Insurance Policy"); (iii) to fund the Series 2015 E Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from BAM; and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 26, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on October 26, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");
- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");

(IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");

(X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");

(XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");

(XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND

(XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Build America Mutual Assurance Company.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) pay the premium for a municipal bond insurance policy (the "Insurance Policy") through BAM; (iii) fund the Series 2015 E Bonds Reserve Account with the purchase of municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM") and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

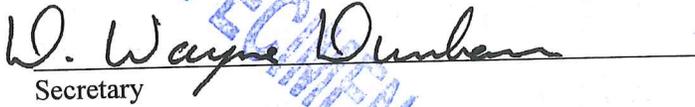
All provisions of the Resolution and the statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]


Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2015.

UNITED BANK, INC.,
as Registrar

By: 
Its Authorized Officer

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____ the within Bond and does hereby irrevocably constitute and appoint

_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as Paying Agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

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

No. ER-5

\$275,000

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
2.000%	12/01/2021	12/01/2015	084246 LR6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SEVENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2016 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$5,460,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company ("BAM") to secure the payment of the principal of, and interest on, the Series 2015 E Bonds (the "Insurance Policy"); (iii) to fund the Series 2015 E Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from BAM; and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 26, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on October 26, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");
- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");

(IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");

(X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");

(XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");

(XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND

(XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Build America Mutual Assurance Company.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) pay the premium for a municipal bond insurance policy (the "Insurance Policy") through BAM; (iii) fund the Series 2015 E Bonds Reserve Account with the purchase of municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM") and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the 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, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]


Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2015.

UNITED BANK, INC.,
as Registrar

By: 
Its Authorized Officer

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____ the within Bond and does hereby irrevocably constitute and appoint

_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as Paying Agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

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

SPECIMEN

No. ER-6

\$285,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)

WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
2.150%	12/01/2022	12/01/2015	084246 LS4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2016 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$5,460,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company ("BAM") to secure the payment of the principal of, and interest on, the Series 2015 E Bonds (the "Insurance Policy"); (iii) to fund the Series 2015 E Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from BAM; and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 26, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on October 26, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");
- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");

(IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");

(X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");

(XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");

(XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND

(XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Build America Mutual Assurance Company.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) pay the premium for a municipal bond insurance policy (the "Insurance Policy") through BAM; (iii) fund the Series 2015 E Bonds Reserve Account with the purchase of municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM") and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the 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, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]


Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2015.

UNITED BANK, INC.,
as Registrar

By: 

Its Authorized Officer

(Form of)

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as Paying Agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

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

SPECIMEN

No. ER-7

\$295,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)

WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
2.300%	12/01/2023	12/01/2015	084246 LT2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED NINETY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2016 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$5,460,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company ("BAM") to secure the payment of the principal of, and interest on, the Series 2015 E Bonds (the "Insurance Policy"); (iii) to fund the Series 2015 E Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from BAM; and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 26, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on October 26, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");
- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");

(IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");

(X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");

(XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");

(XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND

(XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Build America Mutual Assurance Company.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) pay the premium for a municipal bond insurance policy (the "Insurance Policy") through BAM; (iii) fund the Series 2015 E Bonds Reserve Account with the purchase of municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM") and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the 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, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]


Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2015.

UNITED BANK, INC.,
as Registrar

By: 
Its Authorized Officer

(Form of)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as Paying Agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

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

SPECIMEN

No. ER-8

\$300,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
3.000%	12/01/2024	12/01/2015	084246 LU9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2016 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$5,460,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company ("BAM") to secure the payment of the principal of, and interest on, the Series 2015 E Bonds (the "Insurance Policy"); (iii) to fund the Series 2015 E Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from BAM; and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 26, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on October 26, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");
- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");

(IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");

(X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");

(XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");

(XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND

(XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Build America Mutual Assurance Company.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) pay the premium for a municipal bond insurance policy (the "Insurance Policy") through BAM; (iii) fund the Series 2015 E Bonds Reserve Account with the purchase of municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM") and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the 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, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]


Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2015.

UNITED BANK, INC.,
as Registrar

By: 
Its Authorized Officer

(Form of)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as Paying Agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

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

SPECIMEN

No. ER-9

\$315,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
3.000%	12/01/2025	12/01/2015	084246 LV7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED FIFTEEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2016 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$5,460,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company ("BAM") to secure the payment of the principal of, and interest on, the Series 2015 E Bonds (the "Insurance Policy"); (iii) to fund the Series 2015 E Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from BAM; and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 26, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on October 26, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");
- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");

(IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");

(X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");

(XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");

(XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND

(XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Build America Mutual Assurance Company.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) pay the premium for a municipal bond insurance policy (the "Insurance Policy") through BAM; (iii) fund the Series 2015 E Bonds Reserve Account with the purchase of municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM") and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the 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, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]


Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2015.

UNITED BANK, INC.,
as Registrar

By: 
Its Authorized Officer

(Form of)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as Paying Agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

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

SPECIMEN

No. ER-10

\$915,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
3.000%	12/01/2026	12/01/2015	084246 LW5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: NINE HUNDRED FIFTEEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2016 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$5,460,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company ("BAM") to secure the payment of the principal of, and interest on, the Series 2015 E Bonds (the "Insurance Policy"); (iii) to fund the Series 2015 E Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from BAM; and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 26, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on October 26, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");
- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");

(IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");

(X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");

(XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");

(XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND

(XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Build America Mutual Assurance Company.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) pay the premium for a municipal bond insurance policy (the "Insurance Policy") through BAM; (iii) fund the Series 2015 E Bonds Reserve Account with the purchase of municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM") and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the 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, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]


Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2015.

UNITED BANK, INC.,
as Registrar

By: 
Its Authorized Officer

(Form of)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as Paying Agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

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

SPECIMEN

No. ER-11

\$940,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)

WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
3.000%	12/01/2027	12/01/2015	084246 LX3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: NINE HUNDRED FORTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2016 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$5,460,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company ("BAM") to secure the payment of the principal of, and interest on, the Series 2015 E Bonds (the "Insurance Policy"); (iii) to fund the Series 2015 E Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from BAM; and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 26, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on October 26, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");
- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");

(IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");

(X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");

(XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");

(XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND

(XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Build America Mutual Assurance Company.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) pay the premium for a municipal bond insurance policy (the "Insurance Policy") through BAM; (iii) fund the Series 2015 E Bonds Reserve Account with the purchase of municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM") and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the 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, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]


Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2015.

UNITED BANK, INC.,
as Registrar

By: _____

Its Authorized Officer

A handwritten signature in black ink is written over a blue circular stamp. The stamp contains the text "STEP T O E & J O H N S O N" arranged in a circular pattern. The signature is written over the stamp and extends to the right, crossing the horizontal line of the signature line.

(Form of)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as Paying Agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

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

SPECIMEN

No. ER-12

\$245,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND, SERIES 2015 E (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>	<u>CUSIP NO.</u>
3.000%	12/01/2028	12/01/2015	084246 LY1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED FORTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on June 1 and December 1, in each year, beginning June 1, 2016 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each May 15 and November 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by United Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"), or, at the option of any Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$5,460,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2015, the proceeds of which are to be used, together with other funds of the Issuer, (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) to purchase a municipal bond insurance policy from Build America Mutual Assurance Company ("BAM") to secure the payment of the principal of, and interest on, the Series 2015 E Bonds (the "Insurance Policy"); (iii) to fund the Series 2015 E Bonds Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from BAM; and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 26, 2015, and supplemented by a supplemental parameters resolution duly adopted by the Issuer on October 26, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution 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 Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

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:

- (I) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 (THE "SERIES 1993 B BONDS");
- (II) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 (THE "SERIES 1993 D BONDS");
- (III) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 (THE "SERIES 1996 BONDS");

(IV) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 25, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,010,000 (THE "SERIES 2001 A BONDS");

(V) WATER REVENUE BONDS, SERIES 2003 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 15, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,430,000 (THE "SERIES 2003 C BONDS");

(VI) WATER REFUNDING REVENUE BONDS, SERIES 2012 A (BANK QUALIFIED), DATED DECEMBER 19, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,425,000 (THE "SERIES 2012 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2012 B (BANK QUALIFIED), DATED DECEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,800,000 (THE "SERIES 2012 B BONDS");

(VIII) WATER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,900,000 (THE "SERIES 2013 A BONDS");

(IX) WATER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED DECEMBER 30, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,875,000 (THE "SERIES 2013 B BONDS");

(X) WATER REFUNDING REVENUE BONDS, SERIES 2015 A (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,575,000 (THE "SERIES 2015 A BONDS");

(XI) WATER REFUNDING REVENUE BONDS, SERIES 2015 B (BANK-QUALIFIED), DATED FEBRUARY 26, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$575,000 (THE "SERIES 2015 B BONDS");

(XII) WATER REFUNDING REVENUE BONDS, SERIES 2015 C (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,910,000 (THE "SERIES 2015 C BONDS"); AND

(XIII) WATER REFUNDING REVENUE BONDS, SERIES 2015 D (BANK-QUALIFIED), DATED OCTOBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,150,000 (THE "SERIES 2015 D BONDS");

AND SENIOR AND PRIOR TO THE ISSUER'S:

(I) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 (THE "SERIES 1993 C BONDS" OR THE "SECOND LIEN BONDS").

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds and Series 2015 D Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds".

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Build America Mutual Assurance Company.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2015 E 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay

the same, except from said special fund provided from the Net Revenues, the monies in the Series 2015 E Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, 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 120% of the maximum amount payable in any fiscal 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 or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely (i) to pay the outstanding principal amount of, and accrued interest on, the Series 2009 Bonds; (ii) pay the premium for a municipal bond insurance policy (the "Insurance Policy") through BAM; (iii) fund the Series 2015 E Bonds Reserve Account with the purchase of municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America Mutual Assurance Company ("BAM") and (iv) to pay certain costs of issuance of the Series 2015 E Bonds and related costs, 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 said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

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 be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution and the 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, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]


Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2015.

UNITED BANK, INC.,
as Registrar

By: 
Its Authorized Officer

(Form of)
ASSIGNMENT

Social Security or Other Identifying Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor, as Paying Agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.



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

December 1, 2015

Berkeley County Public Service District
Martinsburg, West Virginia

Build America Mutual Assurance Company
New York, New York

Piper Jaffray & Co.
Charlotte, North Carolina

Crews & Associates, Inc.
Charleston, West Virginia

Re: Berkeley County Public Service District, West Virginia,
Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)

Ladies and Gentlemen:

We have acted as bond counsel to Berkeley County Public Service District, West Virginia (the "Issuer") and in such capacity have examined a record of proceedings relating to the issuance by the Issuer of its \$5,460,000 aggregate principal amount of Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified) (the "Series 2015 E Bonds").

The Series 2015 E Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on October 26, 2015, as supplemented by a Supplemental Parameters Resolution duly adopted by the Issuer on October 26, 2015 and a Certificate of Determinations executed by the Chairman on November 2, 2015 (collectively, the "Bond Legislation"), and are subject to all the terms and conditions of the Bond Legislation. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Bond Legislation.

The Series 2015 E Bonds are issued in fully registered form, are dated their date of original issuance, December 1, 2015, mature on December 1 in the years and amounts (commencing December 1, 2017), and bear interest payable each June 1 and December 1, commencing June 1, 2016 all as set forth in the Bond Legislation.

The Bond Legislation provides that the Series 2015 E Bonds are issued for the purpose, along with other funds of the Issuer available therefor, of (i) paying a portion of the cost of an advance refunding the Issuer's Water Revenue Bonds, Series 2009 (Bank Qualified), dated February 17, 2009, issued in the original aggregate principal amount of \$7,510,000 (the "Series 2009 Bonds"); (ii) purchasing a Municipal Bond Debt Service Reserve Insurance Policy from Build America Mutual Assurance

Company in an amount equal to the Debt Service Reserve Requirement for the Series 2015 E Bonds; (iii) purchasing a Municipal Bond Insurance Policy from Build America Mutual Assurance Company to secure the payment of the principal of, and interest on, the Series 2015 E Bonds; and (iv) paying certain costs of issuance of the Series 2015 E Bonds and related costs. In connection with the advance refunding, the Issuer has entered into an Escrow Agreement, dated as of December 1, 2015 (the "Escrow Agreement"), with the West Virginia Municipal Bond Commission, the Paying Agent.

The Series 2015 E Bonds have been sold to Piper Jaffray & Co., on behalf of itself and Crews & Associates, Inc. (collectively, the "Underwriters"), pursuant to a Bond Purchase Agreement, dated November 2, 2015 (the "Bond Purchase Agreement"), between the Underwriters and the Issuer.

As to questions of fact material to our opinion, we have relied upon representations and warranties of the Issuer and other entities, the representations and warranties contained in the Bond Legislation; the Bond Purchase Agreement; the Continuing Disclosure Agreement, dated December 1, 2015 (the "Continuing Disclosure Agreement"), between the Issuer and United Bank, Inc.; the Tax Certificate and Agreement, dated the date hereof (the "Tax Certificate"), executed by the Issuer; and the certified proceedings and other certifications of certain officials of the Issuer and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants and representations of the Issuer and others set forth in the Bond Legislation, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate and such certifications, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing public service district under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt the Bond Legislation, enter into the Escrow Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and Tax Certificate, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2015 E Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Bond Legislation, has authorized, executed and delivered the Escrow Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate, has authorized the distribution of the Official Statement in connection with the marketing and sale of the Series 2015 E Bonds, and has issued and delivered the Series 2015 E Bonds to the Underwriter pursuant to the Bond Purchase Agreement. The Bond Legislation is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Escrow Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms. We have examined the executed and authenticated Series 2015 E Bonds of said issue, and, in our opinion, said Series 2015 E Bonds are in proper form and have been duly executed and authenticated.

4. The Series 2015 E Bonds have been duly authorized, executed and delivered by the Issuer and, assuming proper authentication, constitute valid and legally enforceable limited obligations of the Issuer, payable from and secured by a first lien on the Net Revenues of the System, on a parity with the Issuer's: (i) Water Revenue Bonds, Series 1993 B, dated March 8, 1993, issued in the original aggregate principal amount of \$528,871 and held by the West Virginia Water Development Authority (the "Series 1993 B Bonds"); (ii) Water Revenue Bonds, Series 1993 D, dated July 29, 1993,

issued in the original aggregate principal amount of \$10,257,957 and held by the West Virginia Water Development Authority (the "Series 1993 D Bonds"); (iii) Water Revenue Bonds, Series 1996, dated August 6, 1996, issued in the original aggregate principal amount of \$677,158 and held by the West Virginia Water Development Authority (the "Series 1996 Bonds"); (iv) Water Revenue Bonds, Series 2001 A (West Virginia Water Development Authority), dated October 25, 2001, issued in the original aggregate principal amount of \$2,010,000 (the "Series 2001 A Bonds"); (v) Water Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), dated May 15, 2003, issued in the original aggregate principal amount of \$2,430,000 (the "Series 2003 C Bonds"); (vi) Water Refunding Revenue Bonds, Series 2012 A (Bank Qualified), dated December 20, 2012, issued in the original aggregate principal amount of \$7,425,000 (the "Series 2012 A Bonds"); (vii) Water Revenue Bonds, Series 2012 B (Bank Qualified), dated December 20, 2012, issued in the original aggregate principal amount of \$7,800,000 (the "Series 2012 B Bonds"); (viii) Water Refunding Revenue Bonds, Series 2013 A (Bank Qualified) dated December 30, 2013, issued in the original aggregate principal amount of \$9,900,000 (the "Series 2013 A Bonds"); (ix) Water Refunding Revenue Bonds, Series 2013 B (Taxable), dated December 30, 2014, issued in the original aggregate principal amount of \$2,875,000 (the "Series 2013 B Bonds"); (x) Water Refunding Revenue Bonds, Series 2015 A (Bank Qualified), dated February 26, 2015, issued in the original aggregate principal amount of \$9,575,000 (the "Series 2015 A Bonds"); (xi) Water Refunding Revenue Bonds, Series 2015 B (Bank Qualified), dated February 26, 2015, issued in the original aggregate principal amount of \$525,000 (the "Series 2015 B Bonds"); (xii) Water Refunding Revenue Bonds, Series 2015 C (Bank Qualified), dated October 1, 2015, issued in the original aggregate principal amount of \$9,910,000 (the "Series 2015 C Bonds"); (xiii) Water Refunding Revenue Bonds, Series 2015 D (Bank Qualified), dated October 1, 2015, issued in the original aggregate principal amount of \$2,150,000 (the "Series 2015 D Bonds") (collectively referred to herein as the "First Lien Bonds.")

There are also outstanding obligations of the Issuer which are subordinate to the Series 2015 E Bonds as to liens, pledge and source of and security for payment, being the Issuer's Water Revenue Bonds, Series 1993 C, dated March 8, 1993, issued in the original aggregate principal amount of \$17,629 and held by the West Virginia Water Development Authority (the "Series 1993 C Bonds" or the "Second Lien Bonds"). The First Lien Bonds and Second Lien Bonds are hereinafter collectively called the "Prior Bonds." The Series 2015 E Bonds are enforceable in accordance with their terms and the terms of the Bond Legislation, and are entitled to the benefits of the Bond Legislation and the Act.

5. The Series 2009 Bonds have been paid within the meaning and with the effect expressed in the Bond Resolution, as supplemented, pursuant to which the Series 2009 Bonds were issued, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 2009 Bonds have been satisfied and discharged.

6. The Debt Service Reserve Agreement has been duly authorized, executed and delivered by the Issuer and constitutes a valid, legal, binding and enforceable instrument of the Issuer in accordance with its terms.

7. The Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund or account (the "Reserve Fund") under the Security Documents.

8. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2015 E Bonds is excludable from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. It should be noted, however, that for the purpose of calculating the alternative minimum tax on certain corporations (as defined for federal income tax purposes), such interest is taken into account as an adjustment to current earnings of such corporations.

Ownership of tax-exempt obligations, including the Series 2015 E Bonds, may result in collateral federal income tax consequences to certain taxpayers. We offer no opinion as to such collateral tax consequences or any other federal tax consequences arising with respect to the Series 2015 E Bonds. Prospective purchasers of the Series 2015 E Bonds should consult their own tax advisors as to such consequences.

The Issuer has designated Series 2015 E Bonds as "Qualified Tax-Exempt Obligations" for purposes of Section 265(b)(3) of the Code and has covenanted that not more than \$10,000,000 aggregate principal amount of obligations, including the Series 2015 E Bonds, the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), have been or shall be issued by the Issuer or any entities subordinate to it, during the calendar year 2015, all as determined in accordance with the Code.

The opinions set forth in this paragraph 6 are subject to the condition that the Issuer comply with all requirements the Code that must be satisfied for interest on the Series 2015 E Bonds to be or continue to be excludable from gross income for federal income tax purposes, and with all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2015 E Bonds set forth in the Bond Legislation, the Escrow Agreement, the Tax Certificate and the certifications of the Issuer and others (collectively, the "Tax Covenants"). Failure to comply with the Tax Covenants could cause the interest on the Series 2015 E Bonds to be included in gross income retroactively to the date of issuance of the Series 2015 E Bonds.

9. Under the Act, the Series 2015 E Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

10. The Series 2015 E Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2015 E Bonds, to register any securities under said Securities Acts.

It is to be understood that the rights of the holders of the Series 2015 E Bonds and the enforceability of the Series 2015 E Bonds, the Bond Legislation, the Escrow Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate, and the liens, pledges, rights or remedies with respect thereto, are subject to and may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We do not express any opinion as to the sufficiency or accuracy of the material, information or financial statements which are set forth in the Official Statement prepared and used in connection with the offering and sale of the Series 2015 E Bonds.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory and administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof. We assume no obligation to revise or supplement this opinion should such

law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

This opinion is intended solely for the benefit of the addressee and may not be relied upon by any other person or entity without, in each such case, our express written consent.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Stertze & Johnson PLLC". The signature is stylized and cursive, with the letters "S" and "J" being particularly prominent and large. The signature is written over the printed name of the firm.

STERTZE & JOHNSON PLLC



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Writer's Contact Information

December 1, 2015

Berkeley County Public Service District
Martinsburg, West Virginia

Piper Jaffray & Co.
Charlotte, North Carolina

Crews & Associates, Inc.
Charleston, West Virginia

Build America Mutual Assurance Company
New York, New York

Re: Berkeley County Public Service District \$5,460,000
Water Refunding Revenue Bonds Series 2015 E (Bank Qualified)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by Berkeley County Public Service District (the "Issuer") of its \$5,460,000 aggregate principal amount of Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified) (the "Series 2015 E Bonds"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality of the Series 2015 E Bonds and the exclusion of interest on the Series 2015 E Bonds from gross income for federal income tax purposes (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement and such other matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings assigned to them in the Bond Purchase Agreement (the "Purchase Agreement") dated November 2, 2015, between the Issuer and Piper Jaffray & Co. on behalf of itself and Crews & Associates, Inc. (collectively, the "Underwriters"), and approved by the Issuer.

Based upon the foregoing, we are of the opinion that:

1. The Purchase Agreement has been duly authorized, executed and delivered by, and (assuming due authorization, execution and delivery by the other parties and that it is a binding agreement of the other parties in accordance with its terms) constitutes a binding agreement in accordance with its terms of, the Issuer.

2. The Series 2015 E Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

3. The statements contained in the Official Statement under the caption "Tax Matters" are true and accurate in all material respects and present a fair and accurate summary and description of the matters summarized and described under such caption.

4. Nothing has come to our attention which would lead us to believe that the statements contained in the Official Statement under the captions "Security for the Series 2015 E Bonds," "The Series 2015 E Bonds" (except for the statements referred to therein under "Book-Entry Series 2015 E Bonds" with respect to The Depository Trust Company), "Financing Plan," "Appendix D – Form of Opinion of Bond Counsel," and "Appendix E – Form of Bond Resolution and Supplemental Parameters Resolution," insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Resolution, do not present fairly in all material respects the matters referred to therein.

Very truly yours,



STEPTOE & JOHNSON PLLC

BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)

\$5,460,000
Water Refunding Revenue Bonds
Series 2015 E (Bank Qualified)

PURCHASE AGREEMENT

November 2, 2015

Berkeley County Public Service District
251 Caperton Blvd.
Martinsburg, West Virginia 25403

Ladies and Gentlemen:

Piper Jaffray & Co., collectively, on behalf of itself, and Crews & Associates, Inc. (collectively the “Underwriters”) offer to enter into this Purchase Agreement (the “Agreement”) with Berkeley County Public Service District (the “District” or “Issuer”) for the purchase by the Underwriters and the sale by the District of its above-referenced Bonds (the “Series 2015 E Bonds” or “Bonds”). This offer is made subject to acceptance and execution of the Purchase Agreement by the District prior to 6:00 p.m., prevailing time in New York, New York, on the date hereof (the “Acceptable Deadline”), and upon such acceptance, evidenced by the signature of a duly authorized officer of the District, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the District and the Underwriters. All capitalized terms used in the Purchase Agreement and not otherwise defined herein shall have the meanings set forth in the hereinafter described Resolution.

1. Defined Terms. Terms used herein and not otherwise defined shall have the meanings set forth in the Resolution.

Acceptance Deadline: The date set forth in first paragraph, being the date and time by which the District must accept this Agreement.

Accountants: Decker & Company PLLC, which has audited the financial statements of the District included in the Preliminary Official Statement and the Official Statement.

Act: Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended.

Agreement: This Bond Purchase Agreement dated the Effective Date, including **Schedule I** attached hereto.

Bond Counsel: Steptoe & Johnson PLLC, Charleston, West Virginia.

Bond Insurer: Build America Mutual Assurance Company, a New York stock insurance company, or any successor thereto or assignee thereof.

Bonds or Securities: The Bonds identified in the heading of the Agreement, as more specifically described in **Schedule I**.

Closing Date: December 1, 2015, being the date of the issuance and delivery of the Securities.

Continuing Disclosure Agreement: The Continuing Disclosure Agreement, dated as of the Closing Date, by and between the District and United Bank, Inc., as disclosure agent, with respect to the Securities in accordance with Rule 15c2-12.

Creditors' Rights Laws: Limitations on enforceability as may result from bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity and from public policy limitations on the exercise of any rights to indemnification and contribution.

Disclosure Counsel: Steptoe & Johnson PLLC.

DTC: The Depository Trust Company.

Effective Date and Time: The date and time upon which the District has accepted this Agreement as set forth on the signature page is the date and time on which this Agreement is effective.

End of the Underwriting Period: The later of (i) the Closing Date or (ii) when the Underwriters no longer retains an unsold balance of the Securities.

Exchange Act: The Securities Exchange Act of 1934, as amended.

Excluded Sections: For purposes of the representations and warranties of the District set forth in Section 8(i) and the opinions of Issuer's Counsel required pursuant to Section 14, the "Excluded Sections" of the Preliminary Official Statement and the Official Statement shall be: (i) the section describing DTC and its book-entry-only procedures, (ii) the section captioned "Tax Matters", (iii) with respect to Issuer's Counsel the section entitled "Continuing Disclosure", (iv) the section captioned "Underwriting", (v) with respect to Issuer's Counsel, the material included in Appendix A, and (vi) the material included in Appendix D captioned "Proposed Form of Bond Counsel Opinion".

Issuer or District: Berkeley County Public Service District.

Issuer Documents: All financing documents to which the District is a party relating to the issuance of and security for the Securities, as such documents are amended and supplemented to the Closing Date, including, but not limited to:

(i) this Agreement,
(ii) the Resolution,
(iii) the Continuing Disclosure Agreement,
(iv) the Tax and Non-Arbitrage Certificate of the District, and
(v) other applicable financing or operative documents to which the District is a party,
as such documents are amended and supplemented to the Closing Date.

Issuer's Counsel: Hoy Singleton, Jr., Esquire.

MSRB: Municipal Securities Rulemaking Board.

Municipal Advisor: As defined in the Exchange Act §15B(e)(4) and the rules and regulations of the SEC and MSRB adopted thereunder.

Official Statement: The Official Statement dated November 2, 2015, relating to the Securities, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

Resolution: The Bond Resolution adopted by the Public Service Board of the District on October 26, 2015, as supplemented by a supplemental parameters resolution adopted by the Public Service Board of the District on October 26, 2015.

Paying Agent: West Virginia Municipal Bond Commission, Charleston, West Virginia.

Policy: A municipal bond insurance policy, if any, issued by the Bond Insurer, insuring the payment when due of principal of and interest on the Series 2015 E Bonds.

Preliminary Official Statement: The Preliminary Official Statement dated October 27, 2015, relating to the Securities, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

Primary Offering Disclosure Period: The period commencing with the first submission to an Underwriters of an order for the purchase of the Securities or the purchase of such Securities from the District, whichever first occurs, and ending 25 days after the final delivery by the District or its agent of all Securities to or through the underwriting syndicate.

Prior Bonds: The District's (i) Water Revenue Bonds, Series 1993 B, dated March 8, 1993, issued in the original aggregate principal amount of \$528,871 (the "Series 1993 B Bonds"); (ii) Water Revenue Bonds, Series 1993 D, dated July 29, 1993, issued in the original aggregate principal amount of \$10,257,957 (the "Series 1993 D Bonds"); (iii) Water Revenue Bonds, Series 1996, dated August 6, 1996, issued in the original aggregate principal amount of \$677,158 (the "Series 1996 Bonds"); (iv) Water Revenue Bonds, Series 2001 A (West Virginia Water Development Authority), dated October 25, 2001, issued in the original aggregate principal amount of \$2,010,000 (the "Series 2001 A Bonds"); (v) Water Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), dated May 15, 2003, issued in the original aggregate principal amount of \$2,430,000 (the "Series 2003 C Bonds"); (vi) Water

Refunding Revenue Bonds, Series 2012 A (Bank Qualified) (the “Series 2012 A Bonds”), dated December 19, 2012 and issued in the original aggregate principal amount of \$7,425,000; (vii) Water Revenue Bonds, Series 2012 B (Bank Qualified) (the “Series 2012 B Bonds”), dated December 20, 2012 and issued in the original aggregate principal amount of \$7,800,000; (viii) Water Refunding Revenue Bonds, Series 2013 A (Bank Qualified), dated December 30, 2013 and issued in the original aggregate principal amount of \$9,900,000 (the “Series 2013 A Bonds”); (ix) Water Refunding Revenue Bonds, Series 2013 B (Taxable), dated December 30, 2013 and issued in the original aggregate principal amount of \$2,875,000 (the “Series 2013 B Bonds”); (x) Water Refunding Revenue Bonds, Series 2015 A (Bank Qualified), dated February 26, 2015 and issued in the aggregate principal amount of \$9,575,000 (the “Series 2015 A Bonds”); (xi) Water Refunding Revenue Bonds, Series 2015 B (Bank Qualified), dated February 26, 2015 and issued in the original aggregate principal amount of \$525,000 (the “Series 2015 B Bonds”); (xii) Water Refunding Revenue Bonds, Series 2015 C (Bank Qualified), dated October 1, 2015, issued in the original aggregate principal amount of \$9,910,000 (the “Series 2015 C Bonds”); and (xiii) Water Refunding Revenue Bonds, Series 2015 D (Bank Qualified), dated October 1, 2015, issued in the original aggregate principal amount of \$2,150,000 (the “Series 2015 D Bonds” and collectively, hereinafter called the “First Lien Bonds”).

There are outstanding obligations of the District which are secured by the Net Revenues of the System but subordinate to the First Lien Bonds and the Series 2015 E Bonds as to liens, pledge and source of and security for payment, being the District’s Water Revenue Bonds, Series 1993 C, dated March 8, 1993, issued in the original aggregate principal amount of \$17,629 and held by the West Virginia Water Development Authority (the “Series 1993 C Bonds” or “Second Lien Bonds”).

The First Lien Bonds are secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with each other and the Series 2015 E Bonds, which lien and pledge are senior and prior to the lien on the Net Revenues of the System of the Second Lien Bonds. The First Lien Bonds and Second Lien Bonds are, collectively, hereinafter called the “Prior Bonds.”

Purchase Price: The amount specified in Section 4 as the Purchase Price to be paid by the Underwriters at the Closing for the purchase of the Securities on the Closing Date.

Registrar: United Bank, Inc., Charleston, West Virginia, which has been appointed as Registrar for the Securities pursuant to the Resolution.

Reserve Policy: A municipal bond debt service reserve insurance policy, if any, issued by the Bond Insurer insuring the reserve requirement.

Rule 15c2-12: Rule 15c2-12 promulgated by the SEC under the Exchange Act.

SEC: The Securities and Exchange Commission of the United States.

Securities or Bonds: The Series 2015 E Bonds identified in the first paragraph of this Agreement, as more specifically described in **Schedule I**.

Securities Act: The Securities Act of 1933, as amended.

State: West Virginia.

Trust Indenture Act: Trust Indenture Act of 1939, as amended.

Underwriters: The firms identified as such in the first paragraph of this Agreement.

Underwriters' Counsel: Jackson Kelly PLLC, Charleston, West Virginia.

2. Offer to Purchase the Securities; Execution of Terms and Acceptance. Upon the terms and conditions and upon the basis of the representations and warranties herein set forth, the Underwriters hereby offer to purchase from the District all (but not less than all) of the Securities, as more particularly described in **Schedule I**. This offer is subject to acceptance by the District by the Acceptance Deadline and, if not so accepted, will be subject to withdrawal by the Underwriters by written notice delivered to the District at any time prior to acceptance. The District shall accept this Agreement by its execution hereof. Upon such execution, the Agreement will be binding upon the Underwriters and the District. This Agreement is effective as of the Effective Date and Time.

3. Purchase of the Securities. The Underwriters shall purchase from the District, and the District shall sell to the Underwriters, all (but not less than all) of the Securities on the Closing Date at the aggregate Purchase Price set forth below, plus accrued interest, if any. The Securities shall bear interest at the rates per annum, mature on the dates, be sold to the public at the prices and be subject to mandatory sinking fund redemption prior to maturity and to such other terms and provisions, all as set forth in **Schedule I**. The Securities otherwise shall be as described in the Official Statement and the Issuer Documents. The Underwriter's agreement to purchase the Securities from the District shall be the obligation of the Underwriters and is made in reliance upon the District's representations, covenants and warranties and on the terms and conditions set forth in this Agreement.

The District acknowledges and agrees that: (i) the primary role of the Underwriters is to purchase securities for resale to investors in an arms-length commercial transaction between the District and the Underwriters, (ii) the Underwriters has financial and other interests that differ from those of the District, (iii) the Underwriters is not acting as a Municipal Advisor, financial advisor or fiduciary to the District or any other person or entity and has not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriters has provided other services or is currently providing other services to the District on other matters), (iv) the only obligations of the Underwriters to the District with respect to the transaction contemplated hereby are expressly as set forth in this Agreement and (v) the District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein.

4. Purchase Price. The Purchase Price of the Series 2015 E Bonds is \$5,550,379.10 (representing the principal amount of the Series 2015 E Bonds of \$5,460,000, less an Underwriters' discount of \$26,293.75, and plus original issue premium of \$116,672.85).

The Purchase Price shall be payable on the Closing Date by the Underwriters by wire transfer in immediately available funds to the order of the West Virginia Municipal Bond Commission, as Escrow Agent under the Escrow Agreement, by and between the District and the Escrow Agent for the advance refunding and defeasance of the District's Series 2009 Bonds (the "Escrow Agreement"); provided that the costs of issuance fund amount shall be wired to the Depository Bank, and the premiums for Policy and Reserve Policy may be wired directly to the Bond Insurer.

5. Public Offering. The Underwriters agree to make a bona fide initial public offering of all the Securities in compliance with federal and state securities laws, at prices not in excess of the respective initial offering prices set forth in the Official Statement. The Underwriters may change the initial offering price or prices as they deem necessary in connection with the offering of the Securities without any requirement of prior notice, and may offer and sell the Securities to certain institutions at prices lower than those stated in the Official Statement. Upon the request of Bond Counsel, the Underwriters shall execute and deliver prior to the Closing an issue price certificate or similar certificate in form and substance reasonably satisfactory to Bond Counsel and the Underwriters.

6. Good Faith Deposit. No Good Faith Deposit will be delivered.

7. Official Statement.

(a) The District hereby consents to and ratifies the use and distribution by the Underwriters of the Preliminary Official Statement in connection with the public offering of the Securities by the Underwriters, and further confirms the authority of the Underwriters to use, and consents to the use of, the final Official Statement with respect to the Securities in connection with the public offering and sale of the Securities. The District hereby represents and warrants that the Preliminary Official Statement previously furnished to the Underwriters was "deemed final" by the District as of its date for purposes of Rule 15c2-12, except for permitted omissions.

(b) The District hereby consents to and ratifies the use and distribution by the Underwriters of the Official Statement in connection with the public offering and sale of the Securities by the Underwriters.

(c) The District, at its cost, shall provide, or cause to be provided, to the Underwriters within seven business days after the date of this Agreement (or within such shorter period as may be approved by the Underwriters or required by applicable rule) such number of copies of a final Official Statement as reasonably requested by the Underwriters, but in sufficient quantity to permit the Underwriters to comply with paragraph (b)(4) of Rule 15c2-12, and Rule G-32 and any other applicable rules of the SEC and the MSRB.

- (d) The District authorizes the Underwriters to file, to the extent required by any applicable SEC or MSRB rule, and the Underwriters agree to so file, the Official Statement with the MSRB or its designee. If an amended Official Statement is prepared during the “primary offering disclosure period,” and if required by any applicable SEC or MSRB rule, the Underwriters also shall make the required filings of the amended Official Statement. The District shall provide the Underwriters with the information necessary to complete MSRB Form G-32 for all filings to be made under this Section 7.
- (e) The Preliminary Official Statement and the Official Statement may be delivered in printed and a “designated electronic format” as defined in the MSRB’s Rule G-32 and as may be agreed by the District and the Underwriters. If the Official Statement has been prepared in electronic form, the District hereby confirms that it does not object to distribution of the Official Statement in electronic form.
- (f) The District shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriters. The District covenants to notify the Underwriters promptly if, on or prior to the 25th day after the End of the Underwriting Period, (or such other period as may be agreed to by the District and the Underwriters) any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and if in the opinion of the Underwriters such event requires the preparation and distribution of a supplement or amendment to the Official Statement, to prepare and furnish to the Underwriters, at the District’s expense, such number of copies of the supplement or amendment to the Official Statement, in (i) a “designated electronic format” consistent with the requirements of the MSRB’s Rule G-32 and (ii) a printed format in form and substance mutually agreed upon by the District and the Underwriters, as the Underwriters may reasonably request. If such notification shall be given subsequent to the Closing Date, the District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

8. Representations and Warranties of Issuer. The District hereby agrees with, and makes the following representations and warranties to, the Underwriters, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

- (a) The District is duly created and existing under the constitution and laws of the State and has full legal right, power and authority under the constitution and laws of the State, including the Act, to adopt the Resolution, to execute and deliver the Issuer Documents and the Official Statement, to issue, sell and deliver the Bonds as

provided herein, and to carry out and to consummate the transactions contemplated by the Issuer Documents and the Official Statement.

- (b) By all necessary official action of the District prior to or concurrently with the acceptance hereof, the District has duly authorized and approved (A) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement for use by the Underwriters in connection with the public offering of the Securities, (B) the issuance and sale of the Bonds upon the terms set forth herein and as contemplated by the Resolution, the Issuer Documents and the Official Statement and (C) the execution and delivery of, and the performance by the District of the obligations on its part contained in, the Securities and the Issuer Documents.
- (c) The Bonds will be issued in conformity with and shall be entitled to the benefit and security of the Issuer Documents. When delivered to and paid for by the Underwriters in accordance with the terms of this Agreement, the Securities will have been duly authorized, executed, authenticated, issued and delivered and will constitute valid and binding limited obligations of the District payable from revenues and moneys pledged therefor under the Resolution and will be entitled to the benefit of the Resolution.
- (d) This Agreement constitutes a legal, valid and binding obligation of the District enforceable in accordance with its terms; the other Issuer Documents, when duly executed and delivered, will constitute the legal, valid and binding obligations of the District enforceable in accordance with their respective terms; and the Securities, when issued, authenticated and delivered in accordance with the Issuer Documents and sold to the Underwriters as provided herein, will be the legal, valid and binding obligations of the District enforceable in accordance with their terms; in all cases, except as to the enforceability of this Agreement, the other Issuer Documents and the Securities may be limited by application of Creditors' Rights Laws.
- (e) The District is not in breach of or default in any material respect under (if applicable) its enabling legislation or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the District under any of the foregoing.
- (f) All financial statements of the District included as a part of the Preliminary Official Statement and the Official Statement (the "Financial Statements"), fairly present the financial condition of the District as of the respective dates and have been prepared when so indicated in accordance with generally accepted accounting principles consistently applied and since the respective most recent dates as of which

information is given in the Preliminary Official Statement or the Official Statement, there has not been any material change in the long-term debt of the District or any material adverse change in the general affairs, management, financial position, or results of the District and no material transactions or obligations other than in the ordinary course of business have been entered into with respect to the District, except as reflected in or contemplated by the Official Statement.

- (g) The enactment, adoption, execution and delivery of the Securities and the Issuer Documents, and compliance with the provisions on the District's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets are otherwise subject, and such enactment, adoption, execution, delivery or compliance will not result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature upon the assets of the District, except as provided by the Securities and the Issuer Documents.
- (h) All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the issuance of the Securities or the due performance by the District of its obligations under the Resolution, the Issuer Documents and the Securities have been duly obtained or will be obtained prior to the Closing, except that the District makes no representations with respect to (A) such authorizations, approvals, consents and orders, if any, as may be required under federal or state securities laws of any jurisdiction in connection with the offering and sale of the Securities and (B) authorizations, approvals, consents and orders that are required to be obtained or renewed periodically, such as budgets, licenses and permits.
- (i) The Preliminary Official Statement as of its date did not, and the Official Statement as of its date does not, and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, that the District makes no statement as to the Excluded Sections of the Preliminary Official Statement or the Official Statement.
- (j) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, agency, public board or body, pending or, to the knowledge of the District, threatened against the District: (A) affecting the existence of the District or the titles of its officers to their respective offices, (B) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Securities or the collection of local bond payments for the repayment of the Securities or the making of any other required deposits with respect to the Securities, (C) in any way contesting or affecting the validity or enforceability of, or the power or authority of the District to issue, enact,

adopt or to enter into (as applicable), the Securities or the Issuer Documents, (D) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (E) except as disclosed in the Official Statement, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the District or would result in any material adverse change in the ability of the District to collect local bond payments for the repayment of the Securities or (F) contesting the status of the interest on the Securities as excludable from gross income for federal income tax purposes or as exempt from any applicable state tax, in each case as described in the Official Statement.

- (k) The District will enter into the Escrow Agreement and provide for the defeasance of the Series 2009 Bonds.
- (l) The District has received all licenses, permits or other regulatory approvals required, if any, and the District is not in material default, and no event has occurred which would constitute or result in a material default, under any such licenses, permits or approvals.
- (m) The District has entered or will enter into the Continuing Disclosure Agreement and, unless otherwise described in the Official Statement or set forth below, the District has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.
- (n) The Resolution, the Issuer Documents and the Bonds conform to the description thereof contained in the Official Statement.
- (o) The District has the legal authority to apply proceeds of the Bonds for the purposes contemplated by the Resolution and the Issuer Documents, including for the payment or reimbursement of incidental expenses in connection with the marketing, issuance and delivery of the Bonds to the extent required by this Agreement and in compliance with applicable law.

9. Covenants of the District. The District hereby covenants with the Underwriters that:

- (a) Prior to the Closing Date, except as otherwise contemplated by the Official Statement, the District shall not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the assets, properties, funds or interests of the District.
- (b) The District shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without prior written notice to the Underwriters.

- (c) The District shall promptly advise the Underwriters by written notice of any matter arising or discovered after the date of this Agreement and prior to the Closing Date that if existing or known at the date hereof would render any of the representations or warranties set forth herein to be untrue or misleading or might adversely affect the correctness or completeness of any statement of a material fact regarding the District contained in the Official Statement; or any developments that affect the accuracy and completeness of the key representations (within the meaning of Rule 15c2-12) regarding the District contained in the Official Statement.
- (d) The District will undertake, pursuant to the Continuing Disclosure Agreement, to provide annual reports and notices of certain events in compliance with Rule 15c2-12. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.
- (e) The District shall cooperate with the Underwriters in the qualification of the Securities for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions, to the extent applicable, as the Underwriters may request; *provided*, that the District shall not be required to qualify as a foreign corporation in, or submit to the general jurisdiction of, any other state or to file any general or special consents to service of process under the laws of any jurisdiction.
- (f) Unless the Securities are being issued as taxable Securities, the District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable state tax, of the interest on the Securities.

10. Representations and Warranties of the Underwriters. The Underwriters hereby agree with, and make the following representations and warranties to, the District, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

- (a) The Underwriters are each duly organized, validly existing and in good standing under the laws of the jurisdiction of their respective organization and authorized to do business in the State.
- (b) This Agreement has been duly authorized, executed and delivered by the Underwriters and, assuming the due authorization, execution and delivery by the District, is the legal, valid and binding obligation of the Underwriters enforceable in accordance with its terms, except as the enforceability of this Agreement may be limited by application of Creditors' Rights Laws.
- (c) The Underwriters represent that they are licensed by and registered with the Financial Industry Regulatory Authority as broker-dealers and the MSRB as a municipal securities dealers.

11. Third-Party Credit Enhancement or Support. The Policy and Reserve Policy shall be provided with respect to the Series 2015 E Bonds, and their issuance shall be a condition precedent to Closing.

12. Ratings. On the Closing Date, the Bonds shall be rated “AA” by Standard & Poor’s Rating Services based on delivery of a Municipal Bond Insurance Policy from Build America Mutual Assurance Company and an underlying rating of “A2” by Moody’s Investor’s Service, Inc.

13. Closing.

- (a) The delivery of and payment for the Securities shall be the “Closing” for the Securities and shall occur at or prior to 1:00 p.m., New York City time, on the Closing Date, or at such other time or on such other date as may be mutually agreed by the Underwriters and the District.
- (b) The District and the Underwriters agree that there shall be a preliminary closing held at the offices of Bond Counsel in Charleston, West Virginia, commencing at least 24 hours prior to the Closing Date, or at such other time or place as the District and the Underwriters shall agree.
- (c) At the Closing, the District shall deliver or cause to be delivered the Securities to the Registrar as DTC’s FAST closing agent on behalf of the Underwriters, as further described in paragraph (d) below. The Securities shall be delivered in definitive form, duly executed by the Chairman of the District, attested by the Secretary of the District and authenticated by the Registrar, together with the other documents identified in Section 14. Subject to satisfaction of the conditions contained in this Agreement, the Underwriters will accept delivery of the Securities as described above and pay the Purchase Price, plus accrued interest, if any, on the Securities from their dated date to, but not including, the Closing Date, in immediately available funds, payable to the order of the Depository Bank or as otherwise directed by the District.
- (d) Delivery of the definitive Securities shall be made to the Registrar as DTC’s FAST agent with respect to DTC’s book-entry-only system in New York, New York, or at such other location as may be designated by the Underwriters prior to the Closing. The Securities will be delivered as fully-registered bonds, bearing CUSIP numbers, with a single bond for each maturity of each series of the Securities (or, if so provided in **Schedule I**, for each separate interest rate within a maturity), and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Securities. Unless otherwise requested by the Underwriters, the Securities will be delivered under DTC’s FAST delivery system.
- (e) After execution by the District and authentication by the Registrar, the Bonds shall be held in safe custody by the Registrar or any authorized agent for the Registrar. The Registrar shall release or authorize the release of the Bonds from safe custody at the Closing upon receipt of payment for the Bonds.

14. Closing Conditions. The obligations of the Underwriters hereunder shall also be subject to the following additional conditions:

- (a) At and as of the Closing Date, (i) the Official Statement, this Agreement and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriters, and (ii) the proceeds of the sale of the Securities shall be deposited and applied as described in the Official Statement.
- (b) Receipt of the Securities, which shall have been executed and delivered by the District and authenticated by the Registrar, and executed copies of the Issuer Documents at or prior to the Closing.
- (c) On or prior to the Closing Date, the Underwriters shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Underwriters and the District:
 - (i) The unqualified approving opinions, dated as of the Closing Date, of Bond Counsel, in the form attached as Appendix D to the Official Statement, and if such opinion is not addressed to the Underwriters, a reliance opinion from Bond Counsel providing that the Underwriters may rely on the opinion of Bond Counsel;
 - (ii) A supplemental opinion of Bond Counsel, dated as the Closing Date, substantially in the form attached hereto as Exhibit A;
 - (iii) The opinion of Issuer's Counsel, dated as of the Closing Date and addressed to the Underwriters, substantially in the form attached hereto as Exhibit B;
 - (iv) The opinion of Underwriter's Counsel, dated as of the Closing Date, substantially in the form attached hereto as Exhibit C;
 - (v) A certificate of the District executed and delivered by the Chairman, or any other duly authorized officer, satisfactory to the Underwriters, dated as of the Closing, to the effect that: (A) the District has duly performed all of its obligations to be performed at or prior to the Closing and that each of its representations and warranties contained herein are true as of Closing, (B) it has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Securities, the Continuing Disclosure Agreement, the Resolution and all other Issuer Documents as may be required to be executed, delivered and received by the District in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement, (C) to the District's knowledge, no litigation is pending or threatened, to restrain or enjoin the issuance or sale of the Securities or in any way affecting any authority for or the

validity of the Securities or the Issuer Documents, (D) the execution, delivery, receipt and due performance of the Securities, the Issuer Documents and the other agreements contemplated hereby and by the Official Statement under the circumstances contemplated thereby and the District's compliance with the provisions thereof will not conflict with or constitute on the part of the District a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the District is subject or by which it may be bound, (E) to the best of such officer's knowledge, no event affecting the District has occurred since the date of the Official Statement that should be disclosed in the Official Statement to make the statements and information therein not misleading in any material respect for the purposes for which it is to be used, (F) the District is in compliance, unless otherwise waived, with all covenants in its outstanding ordinances which authorized bonds secured by the net revenues of the System and (G) the District is obligated by such Continuing Disclosure Agreement and is in full compliance with all of its prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5), excepting only such matters as may be described in the Continuing Disclosure section of the Official Statement;

(vi) Copies of this Agreement executed by the parties thereto;

(vii) Duly authorized and executed copies of the Continuing Disclosure Agreement, in substantially the form attached as Appendix E to the Official Statement and incorporated herein, which complies with the provisions of Rule 15c2-12(b)(5) in form and substance satisfactory to the Underwriters and certificate of the District executed by authorized officers thereof, dated the Closing Date and in form and substance satisfactory to the Underwriters and counsel to the Underwriters, to the effect that the District is obligated by such Continuing Disclosure Agreement and except as provided in the Official Statement is in full compliance with all of the District's prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5);

(viii) The Resolution, certified by the Secretary of the District under the seal of the District, as having been duly adopted by the District and as being in full force and effect, with only such amendments, modifications or supplements as may have been agreed to by the Underwriters;

(ix) Evidence of "AA" rating from Standard & Poor's Rating Services based on the delivery of an insurance policy from the Bond Insurer and an underlying rating of "A2" by Moody's Investor's Service, Inc.;

(x) An Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in the form satisfactory to Bond Counsel for filing, executed by the duly authorized officer of the District and evidence that the

District has adopted post issuance compliance guidelines sufficient to allow the District to check boxes 43 and 44 on Form 8038-G;

(xi) Evidence that the Series 2009 Bonds have been defeased until the first available call date; including a defeasance opinion of Bond Counsel and a defeasance certificate from the escrow agent for the Series 2009 Bonds;

(xii) A certificate of the Accountants that the District has net revenues sufficient to meet the rate coverage requirements of the Resolution and meet the additional bonds parity test of each of the resolutions authorizing each series of the Prior Bonds;

(xiii) A certificate of the Registrar that all conditions precedent contained in the Resolution for the issuance of the Bonds have been met and the Bonds are entitled to the benefit and security of the Resolution;

(xiv) Two counterpart originals of a transcript of all proceedings relating to the authorization and issuance of the Securities;

(xv) Consent from the Accountants to use the District's audit in the Preliminary Official Statement and Official Statement;

(xvi) A tax and arbitrage certificate of the District, including evidence that all existing rebate calculation requirements have been met;

(xvii) A consent from the holders of the Prior Bonds, if required, to the issuance of the Bonds on a parity with the Prior Bonds;

(xviii) Executed copies of the Escrow Agreement for the Series 2009 Bonds;

(xix) Evidence that the reserve funds for the Prior Bonds are funded at the levels required therefor and that the reserve fund for the Series 2015 E Bonds is fully funded with the Reserve Policy;

(xx) Evidence of the Policy for the Series 2015 E Bonds from the Bond Insurer; and

(xxi) Such additional legal opinions, certificates, proceedings, instruments and other documents as Underwriter's Counsel or Bond Counsel may reasonably request to evidence compliance by the District with legal requirements, the truth and accuracy, as of the Closing Date, of the respective representations of the District herein contained and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

If the District shall be unable to satisfy the conditions to the obligations of the

Underwriters contained in this Agreement, or if the obligations of the Underwriters to purchase and accept delivery of the Securities shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriters nor the District shall be under further obligation hereunder, except that the respective obligations to pay expenses, as provided herein, shall continue in full force and effect.

15. Issue Price Certificate. The Underwriters shall execute and deliver on the Closing Date an issue price or similar certificate in form and substance reasonably satisfactory to the District, Bond Counsel and the Underwriters.

16. Termination. The Underwriters shall each have the right to cancel its obligation to purchase the Securities and to terminate this Agreement by written notice to the District if, between the Effective Date to and including the Closing Date, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

- (a) the market price or marketability of the Securities, or the ability of the Underwriters to enforce contracts for the sale of the Securities, shall be materially adversely affected by any of the following events:
 - (i) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Securities, provided that this paragraph (a) (i) shall not apply if the Securities are being issued as taxable Securities; or
 - (ii) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere; or
 - (iii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or
 - (iv) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee,

or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Securities, the Resolution or the Issuer Documents, or any comparable securities of the District, are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or

(v) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the District shall have occurred; or

(vi) any rating on securities of the District shall have been downgraded or placed on negative watch; or

(vii) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriters) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Securities or the ability of the Underwriters to enforce contracts for the sale of the Securities; or

(viii) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(ix) a material disruption in securities settlement, payment or clearance services affecting the Securities shall have occurred; or

(x) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, the Underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(xi) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Securities, including the underlying obligations as contemplated by this

Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Securities, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

Upon the occurrence of a Termination Event and the termination of this Agreement by the Underwriters, all obligations of the District and the Underwriters under this Agreement shall terminate, without further liability, except that the District and the Underwriters shall pay their respective expenses as set forth in Section 17 of this Agreement.

17. Payment of Expenses.

- (a) The Underwriter shall be under no obligation to pay, and the District shall pay from available funds or direct the Paying Agent under the Resolution and the Issuer Documents to pay from the proceeds of the Bonds (to the extent permitted under applicable law) or from other funds of the District (to the extent permitted by applicable law), all expenses that are incidental to the performance of the District's obligations under this Agreement, including but not limited to: all expenses in connection with the printing of the Preliminary Official Statement, the Official Statement and any amendment or supplement to either; all expenses in connection with the printing, issuance and delivery of the Bonds; the fees and expenses of Bond Counsel, Disclosure Counsel, Underwriters' Counsel, and Issuer's Counsel; the fees and expenses of the District's financial advisors, Accountants, any verification consultant and all other consultants; the fees and disbursements of any Trustee, any Paying Agent and any escrow agent, and their respective counsel; all expenses in connection with obtaining a rating or ratings for the Bonds; all expenses of the District in connection with the preparation, printing, execution and delivery, and any recording or filing, of the Resolution, any Issuer Document or any other instrument; the District's administrative fees; premiums for the Policy and Reserve Policy; and all other expenses and costs of the District incident to its obligations in connection with the authorization, issuance, sale and distribution of the Bonds. Unless the District and the Underwriters otherwise agree, the District shall pay for all incidental costs (including, but not limited to, transportation, lodging, meals and entertainment of Issuer personnel) incurred by or on behalf of the District in connection with the marketing, issuance and delivery of the Bonds.
- (b) The Underwriters shall pay the costs of qualifying the Bonds for sale in the various states chosen by the Underwriters, all advertising expenses in connection with the public offering of the Securities and all other expenses incurred by the Underwriters in connection with the public offering and distribution of the Bonds (the fees and expenses of Underwriters' Counsel shall be paid from the proceeds of the Bonds).

18. Blue Sky Qualification. The District agrees to cooperate with the Underwriters and its counsel in any endeavor to qualify the Securities for offering and sale under securities or blue sky laws of such jurisdictions of the United States as the Underwriters may request. The District consents to the use of the Preliminary Official Statement and the Official Statement by

the Underwriters in obtaining such qualification. The District shall not be required to register in any jurisdiction.

19. Notices. Any notice or other communication to be given to the District under this Agreement may be given by certified mail or by delivering the same in writing to the District at the address set forth above. Any notice or other communication to be given to the Underwriters under this Agreement may be given by certified mail or by delivering the same in writing to the Underwriters at the following address:

Piper Jaffray & Co.
101 South Tryon Street
Charlotte, NC 28280

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, WV 25301

Such notice addresses may be changed by providing notice to the other party pursuant to the means above described.

20. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia. To the extent allowed by law, each of the parties hereto irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of this Agreement or the transactions contemplated hereby. The Underwriters acknowledges that the District cannot subject itself to the jurisdiction of courts other than courts in West Virginia.

21. Miscellaneous. This Agreement is made solely for the benefit of the signatories hereto (including the Underwriters and its successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. Neither the District nor the Underwriters may assign this Agreement. The term "successor" shall not include any holder of any Securities merely by virtue of such holding. All representations, warranties, agreements and indemnities contained in this Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriters, and shall survive the delivery of and payment for the Securities and any termination of this Agreement. Section headings have been included in this Agreement as a matter of convenience of reference only and are not to be used in the interpretation of any provisions of this Agreement. If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, because it conflicts with any provisions of any constitution, statute, rule of public policy or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

22. Counterparts. This Agreement may be executed in one or more counterparts with the same force and effect as if all signatures appeared on a single instrument.

23. Signatures. Upon execution by the District and the Underwriters, this Agreement shall be binding upon the District and the Underwriters as of the Effective Date and Time.

[Remainder of Page Intentionally Blank]

Very truly yours,

PIPER JAFFRAY & CO., on behalf of itself
and CREWS & ASSOCIATES, INC.

By: Joseph A. Wozniak

Its: Managing Director

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

By: [Signature]
Authorized Representative

ACCEPTANCE DATE AND TIME:
November ____, 2015 at ____ p.m.

SCHEDULE I

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

\$5,460,000

WATER REFUNDING REVENUE BONDS SERIES 2015 E (BANK QUALIFIED)

Maturity Date	Amount	Rate	Price	CUSIP
12/01/2017	\$595,000	2.000%	101.975%	084246 LM7
12/01/2018	\$755,000	2.000%	102.201%	084246 LN5
12/01/2019	\$265,000	2.000%	101.934%	084246 LP0
12/01/2020	\$275,000	2.000%	101.191%	084246 LQ8
12/01/2021	\$275,000	2.000%	100.000%	084246 LR6
12/01/2022	\$285,000	2.150%	100.000%	084246 LS4
12/01/2023	\$295,000	2.300%	100.000%	084246 LT2
12/01/2024	\$300,000	3.000%	104.830%	084246 LU9
12/01/2025	\$315,000	3.000%	104.399%	084246 LV7
12/01/2026	\$915,000	3.000%	103.056%*	084246 LW5
12/01/2027	\$940,000	3.000%	102.172%*	084246 LX3
12/01/2028	\$245,000	3.000%	101.297%*	084246 LY1

*Priced to call date.

Optional Redemption

The Series 2015 E Bonds maturing on and after December 1, 2026, are subject to redemption at the option of the District, prior to maturity, on or after December 1, 2025, in whole or in part at any time from amounts deposited with the Bond Commission by the District or from other funds available therefor at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

EXHIBIT A

SUPPLEMENTAL BOND COUNSEL OPINION

[LETTERHEAD OF STEPTOE & JOHNSON PLLC]

December __, 2015

Berkeley County Public Service District
Martinsburg, West Virginia

Piper Jaffray & Co.
Charlotte, North Carolina

Crews & Associates, Inc.
Charleston, West Virginia

Re: Berkeley County Public Service District \$ _____
Water Refunding Revenue Bonds Series 2015 E (Bank Qualified)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by Berkeley County Public Service District (the "Issuer") of its \$ _____ aggregate principal amount of Water Refunding Revenue Bonds, Series 2015 E Bank Qualified) (the "Series 2015 E Bonds"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality of the Series 2015 E Bonds and the exclusion of interest on the Series 2015 E Bonds from gross income for federal income tax purposes (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement and such other matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings assigned to them in the Bond Purchase Agreement (the "Purchase Agreement") dated November __, 2015, between the Issuer and Piper Jaffray & Co., collectively, on behalf of itself, and Crews & Associates, Inc. (collectively, the "Underwriters"), and approved by the Issuer.

Based upon the foregoing, we are of the opinion that:

1. This Purchase Agreement has been duly authorized, executed and delivered by, and (assuming due authorization, execution and delivery by the other parties and that it is a binding agreement of the other parties in accordance with its terms) constitutes a binding agreement in accordance with its terms of, the District.

2. The Series 2015 E Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

3. The statements contained in the Official Statement under the caption “Tax Matters” are true and accurate in all material respects and present a fair and accurate summary and description of the matters summarized and described under such caption.

4. Nothing has come to our attention which would lead us to believe that the statements contained in the Official Statement under the captions “Security for the Series 2015 E Bonds,” “The Series 2015 E Bonds” (except for the statements referred to therein under “Book-Entry “Series 2015 E Bonds” with respect to The Depository Trust Company), “Financing Plan,” “Appendix D – Form of Opinion of Bond Counsel,” “Appendix F – Bond Authorizing Resolution” insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Bond Authorizing Resolution, do not present fairly in all material respects the matters referred to therein.

Very truly yours,

EXHIBIT B

FORM OF OPINION OF COUNSEL TO ISSUER

[LETTERHEAD OF HOY SHINGLETON, JR., ESQ.]

December __, 2015

Berkeley County Public Service District
Martinsburg, West Virginia

Piper Jaffray & Co.
Charlotte, North Carolina

Crews & Associates, Inc.
Charleston, West Virginia

Re: Berkeley County Public Service District \$ _____
Water Refunding Revenue Bonds Series 2015 E (Bank Qualified)

Ladies and Gentlemen:

I have acted as counsel for Berkeley County Public Service District (the “Issuer”) and have acted as such in connection with the sale of the above-referenced Bonds (the “Bonds”), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of November __, 2015 (the “Purchase Agreement”), between Piper Jaffray & Co. (the “Underwriters”) and the Issuer. Any capitalized term used herein and not defined shall have the meaning assigned to it in the Purchase Agreement.

In this connection, I have reviewed and examined certain proceedings and documents with respect to the Bonds, any such records, certificates and other documents as I have considered necessary or appropriate for the purposes of this opinion, the Constitution and the laws of the State of West Virginia, specifically Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the “Act”), the Resolution of the Issuer relating to the Bonds adopted by the Public Service Board of the District on October 26, 2015 (the “Bond Resolution”), as supplemented by a supplemental parameters resolution adopted by the Public Service Board of the District on October 26, 2015 (the “Supplemental Resolution” and collectively with the Bond Resolution, hereinafter the “Resolution”), the Continuing Disclosure Agreement (the “Undertaking”), the Purchase Agreement, the Preliminary Official Statement dated October 27, 2015, and the Official Statement dated November __, 2015, with respect to the issuance and offering of the Bonds (collectively the “Official Statement”), and a closing certificate of the Issuer. Based on such review and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

1. The District is a political subdivision and public service district of the State of West Virginia.

2. The District has complied with all requirements of the Act that must be satisfied in connection with the issuance of the Bonds.

3. No litigation is pending, or to my knowledge, threatened in any court in any way affecting the existence of the District or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection of Net Revenues of the System pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or the Purchase Agreement, or contesting the powers of the District with respect to the Bonds, the Resolution, the Undertaking or the Purchase Agreement or any transaction described in or contemplated by the Official Statement.

4. The Official Statement, as amended or supplemented to the date of Closing (except as aforesaid) contains no untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein regarding the District, in light of the circumstances under which they were made, not misleading.

5. The statements contained in the Official Statement under the captions "Financing Plan," "The Series 2015 E Bonds," "Security for the Series 2015 E Bonds," "The District and the System," "Annual Debt Service Requirements," "Summary of Certain Provisions of the Resolution" and "Absence of Material Litigation," insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Resolution, are accurate and present a fair summary of the matters referred to therein.

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

Very truly yours,

EXHIBIT C
FORM OF UNDERWRITER'S COUNSEL OPINION
[LETTERHEAD OF JACKSON KELLY PLLC]

December __, 2015

Piper Jaffray & Co.
Charlotte, North Carolina

Crews & Associates, Inc.
Charleston, West Virginia

Re: Berkeley County Public Service District \$ _____
Water Refunding Revenue Bonds Series 2015 E (Bank Qualified)

Ladies and Gentlemen:

We have acted as counsel to you, Piper Jaffray & Co., and Crews & Associates, Inc. (the "Underwriters"), in connection with your purchase of the above-referenced bonds (the "Bonds") pursuant to a Bond Purchase Agreement dated November __, 2015 (the "Purchase Agreement") between Berkeley County Public Service District, West Virginia (the "Issuer") and you. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Purchase Agreement.

In connection with rendering this opinion, we have examined the Purchase Agreement and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended and presently in effect (the "Rule").

Based upon the foregoing review, we are of the opinion that the Purchase Agreement has been duly authorized, executed and delivered by the Underwriters and (assuming due authorization, execution and delivery by the other parties and that it is a binding agreement of the other parties in accordance with its terms) constitutes a valid and binding agreement in accordance with its terms of, the Underwriters, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting the respective parties, the exercise of judicial discretion or the availability of equitable remedies.

It is also our opinion that the Continuing Disclosure Agreement complies as to form in all material respects with the requirements of subparagraph (b)(5) of the Rule in effect as of the date hereof and applicable to continuing disclosure agreements.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriters; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Bonds.

Very truly yours,

BERKELEY COUNTY PUBLIC SERVICE DISTRICT
WATER REFUNDING REVENUE BONDS, SERIES 2015 E (BANK QUALIFIED)

ESCROW AGREEMENT

This ESCROW AGREEMENT, made and entered into as of December 1, 2015, by and between BERKELEY COUNTY PUBLIC SERVICE DISTRICT, Martinsburg, West Virginia (the "Issuer") and the WEST VIRGINIA MUNICIPAL BOND COMMISSION, Charleston, West Virginia (the "Escrow Agent").

WITNESETH THAT:

WHEREAS, the Issuer is authorized, by the Constitution and laws of the State of West Virginia, including Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"), to issue refunding revenue bonds for the purpose of refunding, paying or discharging all or any part of its outstanding revenue bonds, including interest thereon;

WHEREAS, the Issuer has determined and hereby determines that present value debt service savings would result from the Issuer's advance refunding of its outstanding Water Revenue Bonds, Series 2009 (Bank Qualified), dated February 17, 2009, issued in the original aggregate principal amount of \$7,510,000 (the "Series 2009 Bonds");

WHEREAS, the Series 2009 Bonds were issued pursuant to a Resolution of the Issuer duly adopted on January 12, 2009, as supplemented by Supplemental Resolution adopted January 12, 2009 (collectively, the "2009 Resolution");

WHEREAS, the Issuer has determined to issue its Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified), dated December 1, 2015, in the original aggregate principal amount of \$5,460,000 (the "Series 2015 E Bonds") and to legally defease its Series 2009 Bonds maturing on or after December 1, 2016 by applying a portion of the proceeds of the Series 2015 E Bonds to purchase Government Securities, as hereinafter defined and described, and certain moneys of the Issuer ("Issuer's Funds") available therefor, to be deposited in the Escrow Fund herein described;

WHEREAS, the Issuer has determined to issue its Series 2015 E Bonds, on December 1, 2015, pursuant to a Resolution duly adopted on October 26, 2015, as amended and supplemented by Supplemental Resolution duly adopted October 26, 2015 (collectively, the "Resolution"), and contemporaneously with the issuance of the Series 2015 E Bonds, apply the proceeds thereof to the purchase of United States Treasury Obligations (the "Government Securities") to be deposited, together with Issuer's Funds, in the Escrow Fund herein described;

WHEREAS, the Escrow Agent will cause to be purchased on behalf of the Issuer, with a portion of the proceeds of the Series 2015 E Bonds, the Government Securities described in the Verification Report, dated December 1, 2015, of AMTEC, a firm of independent certified

public accountants, attached hereto as EXHIBIT A - VERIFICATION REPORT (the "Verification Report");

WHEREAS, the Government Securities and Issuer's Funds shall be delivered to the Escrow Agent simultaneously with the delivery of the Series 2015 E Bonds or are already on deposit with the Escrow Agent;

WHEREAS, the Escrow Agent shall pay the interest on the Series 2009 Bonds in the amount of \$116,335 on June 1, 2016 and in the amount of \$116,335, on December 1, 2016, from funds deposited in the Escrow Fund;

WHEREAS, the amounts deposited in the Escrow Fund being \$6,077,525.09, which will be held by the Escrow Agent shall be sufficient to insure the payment of the interest on the Series 2015 E Bonds on June 1, 2016 and the payment of the principal of and interest on the Series 2009 Bonds on December 1, 2016, being the redemption date thereof (the "Redemption Date"), plus a redemption premium, if any, thereon (collectively, the "Redemption Price");

WHEREAS, the Issuer has found it desirable to appoint the Escrow Agent and the Escrow Agent has agreed to such appointment for the purposes making the disbursing on the Redemption Date, the Redemption Price and holding, investing and reinvesting any cash balances which may at any time not be needed for immediate disbursement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and in order further to secure payment of the Series 2009 Bonds, as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

1. There is hereby created and established with the Escrow Agent an irrevocable trust fund to be known as the Escrow Fund, to be held in the custody of the Escrow Agent, separate and apart from all other funds of the Issuer and the Escrow Agent. The deposit of moneys in the Escrow Fund shall constitute an irrevocable deposit of said moneys in trust for, and such moneys, together with any interest earned thereon, shall be applied, except as otherwise provided herein, to the payment of the Redemption Price on the Redemption Date, all in accordance with paragraph 4 hereof.

2. On December 1, 2015, the Escrow Agent shall transfer \$712,080.93 from the Series 2009 Bonds Reserve Account for deposit into the Escrow Fund.

3. On December 1, 2015, proceeds of the Series 2015 E Bonds in the amount of \$5,365,444.16 are to be deposited in the Escrow Fund.

On December 1, 2015, the Issuer and the Escrow Agent shall cause (i) proceeds of the Series 2015 E Bonds in the amount of \$5,365,444.16; and (ii) from the amounts described in Paragraph 2 above, on deposit with the Escrow Agent in the Series 2009 Bonds Reserve Account in the amount of \$595,377.09 deposited in the Escrow Fund (total of \$5,960,821.25), to be

applied to the purchase of the Government Securities. The funds remaining in the Escrow Fund shall be used to pay the interest due on the Series 2009 Bonds on June 1, 2016. The amount in the Escrow Fund shall be applied solely to the payment of the Series 2009 Bonds. Attached hereto as Exhibit C is a list of the Government Securities purchased on December 1, 2015.

Series 2015 E Bonds Proceeds deposited in Escrow Fund	\$5,365,444.16
<u>Portion of transfer from Series 2009 Bonds Reserve Account</u>	<u>595,377.09</u>
Amount to Purchase Government Securities	\$5,960,821.25

4. A. On June 1, 2016, the Escrow Agent shall pay from the Escrow Fund the required interest payment on the Series 2009 Bonds in the amount of \$116,335.

B. On December 1, 2016, the Redemption Date, the Escrow Agent shall transfer \$5,991,335 (the "Redemption Price") from the Escrow Fund, to the bond holders. United Bank, Inc., as registrar for the Series 2009 Bonds, will provide the holders of the Series 2009 Bonds notice as is required by the 2009 Resolution.

5. The holders of the Series 2009 Bonds shall have an express lien on all moneys in the Escrow Fund until paid out, used and applied in accordance with this Agreement.

6. The Escrow Agent shall be entitled to fees for services rendered under this Escrow Agreement and reasonable expenses as set forth in EXHIBIT B - ESCROW AGENT FEES, attached hereto. The Issuer shall pay from its own funds, to the Escrow Agent the amounts at the times set forth in EXHIBIT B. In no event shall such fees or expenses be paid from the Escrow Fund, nor shall the Escrow Agent or the paying agent have any lien whatsoever upon any of the moneys in the Escrow Fund for the payment of such fees or expenses.

7. The Issuer and the Escrow Agent independently hereby covenant that no part of the moneys at any time in the Escrow Fund shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2009 Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, or to be subject to treatment under Section 148 as an obligation not described in Section 103 of the Code.

8. The Escrow Agent shall not have any responsibility with respect to the sufficiency of this Escrow Agreement to effect payment, redemption or defeasance of the Series 2009 Bonds. The liability of the Escrow Agent for the payment of the principal of, interest on and redemption premium, if any, on the Series 2009 Bonds shall be limited to the payment of all amounts required to be paid pursuant to Paragraph 3 hereof. The Escrow Agent shall not be liable or responsible because of the failure of the Issuer to perform any act required of it by this Escrow Agreement. The Escrow Agent shall have no responsibility to the Issuer or any other person in connection with this Escrow Agreement, except as specifically provided herein, and shall not be responsible for anything done or omitted to be done by it except for its own gross negligence or willful default in the performance of any obligation imposed on it hereunder.

9. By execution of this Escrow Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent represents that it has all requisite power, and has taken all action necessary to execute the trusts hereby created.

10. If the Escrow Agent is called upon by the terms of this Escrow Agreement to determine the occurrence of any event or contingency, the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may inquire and consult with the Issuer, at any time. The Escrow Agent may request an opinion of counsel for a determination of any legal issue which might arise in the performance of its duties hereunder and may act in accordance with the advice given in such opinion.

11. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Escrow Agreement.

12. The Escrow Agent may act upon any notice, request, waiver, consent, certificate, receipt, authorization, power of attorney or other instrument or document which the Escrow Agent in good faith believes to be genuine and correct and to have been signed or sent by the proper person or persons.

13. The Escrow Agent may resign or be removed by the Issuer, and thereby become discharged from the trusts hereby created, by notice given to the Issuer not less than thirty (30) days before such resignation or removal shall take effect. Such resignation or removal shall take effect immediately, however, upon the earlier appointment of a new Escrow Agent hereunder and acceptance of the trusts hereby created. The Escrow Agent shall continue to serve as Escrow Agent until a successor is appointed and the funds held hereunder transferred. The Escrow Agent shall provide a proper accounting to the Issuer of all funds deposited pursuant to this Escrow Agreement within 30 days of the appointment of a successor Escrow Agent. If no such appointment has been made at the end of the 30 day period, the Escrow Agent may petition a court of competent jurisdiction for appointment of a successor or temporary Escrow Agent. In the event of the resignation or removal of the Escrow Agent, the Escrow Agent shall rebate to the Issuer any fees theretofore paid in advance by the Issuer to the Escrow Agent for its services under this Escrow Agreement.

14. This Escrow Agreement is made for the benefit of the Issuer, the Escrow Agent and the holders from time to time of the Series 2009 Bonds, except as otherwise expressly provided herein. This Escrow Agreement may be modified or amended at any time, provided, however, that no such modification or amendment shall be made which would materially adversely affect the interest of any of the holders of the Series 2009 Bonds.

15. This Escrow Agreement shall terminate on the earlier of the date on which all the Outstanding Series 2009 Bonds have been redeemed, paid in full and discharged, or on the second anniversary of the date of this Escrow Agreement. Upon termination of this Escrow Agreement, and provided that all of the Series 2009 Bonds have been redeemed, any moneys

relating to the Series 2009 Bonds remaining after payment of fees of the Escrow Agent shall be transferred by the Escrow Agent to the Issuer.

In the event that any of the Series 2009 Bonds have not been redeemed as of the termination of this Escrow Agreement or the second anniversary of the date hereof and any funds remain on deposit with the Escrow Agent upon such termination, such funds shall be returned to the Issuer to be distributed pursuant to the terms of the legislation for the Series 2009 Bonds.

16. If any one or more of the covenants or agreements provided in this Escrow Agreement to be performed on the part of any of the parties hereto shall be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

17. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

18. This Escrow Agreement is made in the State of West Virginia under the Constitution and laws of such State and is to be so construed.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Authorized Representative

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

WEST VIRGINIA MUNICIPAL BOND COMMISSION

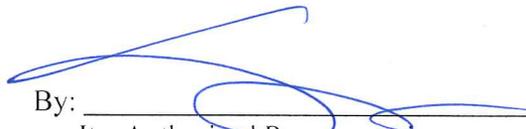
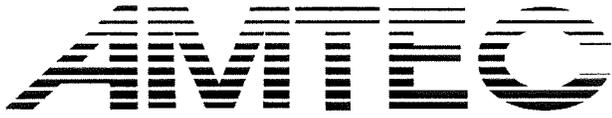

By: _____
Its: Authorized Representative

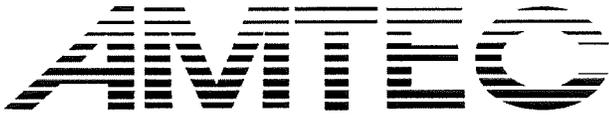
EXHIBIT A - VERIFICATION REPORT



TAX-EXEMPT COMPLIANCE

**BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)
WATER REFUNDING REVENUE BONDS
SERIES 2015 E**

CASH FLOW AND YIELD VERIFICATION REPORT



TAX-EXEMPT COMPLIANCE

Berkeley County Public Service District (the “District”)
Martinsburg, West Virginia

Step toe & Johnson PLLC (“Bond Counsel”)
Charleston, West Virginia

Compass Municipal Advisors, LLC (the “Municipal Advisor”)
Lexington, Kentucky

**Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds
Series 2015 E**

Berkeley County Public Service District (West Virginia) proposes to issue the above referenced Water Refunding Revenue Bonds, Series 2015 E (the “Bonds”). The Bonds are dated December 1, 2015 and will be issued on December 1, 2015. The Bonds consist of \$5,460,000 Serial Bonds.

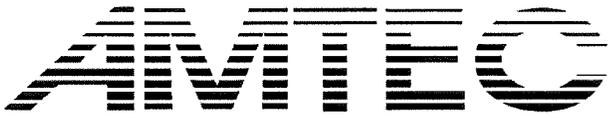
A portion of the proceeds of the Bonds will be used to purchase Open Market Securities (the “Restricted Acquired Obligations”), along with Open Market Securities purchased with funds transferred from certain amounts on deposit in the debt service reserve fund related to the hereinafter defined Refunded Bonds (the “Unrestricted Acquired Obligations,” and together with the Restricted Acquired Obligations, the “Acquired Obligations”), along with an initial cash deposit, which will be placed in an irrevocable trust (the “Escrow Fund”), to be used solely to refund that portion of the District’s Water Revenue Bonds, Series 2009 (the “Refunded Bonds”) described below.

<u>Series</u>	<u>Principal Issued</u>	<u>Dated</u>	<u>Principal Refunded</u>	<u>Maturities Refunded</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
			\$270,000	12/1/16	N/A	N/A
2009	\$7,510,000	2/17/09	\$5,605,000	12/1/17, 12/1/18, 12/1/21, 12/1/23, 12/1/25, 12/1/26 to 12/1/28	12/1/16	100%

At your request, we have independently calculated, based on information and assumptions as provided to us by the Municipal Advisor: (1) the receipts from the Acquired Obligations, when combined with the initial cash deposit, will be sufficient to pay to and at maturity or early redemption, the principal and interest on the Refunded Bonds; and (2) the “yields” to be considered by Bond Counsel in its determination that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended. The term “yield” as used herein, means that discount rate which, when used in computing the present value of all payments of principal and interest (adjusted, in the case of the Bonds, to reflect the assumed early redemption of those callable maturities initially reoffered to the public at a price which exceeds 102.50%) on an obligation compounded semiannually using a 30/360-day year basis, produces an amount equal to: in the case of the Bonds, the issue price to the public, less the bond insurance premium, less the surety bond premium; and, in the case of the Acquired Obligations, the purchase price of such securities.

For the purpose of calculating the arbitrage yield on the Bonds, the following callable, premium maturity is treated as redeemed on December 1, 2025, which results in the lowest yield on the Bonds.

Par Amount	Coupon	Maturity Date	Call Date @ Price
\$915,000	3.000%	12/1/2026	12/1/2025 @ 100%



TAX-EXEMPT COMPLIANCE

At your request, we have independently verified the arithmetical accuracy of the computations based on schedules provided to us by the Municipal Advisor. We have relied solely on the assumptions and information as provided to us by the Municipal Advisor and have not made any study or evaluation of them, except as noted below. We express no opinion on the reasonableness of the assumptions, or the likelihood that the debt service requirements of the Refunded Bonds will be paid as described in the accompanying exhibits.

In the course of our engagement, we used excerpts from the Official Statement for the Bonds and the Official Statement for the Refunded Bonds, as provided by the Municipal Advisor, along with a copy of the trade ticket for the purchase of the Acquired Obligations. We compared the information on the Bonds, the Refunded Bonds and the Acquired Obligations with certain information set forth in such documents with respect to prices, principal payment dates and amounts, interest payment dates and rates, yields, and redemption dates and prices. We found that the information on the Bonds, the Refunded Bonds and the trade ticket was in agreement with the above-mentioned information set forth in such documents.

In our opinion, based on the assumptions and information provided by the Municipal Advisor, the computations in the schedules provided to us are arithmetically accurate. The computations in the accompanying exhibits prepared by us indicate that:

- (1) the receipts from the Acquired Obligations, along with a cash deposit of \$116,703.74, will be sufficient to pay to and at maturity or early redemption, the principal and interest on the Refunded Bonds.
- (2) the yield of the Bonds is 2.5016523%; the yield of the Restricted Acquired Obligations is 0.5075885%.
- (3) we independently tested the different redemption scenarios and verified that the computation provided by the Municipal Advisor produces the lowest yield on the Bonds.
- (4) the net present value savings is \$530,349.19, when discounted at the yield of the Bonds, and the percentage of net present value savings based on the Refunded Bonds is 9.027220%.
- (5) the information on the trade ticket for the acquisition of the Acquired Obligations has been verified as being in agreement with the attached schedules provided by the Municipal Advisor.

This report is intended solely for the use of the addressees hereto, and it should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. The terms of our engagement are such that we have no obligation to update this report or to verify any revised computations because of events and transactions occurring subsequent to the date of this report.

A handwritten signature of the word 'AMTEC' in a cursive, slightly slanted font.

AMTEC
Avon, Connecticut
December 1, 2015

TABLE OF CONTENTS

Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds
Series 2015 E

Report	Page
Sources and Uses of Funds	5
Bond Summary Statistics	6
Bond Pricing	7
Bond Debt Service	8
Proof of Arbitrage Yield	9
Form 8038 Statistics	11
Prior Bond Debt Service	13
Summary of Bonds Refunded	14
Escrow Requirements	15
Escrow Descriptions	16
Escrow Descriptions Detail	17
Escrow Cost	18
Escrow Cost Detail	19
Escrow Cash Flow	20
Escrow Sufficiency	23
Summary of Refunding Results	24
Savings	25

BOND SUMMARY STATISTICS

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

Dated Date	12/01/2015
Delivery Date	12/01/2015
Last Maturity	12/01/2028
Arbitrage Yield	2.501652%
True Interest Cost (TIC)	2.486758%
Net Interest Cost (NIC)	2.528666%
All-In TIC	2.984026%
Average Coupon	2.742454%
Average Life (years)	7.743
Weighted Average Maturity (years)	7.755
Duration of Issue (years)	6.944
Par Amount	5,460,000.00
Bond Proceeds	5,576,672.85
Total Interest	1,159,372.50
Net Interest	1,068,993.40
Total Debt Service	6,619,372.50
Maximum Annual Debt Service	964,275.00
Average Annual Debt Service	509,182.50
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	4.815705
Total Underwriter's Discount	4.815705
Bid Price	101.655295

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	5,460,000.00	102.137	2.742%	7.743
	5,460,000.00			7.743

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,460,000.00	5,460,000.00	5,460,000.00
+ Accrued Interest			
+ Premium (Discount)	116,672.85	116,672.85	116,672.85
- Underwriter's Discount	-26,293.75	-26,293.75	
- Cost of Issuance Expense		-149,484.39	
- Other Amounts		-35,450.55	-35,450.55
Target Value	5,550,379.10	5,365,444.16	5,541,222.30
Target Date	12/01/2015	12/01/2015	12/01/2015
Yield	2.486758%	2.984026%	2.501652%

BOND PRICING

Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds
Series 2015 E

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Call Date	Call Price	Call Date for Arb Yield	Call Price for Arb Yield	Premium (-Discount)
Serial Bond:										
	12/01/2017	595,000	2.000%	1.000%	101.975					11,751.25
	12/01/2018	755,000	2.000%	1.250%	102.201					16,617.55
	12/01/2019	265,000	2.000%	1.500%	101.934					5,125.10
	12/01/2020	275,000	2.000%	1.750%	101.191					3,275.25
	12/01/2021	275,000	2.000%	2.000%	100.000					
	12/01/2022	285,000	2.150%	2.150%	100.000					
	12/01/2023	295,000	2.300%	2.300%	100.000					
	12/01/2024	300,000	3.000%	2.400%	104.830					14,490.00
	12/01/2025	315,000	3.000%	2.500%	104.399					13,856.85
	12/01/2026	915,000	3.000%	2.650%	103.056 C	12/01/2025	100.000	12/01/2025	100.000	27,962.40
	12/01/2027	940,000	3.000%	2.750%	102.172 C	12/01/2025	100.000		100.000	20,416.80
	12/01/2028	245,000	3.000%	2.850%	101.297 C	12/01/2025	100.000		100.000	3,177.65
		5,460,000								116,672.85

Dated Date	12/01/2015
Delivery Date	12/01/2015
First Coupon	06/01/2016
Par Amount	5,460,000.00
Premium	116,672.85
Production	5,576,672.85
Underwriter's Discount	102.136865%
Purchase Price	-26,293.75
Accrued Interest	-0.481571%
Net Proceeds	5,550,379.10
	101.655295%



BOND DEBT SERVICE

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

Dated Date 12/01/2015
 Delivery Date 12/01/2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2016			68,831.25	68,831.25	
06/30/2016					68,831.25
12/01/2016			68,831.25	68,831.25	
06/01/2017			68,831.25	68,831.25	
06/30/2017					137,662.50
12/01/2017	595,000	2.000%	68,831.25	663,831.25	
06/01/2018			62,881.25	62,881.25	
06/30/2018					726,712.50
12/01/2018	755,000	2.000%	62,881.25	817,881.25	
06/01/2019			55,331.25	55,331.25	
06/30/2019					873,212.50
12/01/2019	265,000	2.000%	55,331.25	320,331.25	
06/01/2020			52,681.25	52,681.25	
06/30/2020					373,012.50
12/01/2020	275,000	2.000%	52,681.25	327,681.25	
06/01/2021			49,931.25	49,931.25	
06/30/2021					377,612.50
12/01/2021	275,000	2.000%	49,931.25	324,931.25	
06/01/2022			47,181.25	47,181.25	
06/30/2022					372,112.50
12/01/2022	285,000	2.150%	47,181.25	332,181.25	
06/01/2023			44,117.50	44,117.50	
06/30/2023					376,298.75
12/01/2023	295,000	2.300%	44,117.50	339,117.50	
06/01/2024			40,725.00	40,725.00	
06/30/2024					379,842.50
12/01/2024	300,000	3.000%	40,725.00	340,725.00	
06/01/2025			36,225.00	36,225.00	
06/30/2025					376,950.00
12/01/2025	315,000	3.000%	36,225.00	351,225.00	
06/01/2026			31,500.00	31,500.00	
06/30/2026					382,725.00
12/01/2026	915,000	3.000%	31,500.00	946,500.00	
06/01/2027			17,775.00	17,775.00	
06/30/2027					964,275.00
12/01/2027	940,000	3.000%	17,775.00	957,775.00	
06/01/2028			3,675.00	3,675.00	
06/30/2028					961,450.00
12/01/2028	245,000	3.000%	3,675.00	248,675.00	
06/30/2029					248,675.00
	5,460,000		1,159,372.50	6,619,372.50	6,619,372.50

PROOF OF ARBITRAGE YIELD

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

Date	Debt Service	Present Value to 12/01/2015 @ 2.5016523591%
06/01/2016	68,831.25	67,980.93
12/01/2016	68,831.25	67,141.11
06/01/2017	68,831.25	66,311.66
12/01/2017	663,831.25	631,630.93
06/01/2018	62,881.25	59,091.95
12/01/2018	817,881.25	759,099.66
06/01/2019	55,331.25	50,720.14
12/01/2019	320,331.25	290,008.48
06/01/2020	52,681.25	47,105.20
12/01/2020	327,681.25	289,378.22
06/01/2021	49,931.25	43,549.99
12/01/2021	324,931.25	279,903.66
06/01/2022	47,181.25	40,140.98
12/01/2022	332,181.25	279,122.63
06/01/2023	44,117.50	36,612.74
12/01/2023	339,117.50	277,954.04
06/01/2024	40,725.00	32,967.45
12/01/2024	340,725.00	272,414.14
06/01/2025	36,225.00	28,604.57
12/01/2025	1,266,225.00	987,505.15
06/01/2026	17,775.00	13,691.14
12/01/2026	17,775.00	13,522.00
06/01/2027	17,775.00	13,354.95
12/01/2027	957,775.00	710,718.60
06/01/2028	3,675.00	2,693.35
12/01/2028	248,675.00	179,998.61
	6,591,922.50	5,541,222.30

Proceeds Summary

Delivery date	12/01/2015
Par Value	5,460,000.00
Premium (Discount)	116,672.85
Arbitrage expenses	-35,450.55
Target for yield calculation	5,541,222.30

PROOF OF ARBITRAGE YIELD

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 12/01/2015 @ 2.5016523591%
SERIAL	12/01/2026	3.000%	2.650%	12/01/2025	100.000	12,159.69

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 12/01/2015 @ 2.5016523591%	Increase to NPV
SERIAL	12/01/2026	3.000%	2.650%			15,650.23	3,490.54

FORM 8038 STATISTICS

Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds
Series 2015 E

Dated Date 12/01/2015
Delivery Date 12/01/2015

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bond:						
	12/01/2017	595,000.00	2.000%	101.975	606,751.25	595,000.00
	12/01/2018	755,000.00	2.000%	102.201	771,617.55	755,000.00
	12/01/2019	265,000.00	2.000%	101.934	270,125.10	265,000.00
	12/01/2020	275,000.00	2.000%	101.191	278,275.25	275,000.00
	12/01/2021	275,000.00	2.000%	100.000	275,000.00	275,000.00
	12/01/2022	285,000.00	2.150%	100.000	285,000.00	285,000.00
	12/01/2023	295,000.00	2.300%	100.000	295,000.00	295,000.00
	12/01/2024	300,000.00	3.000%	104.830	314,490.00	300,000.00
	12/01/2025	315,000.00	3.000%	104.399	328,856.85	315,000.00
	12/01/2026	915,000.00	3.000%	103.056	942,962.40	915,000.00
	12/01/2027	940,000.00	3.000%	102.172	960,416.80	940,000.00
	12/01/2028	245,000.00	3.000%	101.297	248,177.65	245,000.00
		5,460,000.00			5,576,672.85	5,460,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	12/01/2028	3.000%	248,177.65	245,000.00		
Entire Issue			5,576,672.85	5,460,000.00	7.7552	2.5017%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	175,778.14
Proceeds used for credit enhancement	35,450.55
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	0.00
Proceeds used to advance refund prior issues	5,365,444.17
Remaining weighted average maturity of the bonds to be currently refunded	0.0000
Remaining weighted average maturity of the bonds to be advance refunded	8.0506

FORM 8038 STATISTICS

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
Series 2009:					
SERIAL	12/01/2016	270,000.00	3.000%	99.309	268,134.30
SERIAL	12/01/2017	660,000.00	3.000%	98.853	652,429.80
SERIAL	12/01/2018	680,000.00	3.200%	99.166	674,328.80
SERIAL	12/01/2026	865,000.00	4.375%	99.079	857,033.35
SERIAL	12/01/2027	900,000.00	4.400%	98.734	888,606.00
SERIAL	12/01/2028	940,000.00	4.400%	98.050	921,670.00
TERM21	12/01/2019	195,000.00	4.000%	99.007	193,063.65
TERM21	12/01/2020	205,000.00	4.000%	99.007	202,964.35
TERM21	12/01/2021	210,000.00	4.000%	99.007	207,914.70
TERM23	12/01/2022	220,000.00	4.125%	98.632	216,990.40
TERM23	12/01/2023	235,000.00	4.125%	98.632	231,785.20
TERM25	12/01/2024	240,000.00	4.250%	98.226	235,742.40
TERM25	12/01/2025	255,000.00	4.250%	98.226	250,476.30
		5,875,000.00			5,801,139.25

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
Series 2009	12/01/2016	02/17/2009	8.0506
All Refunded Issues	12/01/2016		8.0506

PRIOR BOND DEBT SERVICE

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2016			116,335.00	116,335.00	
06/30/2016					116,335.00
12/01/2016	270,000	3.000%	116,335.00	386,335.00	
06/01/2017			112,285.00	112,285.00	
06/30/2017					498,620.00
12/01/2017	660,000	3.000%	112,285.00	772,285.00	
06/01/2018			102,385.00	102,385.00	
06/30/2018					874,670.00
12/01/2018	680,000	3.200%	102,385.00	782,385.00	
06/01/2019			91,505.00	91,505.00	
06/30/2019					873,890.00
12/01/2019	195,000	4.000%	91,505.00	286,505.00	
06/01/2020			87,605.00	87,605.00	
06/30/2020					374,110.00
12/01/2020	205,000	4.000%	87,605.00	292,605.00	
06/01/2021			83,505.00	83,505.00	
06/30/2021					376,110.00
12/01/2021	210,000	4.000%	83,505.00	293,505.00	
06/01/2022			79,305.00	79,305.00	
06/30/2022					372,810.00
12/01/2022	220,000	4.125%	79,305.00	299,305.00	
06/01/2023			74,767.50	74,767.50	
06/30/2023					374,072.50
12/01/2023	235,000	4.125%	74,767.50	309,767.50	
06/01/2024			69,920.63	69,920.63	
06/30/2024					379,688.13
12/01/2024	240,000	4.250%	69,920.63	309,920.63	
06/01/2025			64,820.63	64,820.63	
06/30/2025					374,741.26
12/01/2025	255,000	4.250%	64,820.63	319,820.63	
06/01/2026			59,401.88	59,401.88	
06/30/2026					379,222.51
12/01/2026	865,000	4.375%	59,401.88	924,401.88	
06/01/2027			40,480.00	40,480.00	
06/30/2027					964,881.88
12/01/2027	900,000	4.400%	40,480.00	940,480.00	
06/01/2028			20,680.00	20,680.00	
06/30/2028					961,160.00
12/01/2028	940,000	4.400%	20,680.00	960,680.00	
06/30/2029					960,680.00
	5,875,000		2,005,991.28	7,880,991.28	7,880,991.28

SUMMARY OF BONDS REFUNDED

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2009:					
SERIAL	12/01/2016	3.000%	270,000.00		
	12/01/2017	3.000%	660,000.00	12/01/2016	100.000
	12/01/2018	3.200%	680,000.00	12/01/2016	100.000
	12/01/2026	4.375%	865,000.00	12/01/2016	100.000
	12/01/2027	4.400%	900,000.00	12/01/2016	100.000
	12/01/2028	4.400%	940,000.00	12/01/2016	100.000
TERM21	12/01/2021	4.000%	610,000.00	12/01/2016	100.000
TERM23	12/01/2023	4.125%	455,000.00	12/01/2016	100.000
TERM25	12/01/2025	4.250%	495,000.00	12/01/2016	100.000
			5,875,000.00		

ESCROW REQUIREMENTS

Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds
Series 2015 E

Period Ending	Principal	Interest	Principal Redeemed	Total
06/01/2016		116,335.00		116,335.00
12/01/2016	270,000.00	116,335.00	5,605,000.00	5,991,335.00
	270,000.00	232,670.00	5,605,000.00	6,107,670.00

ESCROW COST DETAIL

Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds
Series 2015 E

Type of Security	Maturity Date	Par Amount	Rate	Yield	Price	Cost	Accrued Interest	Total Cost
DSRF: TNote	11/30/2016	695,850.45	0.875%	0.507571%	100.365034	698,390.54	16.64	698,407.18
BP: TNote	11/30/2016	5,243,149.55	0.875%	0.507571%	100.365034	5,262,288.83	125.35	5,262,414.18
		5,939,000.00				5,960,679.37	141.99	5,960,821.36

Escrow	Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
DSRF	12/01/2015	698,407.18	13,673.75	712,080.93	0.507589%
BP	12/01/2015	5,262,414.18	103,029.99	5,365,444.17	0.507588%
		5,960,821.36	116,703.74	6,077,525.10	



ESCROW CASH FLOW

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

Date	Principal	Interest	Net Escrow Receipts
05/31/2016		25,983.13	25,983.13
11/30/2016	5,939,000.00	25,983.13	5,964,983.13
	5,939,000.00	51,966.26	5,990,966.26

Escrow Cost Summary

Purchase date	12/01/2015
Purchase cost of securities	5,960,821.35

ESCROW CASH FLOW

Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds
Series 2015 E

Prior Bonds - DSRF

Date	Principal	Interest	Net Escrow Receipts	Present Value to 12/01/2015 @ 0.5075892%
05/31/2016		3,044.35	3,044.35	3,036.64
11/30/2016	695,850.45	3,044.35	698,894.80	695,370.54
	695,850.45	6,088.70	701,939.15	698,407.18

Escrow Cost Summary

Purchase date	12/01/2015
Purchase cost of securities	698,407.18
Target for yield calculation	698,407.18

ESCROW CASH FLOW

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

Prior Bonds - BP

Date	Principal	Interest	Net Escrow Receipts	Present Value to 12/01/2015 @ 0.5075885%
05/31/2016		22,938.78	22,938.78	22,880.71
11/30/2016	5,243,149.55	22,938.78	5,266,088.33	5,239,533.47
	5,243,149.55	45,877.56	5,289,027.11	5,262,414.18

Escrow Cost Summary

Purchase date	12/01/2015
Purchase cost of securities	5,262,414.18
Target for yield calculation	5,262,414.18

ESCROW SUFFICIENCY

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
12/01/2015		116,703.74	116,703.74	116,703.74
05/31/2016		25,983.13	25,983.13	142,686.87
06/01/2016	116,335.00		-116,335.00	26,351.87
11/30/2016		5,964,983.13	5,964,983.13	5,991,335.00
12/01/2016	5,991,335.00		-5,991,335.00	
	6,107,670.00	6,107,670.00	0.00	

SUMMARY OF REFUNDING RESULTS

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

Dated Date	12/01/2015
Delivery Date	12/01/2015
Arbitrage yield	2.501652%
Escrow yield	0.507588%
Value of Negative Arbitrage	116,243.58
Bond Par Amount	5,460,000.00
True Interest Cost	2.486758%
Effective Interest Cost	2.417914%
Net Interest Cost	2.528666%
All-In TIC	2.984026%
Average Coupon	2.742454%
Average Life	7.743
Weighted Average Maturity	7.755
Par amount of refunded bonds	5,875,000.00
Average coupon of refunded bonds	4.235623%
Average life of refunded bonds	8.061
Remaining weighted average maturity of refunded bonds	8.051
PV of prior debt to 12/01/2015 @ 2.501652%	6,590,488.11
Net PV Savings	530,349.19
Percentage savings of refunded bonds	9.027220%
Percentage savings of refunding bonds	9.713355%

SAVINGS

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 12/01/2015 @ 2.5016524%
06/30/2016	116,335.00		116,335.00	68,831.25	47,503.75	46,916.90
06/30/2017	498,620.00		498,620.00	137,662.50	360,957.50	351,570.60
06/30/2018	874,670.00		874,670.00	726,712.50	147,957.50	140,316.21
06/30/2019	873,890.00		873,890.00	873,212.50	677.50	214.04
06/30/2020	374,110.00		374,110.00	373,012.50	1,097.50	603.01
06/30/2021	376,110.00		376,110.00	377,612.50	-1,502.50	-1,693.15
06/30/2022	372,810.00		372,810.00	372,112.50	697.50	258.99
06/30/2023	374,072.50		374,072.50	376,298.75	-2,226.25	-2,188.82
06/30/2024	379,688.13		379,688.13	379,842.50	-154.37	-422.15
06/30/2025	374,741.26		374,741.26	376,950.00	-2,208.74	-2,048.36
06/30/2026	379,222.51		379,222.51	382,725.00	-3,502.49	-3,000.35
06/30/2027	964,881.88		964,881.88	964,275.00	606.88	248.29
06/30/2028	961,160.00		961,160.00	961,450.00	-290.00	-371.08
06/30/2029	960,680.00	712,080.93	248,599.07	248,675.00	-75.93	-54.96
	7,880,991.28	712,080.93	7,168,910.35	6,619,372.50	549,537.85	530,349.19

Savings Summary

PV of savings from cash flow	530,349.19
Net PV Savings	530,349.19

Appendix I

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Sources & Uses

Dated 12/01/2015 | Delivered 12/01/2015

Sources Of Funds

Par Amount of Bonds	\$5,460,000.00
Reoffering Premium	116,672.85
Transfers from Prior Issue DSR Funds	712,080.93
Total Sources	\$6,288,753.78

Uses Of Funds

Total Underwriter's Discount (0.482%)	26,293.75
Costs of Issuance	149,484.39
Gross Bond Insurance Premium (34.6 bp)	22,903.03
Surety Bond	12,547.52
Deposit to Net Cash Escrow Fund	6,077,525.09
Total Uses	\$6,288,753.78

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
12/01/2017	Serial Coupon	2.000%	1.000%	595,000.00	101.975%	-	-	-	606,751.25
12/01/2018	Serial Coupon	2.000%	1.250%	755,000.00	102.201%	-	-	-	771,617.55
12/01/2019	Serial Coupon	2.000%	1.500%	265,000.00	101.934%	-	-	-	270,125.10
12/01/2020	Serial Coupon	2.000%	1.750%	275,000.00	101.191%	-	-	-	278,275.25
12/01/2021	Serial Coupon	2.000%	2.000%	275,000.00	100.000%	-	-	-	275,000.00
12/01/2022	Serial Coupon	2.150%	2.150%	285,000.00	100.000%	-	-	-	285,000.00
12/01/2023	Serial Coupon	2.300%	2.300%	295,000.00	100.000%	-	-	-	295,000.00
12/01/2024	Serial Coupon	3.000%	2.400%	300,000.00	104.830%	-	-	-	314,490.00
12/01/2025	Serial Coupon	3.000%	2.500%	315,000.00	104.399%	-	-	-	328,856.85
12/01/2026	Serial Coupon	3.000%	2.650%	915,000.00	103.056% c	2.677%	12/01/2025	100.000%	942,962.40
12/01/2027	Serial Coupon	3.000%	2.750%	940,000.00	102.172% c	2.786%	12/01/2025	100.000%	960,416.80
12/01/2028	Serial Coupon	3.000%	2.850%	245,000.00	101.297% c	2.880%	12/01/2025	100.000%	248,177.65
Total	-	-	-	\$5,460,000.00	-	-	-	-	\$5,576,672.85

Bid Information

Par Amount of Bonds	\$5,460,000.00
Reoffering Premium or (Discount)	116,672.85
Gross Production	\$5,576,672.85
Total Underwriter's Discount (0.482%)	\$(26,293.75)
Bid (101.655%)	5,550,379.10
Total Purchase Price	\$5,550,379.10
Bond Year Dollars	\$42,275.00
Average Life	7.743 Years
Average Coupon	2.7424542%
Net Interest Cost (NIC)	2.5286656%
True Interest Cost (TIC)	2.4867577%

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2015	-	-	-	-
06/01/2016	-	-	68,831.25	68,831.25
12/01/2016	-	-	68,831.25	68,831.25
06/01/2017	-	-	68,831.25	68,831.25
12/01/2017	595,000.00	2.000%	68,831.25	663,831.25
06/01/2018	-	-	62,881.25	62,881.25
12/01/2018	755,000.00	2.000%	62,881.25	817,881.25
06/01/2019	-	-	55,331.25	55,331.25
12/01/2019	265,000.00	2.000%	55,331.25	320,331.25
06/01/2020	-	-	52,681.25	52,681.25
12/01/2020	275,000.00	2.000%	52,681.25	327,681.25
06/01/2021	-	-	49,931.25	49,931.25
12/01/2021	275,000.00	2.000%	49,931.25	324,931.25
06/01/2022	-	-	47,181.25	47,181.25
12/01/2022	285,000.00	2.150%	47,181.25	332,181.25
06/01/2023	-	-	44,117.50	44,117.50
12/01/2023	295,000.00	2.300%	44,117.50	339,117.50
06/01/2024	-	-	40,725.00	40,725.00
12/01/2024	300,000.00	3.000%	40,725.00	340,725.00
06/01/2025	-	-	36,225.00	36,225.00
12/01/2025	315,000.00	3.000%	36,225.00	351,225.00
06/01/2026	-	-	31,500.00	31,500.00
12/01/2026	915,000.00	3.000%	31,500.00	946,500.00
06/01/2027	-	-	17,775.00	17,775.00
12/01/2027	940,000.00	3.000%	17,775.00	957,775.00
06/01/2028	-	-	3,675.00	3,675.00
12/01/2028	245,000.00	3.000%	3,675.00	248,675.00
06/01/2029	-	3.000%	-	-
Total	\$5,460,000.00	-	\$1,159,372.50	\$6,619,372.50

Yield Statistics

Bond Year Dollars	\$42,275.00
Average Life	7.743 Years
Average Coupon	2.7424542%
Net Interest Cost (NIC)	2.5286656%
True Interest Cost (TIC)	2.4867577%
Bond Yield for Arbitrage Purposes	2.5016524%
All Inclusive Cost (AIC)	2.9840256%

IRS Form 8038

Net Interest Cost	2.4109717%
Weighted Average Maturity	7.755 Years

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Compass Municipal Advisors, LLC
Public Finance - BNurick

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2016	68,831.25	68,831.25	116,335.00	47,503.75
06/30/2017	137,662.50	137,662.50	498,620.00	360,957.50
06/30/2018	726,712.50	726,712.50	874,670.00	147,957.50
06/30/2019	873,212.50	873,212.50	873,890.00	677.50
06/30/2020	373,012.50	373,012.50	374,110.00	1,097.50
06/30/2021	377,612.50	377,612.50	376,110.00	(1,502.50)
06/30/2022	372,112.50	372,112.50	372,810.00	697.50
06/30/2023	376,298.75	376,298.75	374,072.50	(2,226.25)
06/30/2024	379,842.50	379,842.50	379,688.13	(154.37)
06/30/2025	376,950.00	376,950.00	374,741.26	(2,208.74)
06/30/2026	382,725.00	382,725.00	379,222.51	(3,502.49)
06/30/2027	964,275.00	964,275.00	964,881.88	606.88
06/30/2028	961,450.00	961,450.00	961,160.00	(290.00)
06/30/2029	248,675.00	248,675.00	248,599.07	(75.93)
Total	\$6,619,372.50	\$6,619,372.50	\$7,168,910.35	\$549,537.85

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	1,045,775.27
Effects of changes in DSR investments	(515,426.08)
Net PV Cashflow Savings @ 2.502%(Bond Yield)	530,349.19
Net Present Value Benefit	\$530,349.19
Net PV Benefit / \$5,875,000 Refunded Principal	9.027%
Net PV Benefit / \$5,460,000 Refunding Principal	9.713%

Refunding Bond Information

Refunding Dated Date	12/01/2015
Refunding Delivery Date	12/01/2015

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Proof of Premium/5Yr Call Bond Selection of Call Dates/Prices

Maturity	Call Date	Call Price	PV at Bond Yield	Lowest?
12/01/2026	-	-	958,612.63	No
12/01/2026	12/01/2025	100.000%	955,122.09	Yes

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Proof of D/S for Arbitrage Purposes

Date	Principal	Interest	Total
12/01/2015	-	-	-
06/01/2016	-	68,831.25	68,831.25
12/01/2016	-	68,831.25	68,831.25
06/01/2017	-	68,831.25	68,831.25
12/01/2017	595,000.00	68,831.25	663,831.25
06/01/2018	-	62,881.25	62,881.25
12/01/2018	755,000.00	62,881.25	817,881.25
06/01/2019	-	55,331.25	55,331.25
12/01/2019	265,000.00	55,331.25	320,331.25
06/01/2020	-	52,681.25	52,681.25
12/01/2020	275,000.00	52,681.25	327,681.25
06/01/2021	-	49,931.25	49,931.25
12/01/2021	275,000.00	49,931.25	324,931.25
06/01/2022	-	47,181.25	47,181.25
12/01/2022	285,000.00	47,181.25	332,181.25
06/01/2023	-	44,117.50	44,117.50
12/01/2023	295,000.00	44,117.50	339,117.50
06/01/2024	-	40,725.00	40,725.00
12/01/2024	300,000.00	40,725.00	340,725.00
06/01/2025	-	36,225.00	36,225.00
12/01/2025	1,230,000.00	36,225.00	1,266,225.00
06/01/2026	-	17,775.00	17,775.00
12/01/2026	-	17,775.00	17,775.00
06/01/2027	-	17,775.00	17,775.00
12/01/2027	940,000.00	17,775.00	957,775.00
06/01/2028	-	3,675.00	3,675.00
12/01/2028	245,000.00	3,675.00	248,675.00
Total	\$5,460,000.00	\$1,131,922.50	\$6,591,922.50

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Proof Of Bond Yield @ 2.5016524%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/01/2015	-	1.0000000x	-	-
06/01/2016	68,831.25	0.9876463x	67,980.93	67,980.93
12/01/2016	68,831.25	0.9754451x	67,141.11	135,122.03
06/01/2017	68,831.25	0.9633947x	66,311.66	201,433.70
12/01/2017	663,831.25	0.9514932x	631,630.93	833,064.63
06/01/2018	62,881.25	0.9397387x	59,091.95	892,156.58
12/01/2018	817,881.25	0.9281294x	759,099.66	1,651,256.24
06/01/2019	55,331.25	0.9166636x	50,720.14	1,701,976.38
12/01/2019	320,331.25	0.9053393x	290,008.48	1,991,984.87
06/01/2020	52,681.25	0.8941550x	47,105.20	2,039,090.07
12/01/2020	327,681.25	0.8831089x	289,378.22	2,328,468.29
06/01/2021	49,931.25	0.8721992x	43,549.99	2,372,018.28
12/01/2021	324,931.25	0.8614242x	279,903.66	2,651,921.94
06/01/2022	47,181.25	0.8507824x	40,140.98	2,692,062.92
12/01/2022	332,181.25	0.8402721x	279,122.63	2,971,185.55
06/01/2023	44,117.50	0.8298916x	36,612.74	3,007,798.29
12/01/2023	339,117.50	0.8196393x	277,954.04	3,285,752.34
06/01/2024	40,725.00	0.8095137x	32,967.45	3,318,719.78
12/01/2024	340,725.00	0.7995132x	272,414.14	3,591,133.92
06/01/2025	36,225.00	0.7896362x	28,604.57	3,619,738.49
12/01/2025	1,266,225.00	0.7798813x	987,505.15	4,607,243.64
06/01/2026	17,775.00	0.7702468x	13,691.14	4,620,934.78
12/01/2026	17,775.00	0.7607314x	13,522.00	4,634,456.78
06/01/2027	17,775.00	0.7513335x	13,354.95	4,647,811.73
12/01/2027	957,775.00	0.7420517x	710,718.60	5,358,530.34
06/01/2028	3,675.00	0.7328846x	2,693.35	5,361,223.69
12/01/2028	248,675.00	0.7238308x	179,998.61	5,541,222.30
Total	\$6,591,922.50	-	\$5,541,222.30	-

Derivation Of Target Amount

Par Amount of Bonds	\$5,460,000.00
Reoffering Premium or (Discount)	116,672.85
Bond Insurance Premium..... (34.6 bp)	(22,903.03)
Other Credit Enhancement Fees	(12,547.52)
Original Issue Proceeds	\$5,541,222.30

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Price	Issuance Price	Exponent	Bond Years
12/01/2015	-	-	-	-	-
12/01/2017	595,000.00	101.975%	606,751.25	2.0000000x	1,213,502.50
12/01/2018	755,000.00	102.201%	771,617.55	3.0000000x	2,314,852.65
12/01/2019	265,000.00	101.934%	270,125.10	4.0000000x	1,080,500.40
12/01/2020	275,000.00	101.191%	278,275.25	5.0000000x	1,391,376.25
12/01/2021	275,000.00	100.000%	275,000.00	6.0000000x	1,650,000.00
12/01/2022	285,000.00	100.000%	285,000.00	7.0000000x	1,995,000.00
12/01/2023	295,000.00	100.000%	295,000.00	8.0000000x	2,360,000.00
12/01/2024	300,000.00	104.830%	314,490.00	9.0000000x	2,830,410.00
12/01/2025	315,000.00	104.399%	328,856.85	10.0000000x	3,288,568.50
12/01/2026	915,000.00	103.056%	942,962.40	11.0000000x	10,372,586.40
12/01/2027	940,000.00	102.172%	960,416.80	12.0000000x	11,525,001.60
12/01/2028	245,000.00	101.297%	248,177.65	13.0000000x	3,226,309.45
Total	\$5,460,000.00	-	\$5,576,672.85	-	\$43,248,107.75

IRS Form 8038

Weighted Average Maturity = Bond Years/Issue Price	7.755 Years
Total Interest from Debt Service	1,159,372.50
Reoffering (Premium) or Discount	(116,672.85)
Total Interest	1,042,699.65
NIC = Interest / (Issue Price * Average Maturity)	2.4109717%
Bond Yield for Arbitrage Purposes	2.5016524%

Berkeley County Public Service Water District

Water Revenue Bonds, Series 2009 (Bank Qualified)

FINAL: Priced on 02.03.09 - Delivery on 02.17.09

Ratings: Aa3/Baa1 (FSA Insured)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
06/01/2016	-	-	116,335.00	116,335.00
12/01/2016	270,000.00	3.000%	116,335.00	386,335.00
06/01/2017	-	-	112,285.00	112,285.00
12/01/2017	660,000.00	3.000%	112,285.00	772,285.00
06/01/2018	-	-	102,385.00	102,385.00
12/01/2018	680,000.00	3.200%	102,385.00	782,385.00
06/01/2019	-	-	91,505.00	91,505.00
12/01/2019	195,000.00	4.000%	91,505.00	286,505.00
06/01/2020	-	-	87,605.00	87,605.00
12/01/2020	205,000.00	4.000%	87,605.00	292,605.00
06/01/2021	-	-	83,505.00	83,505.00
12/01/2021	210,000.00	4.000%	83,505.00	293,505.00
06/01/2022	-	-	79,305.00	79,305.00
12/01/2022	220,000.00	4.125%	79,305.00	299,305.00
06/01/2023	-	-	74,767.50	74,767.50
12/01/2023	235,000.00	4.125%	74,767.50	309,767.50
06/01/2024	-	-	69,920.63	69,920.63
12/01/2024	240,000.00	4.250%	69,920.63	309,920.63
06/01/2025	-	-	64,820.63	64,820.63
12/01/2025	255,000.00	4.250%	64,820.63	319,820.63
06/01/2026	-	-	59,401.88	59,401.88
12/01/2026	865,000.00	4.375%	59,401.88	924,401.88
06/01/2027	-	-	40,480.00	40,480.00
12/01/2027	900,000.00	4.400%	40,480.00	940,480.00
06/01/2028	-	-	20,680.00	20,680.00
12/01/2028	940,000.00	4.400%	20,680.00	960,680.00
Total	\$5,875,000.00	-	\$2,005,991.28	\$7,880,991.28

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/01/2015
Average Life	8.061 Years
Average Coupon	4.2356235%
Weighted Average Maturity (Par Basis)	8.061 Years

Refunding Bond Information

Refunding Dated Date	12/01/2015
Refunding Delivery Date	12/01/2015

Berkeley County Public Service Water District

Water Revenue Bonds, Series 2009 (Bank Qualified)

FINAL: Priced on 02.03.09 - Delivery on 02.17.09

Ratings: Aa3/Baa1 (FSA Insured)

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/01/2016	-	116,335.00	116,335.00	-	-	116,335.00	116,335.00
12/01/2016	5,875,000.00	116,335.00	5,991,335.00	270,000.00	3.000%	116,335.00	386,335.00
06/01/2017	-	-	-	-	-	112,285.00	112,285.00
12/01/2017	-	-	-	660,000.00	3.000%	112,285.00	772,285.00
06/01/2018	-	-	-	-	-	102,385.00	102,385.00
12/01/2018	-	-	-	680,000.00	3.200%	102,385.00	782,385.00
06/01/2019	-	-	-	-	-	91,505.00	91,505.00
12/01/2019	-	-	-	195,000.00	4.000%	91,505.00	286,505.00
06/01/2020	-	-	-	-	-	87,605.00	87,605.00
12/01/2020	-	-	-	205,000.00	4.000%	87,605.00	292,605.00
06/01/2021	-	-	-	-	-	83,505.00	83,505.00
12/01/2021	-	-	-	210,000.00	4.000%	83,505.00	293,505.00
06/01/2022	-	-	-	-	-	79,305.00	79,305.00
12/01/2022	-	-	-	220,000.00	4.125%	79,305.00	299,305.00
06/01/2023	-	-	-	-	-	74,767.50	74,767.50
12/01/2023	-	-	-	235,000.00	4.125%	74,767.50	309,767.50
06/01/2024	-	-	-	-	-	69,920.63	69,920.63
12/01/2024	-	-	-	240,000.00	4.250%	69,920.63	309,920.63
06/01/2025	-	-	-	-	-	64,820.63	64,820.63
12/01/2025	-	-	-	255,000.00	4.250%	64,820.63	319,820.63
06/01/2026	-	-	-	-	-	59,401.88	59,401.88
12/01/2026	-	-	-	865,000.00	4.375%	59,401.88	924,401.88
06/01/2027	-	-	-	-	-	40,480.00	40,480.00
12/01/2027	-	-	-	900,000.00	4.400%	40,480.00	940,480.00
06/01/2028	-	-	-	-	-	20,680.00	20,680.00
12/01/2028	-	-	-	940,000.00	4.400%	20,680.00	960,680.00
Total	\$5,875,000.00	\$232,670.00	\$6,107,670.00	\$5,875,000.00	-	\$2,005,991.28	\$7,880,991.28

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/01/2015
Average Life	8.061 Years
Average Coupon	4.2356235%
Weighted Average Maturity (Par Basis)	8.061 Years

Refunding Bond Information

Refunding Dated Date	12/01/2015
Refunding Delivery Date	12/01/2015

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
12/01/2015	-	-	-	116,703.74	-	116,703.74
05/31/2016	-	-	25,983.13	25,983.13	-	142,686.87
06/01/2016	-	-	-	-	116,335.00	26,351.87
11/30/2016	5,939,000.00	0.875%	25,983.13	5,964,983.13	-	5,991,335.00
12/01/2016	-	-	-	-	5,991,335.00	-
Total	\$5,939,000.00	-	\$51,966.26	\$6,107,670.00	\$6,107,670.00	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	116,703.74
Cost of Investments Purchased with Bond Proceeds	5,960,821.35
Total Cost of Investments	\$6,077,525.09
Target Cost of Investments at bond yield	\$5,959,116.43
Actual positive or (negative) arbitrage	(118,408.66)
Yield to Receipt	0.5075887%
Yield for Arbitrage Purposes	2.5016524%

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Escrow Summary Cost

Maturity	Type	Coupon	Yield	\$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Escrow								
11/30/2016	T-NOTE	0.875%	0.508%	100.3650340%	5,939,000	5,960,679.37	141.98	5,960,821.35
Subtotal		-	-	-	\$5,939,000	\$5,960,679.37	\$141.98	\$5,960,821.35
Total		-	-	-	\$5,939,000	\$5,960,679.37	\$141.98	\$5,960,821.35

Escrow

Cash Deposit	116,703.74
Cost of Investments Purchased with Bond Proceeds	5,960,821.35
Total Cost of Investments	\$6,077,525.09

Delivery Date 12/01/2015

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Primary Purpose Fund Proof Of Yield @ 0.5075887%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/01/2015	-	1.0000000x	-	-
05/31/2016	25,983.13	0.9974685x	25,917.35	25,917.35
11/30/2016	5,964,983.13	0.9949574x	5,934,904.00	5,960,821.35
Total	\$5,990,966.26	-	\$5,960,821.35	-

Composition Of Initial Deposit

Cost of Investments Purchased with Bond Proceeds	5,960,821.35
Adjusted Cost of Investments	5,960,821.35

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Berkeley County Public Service Water District

Water Revenue Bonds, Series 2009 (Bank Qualified)

FINAL: Priced on 02.03.09 - Delivery on 02.17.09

Ratings: Aa3/Baa1 (FSA Insured)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	DSR	Net New D/S
12/01/2015	-	-	-	-	-	-
06/01/2016	-	-	116,335.00	116,335.00	-	116,335.00
12/01/2016	270,000.00	3.000%	116,335.00	386,335.00	-	386,335.00
06/01/2017	-	-	112,285.00	112,285.00	-	112,285.00
12/01/2017	660,000.00	3.000%	112,285.00	772,285.00	-	772,285.00
06/01/2018	-	-	102,385.00	102,385.00	-	102,385.00
12/01/2018	680,000.00	3.200%	102,385.00	782,385.00	-	782,385.00
06/01/2019	-	-	91,505.00	91,505.00	-	91,505.00
12/01/2019	195,000.00	4.000%	91,505.00	286,505.00	-	286,505.00
06/01/2020	-	-	87,605.00	87,605.00	-	87,605.00
12/01/2020	205,000.00	4.000%	87,605.00	292,605.00	-	292,605.00
06/01/2021	-	-	83,505.00	83,505.00	-	83,505.00
12/01/2021	210,000.00	4.000%	83,505.00	293,505.00	-	293,505.00
06/01/2022	-	-	79,305.00	79,305.00	-	79,305.00
12/01/2022	220,000.00	4.125%	79,305.00	299,305.00	-	299,305.00
06/01/2023	-	-	74,767.50	74,767.50	-	74,767.50
12/01/2023	235,000.00	4.125%	74,767.50	309,767.50	-	309,767.50
06/01/2024	-	-	69,920.63	69,920.63	-	69,920.63
12/01/2024	240,000.00	4.250%	69,920.63	309,920.63	-	309,920.63
06/01/2025	-	-	64,820.63	64,820.63	-	64,820.63
12/01/2025	255,000.00	4.250%	64,820.63	319,820.63	-	319,820.63
06/01/2026	-	-	59,401.88	59,401.88	-	59,401.88
12/01/2026	865,000.00	4.375%	59,401.88	924,401.88	-	924,401.88
06/01/2027	-	-	40,480.00	40,480.00	-	40,480.00
12/01/2027	900,000.00	4.400%	40,480.00	940,480.00	-	940,480.00
06/01/2028	-	-	20,680.00	20,680.00	-	20,680.00
12/01/2028	940,000.00	4.400%	20,680.00	960,680.00	(712,080.93)	248,599.07
06/01/2029	-	4.400%	-	-	-	-
Total	\$5,875,000.00	-	\$2,005,991.28	\$7,880,991.28	(712,080.93)	\$7,168,910.35

Berkeley County Public Service Water District

Water Revenue Bonds, Series 2009 (Bank Qualified)

FINAL: Priced on 02.03.09 - Delivery on 02.17.09

Ratings: Aa3/Baa1 (FSA Insured)

Operation of Debt Service Reserve Fund

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
12/01/2015	-	-	-	-	-
06/01/2016	-	-	-	-	-
12/01/2016	-	-	-	-	-
06/01/2017	-	-	-	-	-
12/01/2017	-	-	-	-	-
06/01/2018	-	-	-	-	-
12/01/2018	-	-	-	-	-
06/01/2019	-	-	-	-	-
12/01/2019	-	-	-	-	-
06/01/2020	-	-	-	-	-
12/01/2020	-	-	-	-	-
06/01/2021	-	-	-	-	-
12/01/2021	-	-	-	-	-
06/01/2022	-	-	-	-	-
12/01/2022	-	-	-	-	-
06/01/2023	-	-	-	-	-
12/01/2023	-	-	-	-	-
06/01/2024	-	-	-	-	-
12/01/2024	-	-	-	-	-
06/01/2025	-	-	-	-	-
12/01/2025	-	-	-	-	-
06/01/2026	-	-	-	-	-
12/01/2026	-	-	-	-	-
06/01/2027	-	-	-	-	-
12/01/2027	-	-	-	-	-
06/01/2028	-	-	-	-	-
12/01/2028	712,080.93	-	712,080.93	712,080.93	-
Total	\$712,080.93	-	\$712,080.93	\$712,080.93	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	GIC
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	712,080.93
Total Cost of Investments	\$712,080.93
Target Cost of Investments at bond yield	\$414,014.62
Yield to Receipt	-6.47E-11
Yield for Arbitrage Purposes	4.2152705%

NEW ISSUE - FULL BOOK ENTRY

**RATING:
Moody's "Aa3"(with developing outlook) / "Baa1"**

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2009 Bonds (including original issue discount properly allocable to owners of the Series 2009 Bonds) (i) is excludable from gross income of the owners thereof for federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Internal Revenue Code of 1986, as amended (the "Code"), (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (iii) under the laws of the State of West Virginia, the Series 2009 Bonds are exempt from taxation by the State of West Virginia, and the other taxing bodies of the State of West Virginia and the interest on the Series 2009 Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia. In addition, Bond Counsel is of the opinion that the Series 2009 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (see "Tax Matters" herein).

\$7,510,000

**BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)
WATER REVENUE BONDS, SERIES 2009 (BANK QUALIFIED)**

Dated: Date of Delivery

Due: As shown on inside front cover

The Series 2009 Bonds (the "Series 2009 Bonds") shall be issued only as fully registered Bonds, and when initially issued, will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only and beneficial owners of the Series 2009 Bonds will not receive physical delivery of bond certificates. So long as DTC or its nominee is the registered owner of the Series 2009 Bonds, payments of the principal of and interest on the Series 2009 Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of DTC participants (see "THE SERIES 2009 BONDS – Book-Entry Bonds" herein). The Series 2009 Bonds are subject to redemption prior to maturity as more fully stated herein.

The Series 2009 Bonds are being issued by Berkeley County Public Service District (the "District") to provide funds, together with other moneys available thereof, (i) to finance the costs of design, acquisition and construction of certain additions, betterments and improvements to the existing waterworks system of the Issuer; (ii) to capitalize a portion of the interest on the Series 2009 Bonds through June 1, 2009; (iii) to fund the Series 2009 Bonds Reserve Account; and (iv) to pay costs of issuance and related costs.

The Series 2009 Bonds are payable from and secured by the Net Revenues derived from the existing waterworks system of the District and any additions, betterments and improvements thereto and from funds on deposit in the Series 2009 Bonds Sinking Fund and the Series 2009 Bonds Reserve Account established therefor. The Series 2009 Bonds do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, and the District shall not be obligated to pay the Series 2009 Bonds, or any premium or the interest thereon, except from such net revenues and such funds on deposit for the Series 2009 Bonds. Neither the credit nor the taxing power, if any, of the District shall be deemed to be pledged to, nor shall a tax ever be levied for, the payment of the principal of, or the premium, if any, or interest on, the Series 2009 Bonds. The District has no taxing powers.

The scheduled payment of principal of and interest on the Series 2009 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2009 Bonds by FINANCIAL SECURITY ASSURANCE INC.



United Bank, Inc., Charleston, West Virginia, is the Registrar and the West Virginia Municipal Bond Commission, Charleston, West Virginia, is the Paying Agent. Interest on the Series 2009 Bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2009. Principal of the Series 2009 Bonds is payable annually as set forth on the inside cover page.

The District has designated the Series 2009 Bonds as "qualified tax-exempt obligations" for the purpose of Section 265(b)(3) of the Code.

The Series 2009 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the District by Hoy Shingleton, Esquire, Martinsburg, West Virginia, counsel to the District. Certain legal matters will be passed upon for the Underwriter by Parker Poe Adams & Bernstein LLP, Columbia, South Carolina, as counsel to the Underwriter.

It is expected that the Series 2009 Bonds will be available for delivery at DTC, New York, New York, on or about February 17, 2009.

Dated: February 4, 2009

\$7,510,000
BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)
WATER REVENUE BONDS,
SERIES 2009 (BANK QUALIFIED)

MATURITY SCHEDULE

SERIES 2009 BOND TERMS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP No.**</u>
December 1, 2010	\$280,000	2.000%	2.00%	084246 FM4
December 1, 2011	\$290,000	2.200%	2.20%	084246 FN2
December 1, 2012	\$295,000	2.400%	2.40%	084246 FP7
December 1, 2013	\$250,000	2.600%	2.60%	084246 FQ5
December 1, 2014	\$255,000	2.800%	2.80%	084246 FR3
December 1, 2015	\$265,000	2.800%	2.90%	084246 FS1
December 1, 2016	\$270,000	3.000%	3.10%	084246 FT9
December 1, 2017	\$660,000	3.000%	3.15%	084246 FU6
December 1, 2018	\$680,000	3.200%	3.30%	084246 FV4
December 1, 2026	\$865,000	4.375%	4.45%	084246 FZ5
December 1, 2027	\$900,000	4.400%	4.50%	084246 GA9
December 1, 2028	\$940,000	4.400%	4.55%	084246 GB7

\$610,000 4.000% Term Bonds due December 1, 2021 at 4.100% CUSIP No. 084246 FW2
 \$455,000 4.125% Term Bonds due December 1, 2023 at 4.250% CUSIP No. 084246 FX0
 \$495,000 4.250% Term Bonds due December 1, 2025 at 4.400% CUSIP No. 084246 FY8

** CUSIP data on this cover page is provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers on the cover page hereof are being provided solely for the convenience of the Owners of the Bonds only at the time of issuance of the Notes and neither the Underwriter nor the Issuer make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds.

Other than with respect to information concerning Financial Security Assurance Inc. ("Financial Security") contained under the caption "Bond Insurance" and Appendix F "Specimen Municipal Bond Insurance Policy" herein, none of the information in this Official Statement has been supplied or verified by Financial Security and Financial Security makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Series 2009 Bonds; or (iii) the tax exempt status of the interest on the Series 2009 Bonds.

Series 2009 Bonds to any Participant having the Series 2009 Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2009 Bonds.

Optional Redemption

The Series 2009 Bonds maturing on or after December 1, 2017, are subject to redemption on or after December 1, 2016, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at the applicable Redemption Price (expressed as a percentage of principal amount to be so redeemed) set forth in the table below, plus interest, if any, accrued to the date fixed for redemption:

Redemption Period	Redemption Price
December 1, 2016 and thereafter	100%

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

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

Mandatory Sinking Fund Redemption

The Series 2009 Bonds maturing on December 1, 2021, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2009 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2019, and on each December 1 thereafter to and including December 1, 2021, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2019	\$195,000
2020	\$205,000
2021*	\$210,000

The Series 2009 Bonds maturing on December 1, 2023, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2009 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2022, and on each December 1 thereafter to and including December 1, 2023, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2022	\$220,000
2023*	\$235,000

The Series 2009 Bonds maturing on December 1, 2025, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2009 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on December 1, 2024, and on each December 1 thereafter to and including December 1, 2025, in annual principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2024	\$240,000
2025*	\$255,000

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

* Final Maturity

SECURITY FOR THE SERIES 2009 BONDS

The Series 2009 Bonds are special obligations of the District and are payable as to principal, premium, if any, and interest solely from the sources described below. The District is under no obligation to pay the Series 2009 Bonds except from said sources.

Sources of Payment

The payment of the debt service on the Series 2009 Bonds shall be secured equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on such Net Revenues in favor of the owners of the Prior Bonds (except the Series 1993 C Bonds), and senior and prior to the lien on such Net Revenues in favor of the owners of the Series 1993 C Bonds. Such Net Revenues derived from the System in an amount sufficient to pay the principal of, premium, if any, and interest on the Series 2009 Bonds and the Prior Bonds and to make all other payments provided for in the Resolution, are irrevocably pledged to such payments as they become due.

Rate Covenant

The District covenants and agrees in the Resolution that the schedule of rates and 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 120% of the maximum amount required in any year for payment of principal of and interest on the Series 2009 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2009 Bonds, including the Prior Bonds.

The District shall require that each annual audit contain a statement of the auditor that the District either is or is not in compliance with rate covenant in the Resolution. In the event that any audit contains a statement that the District is not in compliance with the rate covenant contained in the Resolution, the District covenants that it shall, within 60 days of receiving the audit report, file a request with the Public Service Commission of West Virginia for a rate increase sufficient to comply with the above-mentioned rate requirement.

Reserve Account

Pursuant to the Resolution, there will be established with the Commission the Series 2009 Bonds Reserve Account in an amount equal to the Series 2009 Bonds Reserve Requirement. The "Series 2009 Bonds Reserve Requirement" is defined under the Resolution as the lesser of (i) 10% of the original stated principal amount of the Series 2009 Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2009 Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2009 Bonds. Moneys in the Series 2009 Bonds Reserve Account shall be used only to pay principal of and interest on the Series 2009 Bonds as due, when amounts in the Series 2009 Bonds Sinking Fund are insufficient therefor; provided, that no payments shall be required to be made into the Series 2009 Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2009 Bonds Reserve Requirement. The District is required to restore any withdrawals from the Series 2009 Bonds Reserve Account which have the effect of reducing the assets therein below the reserve requirement, first from the Net Revenues and then from the Renewal and Replacement Fund after all other required payments to the Sinking Funds for the Series 2009 Bonds and the Prior Bonds, including any deficiencies for prior payments, have been made in full.

EXHIBIT B - ESCROW AGENT FEES

On File with Issuer

EXHIBIT C – GOVERNMENT SECURITIES

ESCROW COST DETAIL

Berkeley County Public Service District (West Virginia)
 Water Refunding Revenue Bonds
 Series 2015 E

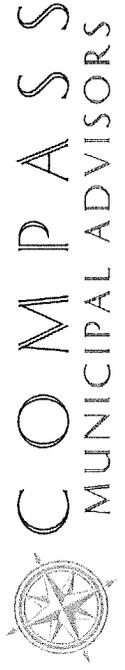
Type of Security	Maturity Date	Par Amount	Rate	Yield	Price	Cost	Accrued Interest	Total Cost
DSRF: TNnote	11/30/2016	695,850.45	0.875%	0.507571%	100.365034	698,390.54	16.64	698,407.18
BP: TNnote	11/30/2016	5,243,149.55	0.875%	0.507571%	100.365034	5,262,288.83	125.35	5,262,414.18
		5,939,000.00				5,960,679.37	141.99	5,960,821.36

Escrow	Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
DSRF	12/01/2015	698,407.18	13,673.75	712,080.93	0.507589%
BP	12/01/2015	5,262,414.18	103,029.99	5,365,444.17	0.507588%
		5,960,821.36	116,703.74	6,077,525.10	



**Berkeley County Public Service Water District
Water Revenue Refunding Bonds, Series 2015E
(Final Schedules)**

<u>Bonding Schedules</u>	
Distribution of Funds Schedule	1
Flow of Funds Schedule	2
Bonding Schedules	3 - 24
<u>Cumulative Debt Schedules</u>	
Refunding Savings Report	25
Debt Capsule Report	26
Debt Structure Graph	27
Debt Structure Report	28
Principal Payment Report	29
Interest Payment Report	30
Debt Service Reserve Fund & Capitalized Interest Report	31



**Berkeley County Public Service Water District
Water Revenue Refunding Bonds, Series 2015E**

(Distribution of Funds Schedule)

Pricing: November 02, 2015
Dated Date: December 01, 2015
Delivery Date: December 01, 2015

Sources of Funds:

Par Amount of Bonds	\$5,460,000.00
Add Accrued Interest	\$0.00
Net Bid Premium	\$90,379.10
Total Due From Purchaser	\$5,550,379.10
Transfer from Series 2009 Debt Service Reserve Fund	\$712,080.93
Total Sources of Funds	<u>\$6,262,460.03</u>

Uses of Funds:

Build America Mutual	\$35,450.55
Bond Insurance Premium	\$22,903.03
Surety Bond Policy for Series 2015E Debt Service Reserve	\$12,547.52
Municipal Bond Comission	
Purchase Escrow to Defeas Series 2009 Bonds	\$6,077,525.09
Cost of Issuance	\$149,484.39
Remit to Compass Municipal Advisors, LLC their Financial Advisor Fees (Includes Out of Pocket)	\$44,325.05
Remit to Steptoe & Johnson, PLLC their Bond Counsel Fees (Includes Out of Pocket)	\$45,000.00
Remit to Steptoe & Johnson, PLLC their Disclosure Counsel Fees	\$15,000.00
Remit to Jackson Kelly, PLLC their Underwriter's Counsel	\$15,000.00
Remit to Moody's Investors Service their Bond Rating Fee	\$14,400.00
Remit to United Bank their Registrar Fees	\$650.00
Remit to AMTEC their Verification Agent Fees	\$2,500.00
Cost of Issuance Contingency	\$12,609.34
Total Uses:	<u>\$6,262,460.03</u>

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15
(BAM Insured - Bank Qualified)

Sources & Uses

Dated 12/01/2015 | Delivered 12/01/2015

Sources Of Funds

Par Amount of Bonds	\$5,460,000.00
Reoffering Premium	116,672.85
Transfers from Prior Issue DSR Funds	712,080.93
Total Sources	\$6,288,753.78

Uses Of Funds

Total Underwriter's Discount (0.482%)	26,293.75
Costs of Issuance	149,484.39
Gross Bond Insurance Premium (34.6 bp)	22,903.03
Surety Bond	12,547.52
Deposit to Net Cash Escrow Fund	6,077,525.09
Total Uses	\$6,288,753.78

2015E REF | 2006 | 11/25/2015 | 9:11 AM

Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15
(BAM Insured - Bank Qualified)

Detail Costs Of Issuance

Dated 12/01/2015 | Delivered 12/01/2015

COSTS OF ISSUANCE DETAIL

Financial Advisor (includes \$2,500 out of pocket)	\$44,325.05
Bond Counsel	\$45,000.00
Disclosure Counsel	\$15,000.00
Underwriters Counsel	\$15,000.00
Bond Rating - Moody's Investors Service	\$14,400.00
Bond Registrar	\$650.00
Verification Agent	\$2,500.00
Contingency	\$12,609.34
TOTAL	\$149,484.39

2015E REF | 2006 | 11/25/2015 | 9:11 AM

Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Summary Of Underwriter's Discount

Maturity	Concession	+ Takedown	= Total	Issuance Value	Total Takedown
12/01/2017	-	0.250%	0.250%	595,000.00	1,487.50
12/01/2018	-	0.375%	0.375%	755,000.00	2,831.25
12/01/2019	-	0.375%	0.375%	265,000.00	993.75
12/01/2020	-	0.375%	0.375%	275,000.00	1,031.25
12/01/2021	-	0.500%	0.500%	275,000.00	1,375.00
12/01/2022	-	0.500%	0.500%	285,000.00	1,425.00
12/01/2023	-	0.500%	0.500%	295,000.00	1,475.00
12/01/2024	-	0.500%	0.500%	300,000.00	1,500.00
12/01/2025	-	0.500%	0.500%	315,000.00	1,575.00
12/01/2026	-	0.500%	0.500%	915,000.00	4,575.00
12/01/2027	-	0.500%	0.500%	940,000.00	4,700.00
12/01/2028	-	0.500%	0.500%	245,000.00	1,225.00
Total	-	-	-	\$5,460,000.00	\$24,193.75

Underwriting & Issuance Expenses

Total Average Takedown (0.443%)	\$24,193.75
Total Underwriters Expenses (0.038%)	\$2,100.00
TOTAL UNDERWRITING SPREAD (0.482%)	\$26,293.75

2015E REF | 2006 | 11/10/2015 | 11:26 AM

Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Pricing Summary

Part 1 of 2

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
12/01/2017	Serial Coupon	2.000%	1.000%	595,000.00	101.975%	606,751.25
12/01/2018	Serial Coupon	2.000%	1.250%	755,000.00	102.201%	771,617.55
12/01/2019	Serial Coupon	2.000%	1.500%	265,000.00	101.934%	270,125.10
12/01/2020	Serial Coupon	2.000%	1.750%	275,000.00	101.191%	278,275.25
12/01/2021	Serial Coupon	2.000%	2.000%	275,000.00	100.000%	275,000.00
12/01/2022	Serial Coupon	2.150%	2.150%	285,000.00	100.000%	285,000.00
12/01/2023	Serial Coupon	2.300%	2.300%	295,000.00	100.000%	295,000.00
12/01/2024	Serial Coupon	3.000%	2.400%	300,000.00	104.830%	314,490.00
12/01/2025	Serial Coupon	3.000%	2.500%	315,000.00	104.399%	328,856.85
12/01/2026	Serial Coupon	3.000%	2.650%	915,000.00	103.056%	942,962.40
12/01/2027	Serial Coupon	3.000%	2.750%	940,000.00	102.172%	960,416.80
12/01/2028	Serial Coupon	3.000%	2.850%	245,000.00	101.297%	248,177.65
Total	-	-	-	\$5,460,000.00	-	\$5,576,672.85

2015E REF | 2006 | 11/10/2015 | 11:26 AM

Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Pricing Summary

Part 2 of 2

Bid Information

Par Amount of Bonds	\$5,460,000.00
Reoffering Premium or (Discount)	116,672.85
Gross Production	\$5,576,672.85
Total Underwriter's Discount (0.482%)	\$(26,293.75)
Bid (101.655%)	5,550,379.10
Total Purchase Price	\$5,550,379.10
Bond Year Dollars	\$42,275.00
Average Life	7.743 Years
Average Coupon	2.7424542%
Net Interest Cost (NIC)	2.5286656%
True Interest Cost (TIC)	2.4867577%

2015E REF | 2006 | 11/10/2015 | 11:26 AM

Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
12/01/2015	-	-	-	-
06/01/2016	-	-	68,831.25	68,831.25
12/01/2016	-	-	68,831.25	68,831.25
06/01/2017	-	-	68,831.25	68,831.25
12/01/2017	595,000.00	2.000%	68,831.25	663,831.25
06/01/2018	-	-	62,881.25	62,881.25
12/01/2018	755,000.00	2.000%	62,881.25	817,881.25
06/01/2019	-	-	55,331.25	55,331.25
12/01/2019	265,000.00	2.000%	55,331.25	320,331.25
06/01/2020	-	-	52,681.25	52,681.25
12/01/2020	275,000.00	2.000%	52,681.25	327,681.25
06/01/2021	-	-	49,931.25	49,931.25
12/01/2021	275,000.00	2.000%	49,931.25	324,931.25
06/01/2022	-	-	47,181.25	47,181.25
12/01/2022	285,000.00	2.150%	47,181.25	332,181.25
06/01/2023	-	-	44,117.50	44,117.50
12/01/2023	295,000.00	2.300%	44,117.50	339,117.50
06/01/2024	-	-	40,725.00	40,725.00
12/01/2024	300,000.00	3.000%	40,725.00	340,725.00
06/01/2025	-	-	36,225.00	36,225.00
12/01/2025	315,000.00	3.000%	36,225.00	351,225.00
06/01/2026	-	-	31,500.00	31,500.00
12/01/2026	915,000.00	3.000%	31,500.00	946,500.00
06/01/2027	-	-	17,775.00	17,775.00
12/01/2027	940,000.00	3.000%	17,775.00	957,775.00

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Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I
06/01/2028	-	-	3,675.00	3,675.00
12/01/2028	245,000.00	3.000%	3,675.00	248,675.00
06/01/2029	-	3.000%	-	-
Total	\$5,460,000.00	-	\$1,159,372.50	\$6,619,372.50

Yield Statistics

Bond Year Dollars	\$42,275.00
Average Life	7.743 Years
Average Coupon	2.7424542%

Net Interest Cost (NIC)	2.5286656%
True Interest Cost (TIC)	2.4867577%
Bond Yield for Arbitrage Purposes	2.5016524%
All Inclusive Cost (AIC)	2.9840256%

IRS Form 8038

Net Interest Cost	2.4109717%
Weighted Average Maturity	7.755 Years

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Compass Municipal Advisors, LLC

Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15
(BAM Insured - Bank Qualified)

Debt Service Comparison

Part 1 of 2

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2016	68,831.25	68,831.25	116,335.00	47,503.75
06/30/2017	137,662.50	137,662.50	498,620.00	360,957.50
06/30/2018	726,712.50	726,712.50	874,670.00	147,957.50
06/30/2019	873,212.50	873,212.50	873,890.00	677.50
06/30/2020	373,012.50	373,012.50	374,110.00	1,097.50
06/30/2021	377,612.50	377,612.50	376,110.00	(1,502.50)
06/30/2022	372,112.50	372,112.50	372,810.00	697.50
06/30/2023	376,298.75	376,298.75	374,072.50	(2,226.25)
06/30/2024	379,842.50	379,842.50	379,688.13	(154.37)
06/30/2025	376,950.00	376,950.00	374,741.26	(2,208.74)
06/30/2026	382,725.00	382,725.00	379,222.51	(3,502.49)
06/30/2027	964,275.00	964,275.00	964,881.88	606.88
06/30/2028	961,450.00	961,450.00	961,160.00	(290.00)
06/30/2029	248,675.00	248,675.00	248,599.07	(75.93)
Total	\$6,619,372.50	\$6,619,372.50	\$7,168,910.35	\$549,537.85

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Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15
(BAM Insured - Bank Qualified)

Debt Service Comparison

Part 2 of 2

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	1,045,775.27
Effects of changes in DSR investments	(515,426.08)
Net PV Cashflow Savings @ 2.502%(Bond Yield)	530,349.19
Net Present Value Benefit	\$530,349.19
Net PV Benefit / \$5,875,000 Refunded Principal	9.027%
Net PV Benefit / \$5,460,000 Refunding Principal	9.713%

Refunding Bond Information

Refunding Dated Date	12/01/2015
Refunding Delivery Date	12/01/2015

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Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Proof of Premium Bond Selection of Call Dates/Prices

Maturity	Call Date	Call Price	PV at Bond Yield	Lowest?
12/01/2026	-	-	958,612.63	No
12/01/2026	12/01/2025	100.0000%	955,122.09	Yes

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Proof of D/S for Arbitrage Purposes

Date	Principal	Interest	Total
12/01/2015	-	-	-
06/01/2016	-	68,831.25	68,831.25
12/01/2016	-	68,831.25	68,831.25
06/01/2017	-	68,831.25	68,831.25
12/01/2017	595,000.00	68,831.25	663,831.25
06/01/2018	-	62,881.25	62,881.25
12/01/2018	755,000.00	62,881.25	817,881.25
06/01/2019	-	55,331.25	55,331.25
12/01/2019	265,000.00	55,331.25	320,331.25
06/01/2020	-	52,681.25	52,681.25
12/01/2020	275,000.00	52,681.25	327,681.25
06/01/2021	-	49,931.25	49,931.25
12/01/2021	275,000.00	49,931.25	324,931.25
06/01/2022	-	47,181.25	47,181.25
12/01/2022	285,000.00	47,181.25	332,181.25
06/01/2023	-	44,117.50	44,117.50
12/01/2023	295,000.00	44,117.50	339,117.50
06/01/2024	-	40,725.00	40,725.00
12/01/2024	300,000.00	40,725.00	340,725.00
06/01/2025	-	36,225.00	36,225.00
12/01/2025	1,230,000.00	36,225.00	1,266,225.00
06/01/2026	-	17,775.00	17,775.00
12/01/2026	-	17,775.00	17,775.00
06/01/2027	-	17,775.00	17,775.00
12/01/2027	940,000.00	17,775.00	957,775.00
06/01/2028	-	3,675.00	3,675.00
12/01/2028	245,000.00	3,675.00	248,675.00
Total	\$5,460,000.00	\$1,131,922.50	\$6,591,922.50

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Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Proof Of Bond Yield @ 2.5016524%

Part 1 of 2

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/01/2015	-	1.0000000x	-	-
06/01/2016	68,831.25	0.9876463x	67,980.93	67,980.93
12/01/2016	68,831.25	0.9754451x	67,141.11	135,122.03
06/01/2017	68,831.25	0.9633947x	66,311.66	201,433.70
12/01/2017	663,831.25	0.9514932x	631,630.93	833,064.63
06/01/2018	62,881.25	0.9397387x	59,091.95	892,156.58
12/01/2018	817,881.25	0.9281294x	759,099.66	1,651,256.24
06/01/2019	55,331.25	0.9166636x	50,720.14	1,701,976.38
12/01/2019	320,331.25	0.9053393x	290,008.48	1,991,984.87
06/01/2020	52,681.25	0.8941550x	47,105.20	2,039,090.07
12/01/2020	327,681.25	0.8831089x	289,378.22	2,328,468.29
06/01/2021	49,931.25	0.8721992x	43,549.99	2,372,018.28
12/01/2021	324,931.25	0.8614242x	279,903.66	2,651,921.94
06/01/2022	47,181.25	0.8507824x	40,140.98	2,692,062.92
12/01/2022	332,181.25	0.8402721x	279,122.63	2,971,185.55
06/01/2023	44,117.50	0.8298916x	36,612.74	3,007,798.29
12/01/2023	339,117.50	0.8196393x	277,954.04	3,285,752.34
06/01/2024	40,725.00	0.8095137x	32,967.45	3,318,719.78
12/01/2024	340,725.00	0.7995132x	272,414.14	3,591,133.92
06/01/2025	36,225.00	0.7896362x	28,604.57	3,619,738.49
12/01/2025	1,266,225.00	0.7798813x	987,505.15	4,607,243.64
06/01/2026	17,775.00	0.7702468x	13,691.14	4,620,934.78
12/01/2026	17,775.00	0.7607314x	13,522.00	4,634,456.78
06/01/2027	17,775.00	0.7513335x	13,354.95	4,647,811.73

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Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Proof Of Bond Yield @ 2.5016524%

Part 2 of 2

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/01/2027	957,775.00	0.7420517x	710,718.60	5,358,530.34
06/01/2028	3,675.00	0.7328846x	2,693.35	5,361,223.69
12/01/2028	248,675.00	0.7238308x	179,998.61	5,541,222.30
Total	\$6,591,922.50	-	\$5,541,222.30	-

Derivation Of Target Amount

Par Amount of Bonds	\$5,460,000.00
Reoffering Premium or (Discount)	116,672.85
Bond Insurance Premium..... (34.6 bp)	(22,903.03)
Other Credit Enhancement Fees	(12,547.52)
Original Issue Proceeds	\$5,541,222.30

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Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Derivation Of Form 8038 Yield Statistics

<u>Maturity</u>	<u>Issuance Value</u>	<u>Price</u>	<u>Issuance Price</u>	<u>Exponent</u>	<u>Bond Years</u>
12/01/2015	-	-	-	-	-
12/01/2017	595,000.00	101.975%	606,751.25	2.00000000x	1,213,502.50
12/01/2018	755,000.00	102.201%	771,617.55	3.00000000x	2,314,852.65
12/01/2019	265,000.00	101.934%	270,125.10	4.00000000x	1,080,500.40
12/01/2020	275,000.00	101.191%	278,275.25	5.00000000x	1,391,376.25
12/01/2021	275,000.00	100.000%	275,000.00	6.00000000x	1,650,000.00
12/01/2022	285,000.00	100.000%	285,000.00	7.00000000x	1,995,000.00
12/01/2023	295,000.00	100.000%	295,000.00	8.00000000x	2,360,000.00
12/01/2024	300,000.00	104.830%	314,490.00	9.00000000x	2,830,410.00
12/01/2025	315,000.00	104.399%	328,856.85	10.00000000x	3,288,568.50
12/01/2026	915,000.00	103.056%	942,962.40	11.00000000x	10,372,586.40
12/01/2027	940,000.00	102.172%	960,416.80	12.00000000x	11,525,001.60
12/01/2028	245,000.00	101.297%	248,177.65	13.00000000x	3,226,309.45
Total	\$5,460,000.00	-	\$5,576,672.85	-	\$43,248,107.75

IRS Form 8038

Weighted Average Maturity = Bond Years/Issue Price

Total Interest from Debt Service	7.755 Years
Reoffering (Premium) or Discount	1,159,372.50
Total Interest	(116,672.85)
	1,042,699.65

NIC = Interest / (Issue Price * Average Maturity)

Bond Yield for Arbitrage Purposes	2.4109717%
	2.5016524%

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Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District
 Water Revenue Bonds, Series 2009 (Bank Qualified)
 FINAL: Priced on 02.03.09 - Delivery on 02.17.09
 Ratings: Aa3/Baa1 (FSA Insured)

Total Refunded Debt Service

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
06/01/2016	-	-	116,335.00	116,335.00
12/01/2016	270,000.00	3.000%	116,335.00	386,335.00
06/01/2017	-	-	112,285.00	112,285.00
12/01/2017	660,000.00	3.000%	112,285.00	772,285.00
06/01/2018	-	-	102,385.00	102,385.00
12/01/2018	680,000.00	3.200%	102,385.00	782,385.00
06/01/2019	-	-	91,505.00	91,505.00
12/01/2019	195,000.00	4.000%	91,505.00	286,505.00
06/01/2020	-	-	87,605.00	87,605.00
12/01/2020	205,000.00	4.000%	87,605.00	292,605.00
06/01/2021	-	-	83,505.00	83,505.00
12/01/2021	210,000.00	4.000%	83,505.00	293,505.00
06/01/2022	-	-	79,305.00	79,305.00
12/01/2022	220,000.00	4.125%	79,305.00	299,305.00
06/01/2023	-	-	74,767.50	74,767.50
12/01/2023	235,000.00	4.125%	74,767.50	309,767.50
06/01/2024	-	-	69,920.63	69,920.63
12/01/2024	240,000.00	4.250%	69,920.63	309,920.63
06/01/2025	-	-	64,820.63	64,820.63
12/01/2025	255,000.00	4.250%	64,820.63	319,820.63
06/01/2026	-	-	59,401.88	59,401.88
12/01/2026	865,000.00	4.375%	59,401.88	924,401.88
06/01/2027	-	-	40,480.00	40,480.00
12/01/2027	900,000.00	4.400%	40,480.00	940,480.00
06/01/2028	-	-	20,680.00	20,680.00
12/01/2028	940,000.00	4.400%	20,680.00	960,680.00
Total	\$5,875,000.00		\$2,005,991.28	\$7,880,991.28

2009A RF | SINGLE PURPOSE | 11/10/2015 | 11:26 AM

Compass Municipal Advisors, LLC
 Public Finance - BEdelen

Berkeley County Public Service Water District
Water Revenue Bonds, Series 2009 (Bank Qualified)
FINAL: Priced on 02.03.09 - Delivery on 02.17.09
Ratings: Aa3/Baa1 (FSA Insured)

Total Refunded Debt Service

Part 2 of 2

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/01/2015
Average Life	8.061 Years
Average Coupon	4.2356235%
Weighted Average Maturity (Par Basis)	8.061 Years

Refunding Bond Information

Refunding Dated Date	12/01/2015
Refunding Delivery Date	12/01/2015

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Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Bonds, Series 2009 (Bank Qualified)

FINAL: Priced on 02.03.09 - Delivery on 02.17.09

Ratings: Aa3/Baa1 (FSA Insured)

Debt Service To Maturity And To Call

Part 1 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/30/2016	-	116,335.00	116,335.00	-	-	116,335.00	116,335.00
12/30/2016	5,875,000.00	116,335.00	5,991,335.00	270,000.00	3.000%	116,335.00	386,335.00
06/30/2017	-	-	-	-	-	112,285.00	112,285.00
12/30/2017	-	-	-	660,000.00	3.000%	112,285.00	772,285.00
06/30/2018	-	-	-	-	-	102,385.00	102,385.00
12/30/2018	-	-	-	680,000.00	3.200%	102,385.00	782,385.00
06/30/2019	-	-	-	-	-	91,505.00	91,505.00
12/30/2019	-	-	-	195,000.00	4.000%	91,505.00	286,505.00
06/30/2020	-	-	-	-	-	87,605.00	87,605.00
12/30/2020	-	-	-	205,000.00	4.000%	87,605.00	292,605.00
06/30/2021	-	-	-	-	-	83,505.00	83,505.00
12/30/2021	-	-	-	210,000.00	4.000%	83,505.00	293,505.00
06/30/2022	-	-	-	-	-	79,305.00	79,305.00
12/30/2022	-	-	-	220,000.00	4.125%	79,305.00	299,305.00
06/30/2023	-	-	-	-	-	74,767.50	74,767.50
12/30/2023	-	-	-	235,000.00	4.125%	74,767.50	309,767.50
06/30/2024	-	-	-	-	-	69,920.63	69,920.63
12/30/2024	-	-	-	240,000.00	4.250%	69,920.63	309,920.63
06/30/2025	-	-	-	-	-	64,820.63	64,820.63
12/30/2025	-	-	-	255,000.00	4.250%	64,820.63	319,820.63
06/30/2026	-	-	-	-	-	59,401.88	59,401.88
12/30/2026	-	-	-	865,000.00	4.375%	59,401.88	924,401.88
06/30/2027	-	-	-	-	-	40,480.00	40,480.00
12/30/2027	-	-	-	900,000.00	4.400%	40,480.00	940,480.00
06/30/2028	-	-	-	-	-	20,680.00	20,680.00
12/30/2028	-	-	-	940,000.00	4.400%	20,680.00	960,680.00
Total	\$5,875,000.00	\$232,670.00	\$6,107,670.00	\$5,875,000.00	-	\$2,005,991.28	\$7,880,991.28

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Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District
Water Revenue Bonds, Series 2009 (Bank Qualified)
FINAL: Priced on 02.03.09 - Delivery on 02.17.09
Ratings: Aa3/Baa1 (FSA Insured)

Debt Service To Maturity And To Call

Part 2 of 2

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/01/2015
Average Life	8.061 Years
Average Coupon	4.2356235%
Weighted Average Maturity (Par Basis)	8.061 Years

Refunding Bond Information

Refunding Dated Date	12/01/2015
Refunding Delivery Date	12/01/2015

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Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
12/01/2015	-	-	-	116,703.74	-	116,703.74
05/31/2016	-	-	25,983.13	25,983.13	-	142,686.87
06/01/2016	-	-	-	-	116,335.00	26,351.87
11/30/2016	5,939,000.00	0.875%	25,983.13	5,964,983.13	-	5,991,335.00
12/01/2016	-	-	-	-	5,991,335.00	-
Total	\$5,939,000.00	-	\$51,966.26	\$6,107,670.00	\$6,107,670.00	-

Investment Parameters

Investment Model [PV, GIC, or Securities] Securities

Default investment yield target Bond Yield

Cash Deposit	116,703.74
Cost of Investments Purchased with Bond Proceeds	5,960,821.35
Total Cost of Investments	\$6,077,525.09

Target Cost of Investments at bond yield	\$5,959,116.43
Actual positive or (negative) arbitrage	(118,408.66)

Yield to Receipt	0.5075887%
Yield for Arbitrage Purposes	2.5016524%

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Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Escrow Summary Cost

<u>Maturity</u>	<u>Type</u>	<u>Coupon</u>	<u>Yield</u>	<u>\$ Price</u>	<u>Par Amount</u>	<u>Principal Cost</u>	<u>+Accrued Interest</u>	<u>= Total Cost</u>
Escrow								
11/30/2016	T-NOTE	0.875%	0.508%	100.3650340%	5,939,000	5,960,679.37	141.98	5,960,821.35
Subtotal		-	-	-	\$5,939,000	\$5,960,679.37	\$141.98	\$5,960,821.35
Total		-	-	-	\$5,939,000	\$5,960,679.37	\$141.98	\$5,960,821.35
Escrow								
Cash Deposit						116,703.74		
Cost of Investments Purchased with Bond Proceeds						5,960,821.35		
Total Cost of Investments						\$6,077,525.09		

Delivery Date

12/01/2015

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Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15
(BAM Insured - Bank Qualified)

Primary Purpose Fund Proof Of Yield @ 0.5075887%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/01/2015	-	1.0000000x	-	-
05/31/2016	25,983.13	0.9974685x	25,917.35	25,917.35
11/30/2016	5,964,983.13	0.9949574x	5,934,904.00	5,960,821.35
Total	\$5,990,966.26	-	\$5,960,821.35	-

Composition Of Initial Deposit

Cost of Investments Purchased with Bond Proceeds

Adjusted Cost of Investments

5,960,821.35

5,960,821.35

2015E REF | 2006 | 11/10/2015 | 11:26 AM

Compass Municipal Advisors, LLC
Public Finance - BEdelen

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Derivation Of Target Amount @ 2.5016524%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/01/2015	-	1.0000000x	-	-
06/01/2016	116,335.00	0.9876463x	114,897.83	114,897.83
12/01/2016	5,991,335.00	0.9754451x	5,844,218.60	5,959,116.43
Total	\$6,107,670.00	-	\$5,959,116.43	-

Composition Of Initial Deposit

Cost of Investments Purchased with Bond Proceeds	5,960,821.35
Cash Deposit	116,703.74

Target Cost of Investments at bond yield	\$5,959,116.43
Actual positive or (negative) arbitrage	(118,408.66)

2015E REF | 2006 | 11/10/2015 | 11:26 AM

Compass Municipal Advisors, LLC
Public Finance - BEdelen

**Berkeley County Public Service Water District
Water Revenue Refunding Bonds, Series 2015E**

(Flow of Funds Schedule)

Pricing: November 02, 2015
Dated Date: December 01, 2015
Delivery Date: December 01, 2015

From Purchaser

December 01, 2015	Wire Bond Insurance and Surety Bond Premiums to Build America Mutual	\$35,450.55
December 01, 2015	Wire Bond Proceeds to West Virginia Municipal Bond Commission	\$5,365,444.16
December 01, 2015	Wire Bond Proceeds to Branch Banking and Trust (Cost of Issuance)	\$149,484.39
Totals:		<u>\$5,550,379.10</u>

Funds Held with Municipal Bond Commission

December 01, 2015	Series 2009 Debt Service Reserve Fund Amount	\$712,080.93
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Total Sources Available for Distribution by Municipal Bond Commission

\$6,077,525.09

From Municipal Bond Commission

December 01, 2015	Purchase Escrow to Defeas Series 2009 Bonds	\$6,077,525.09
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Wiring Instructions

Berkeley County Water District
Branch Banking and Trust
ABA# 051503394
Acct# 1490008593028
Account Name: Berkeley County Public Service Water District

Build America Mutual
Bank: First Republic Bank
ABA#: 321081669
Acct. Name: Build America Mutual Assurance Company
Account No.: 80001613703
Policy No.: P&I: 2015B0810
Policy No.: Surety: 2015R0810

Municipal Bond Commission
BB&T WV
332 70th St SE
Charleston, WV 25304
State of West Virginia
Acct# 5270517317
ABA# 051503394

Berkeley County Public Service Water District - Series 2009 Refunding

Fiscal Year	Refunded Bond Payments				New Bond Payments				Net Savings
	Principal Portion	Interest Portion	DSR	Total	Principal Portion	Interest Portion	DSR	Total	Savings
2016		\$116,335		\$116,335		\$68,831	\$0	\$68,831	\$47,504
2017	\$270,000	\$228,620		\$498,620		\$137,663	\$0	\$137,663	\$360,958
2018	\$660,000	\$214,670		\$874,670	\$595,000	\$131,713	\$0	\$726,713	\$147,958
2019	\$680,000	\$193,890		\$873,890	\$755,000	\$118,213	\$0	\$873,213	\$678
2020	\$195,000	\$179,110		\$374,110	\$265,000	\$108,013	\$0	\$373,013	\$1,098
2021	\$205,000	\$171,110		\$376,110	\$275,000	\$102,613	\$0	\$377,613	(\$1,503)
2022	\$210,000	\$162,810		\$372,810	\$275,000	\$97,113	\$0	\$372,113	\$698
2023	\$220,000	\$154,073		\$374,073	\$285,000	\$91,299	\$0	\$376,299	(\$2,226)
2024	\$235,000	\$144,688		\$379,688	\$295,000	\$84,843	\$0	\$379,843	(\$154)
2025	\$240,000	\$134,741		\$374,741	\$300,000	\$76,950	\$0	\$376,950	(\$2,209)
2026	\$255,000	\$124,223		\$379,223	\$315,000	\$67,725	\$0	\$382,725	(\$3,502)
2027	\$865,000	\$99,882		\$964,882	\$915,000	\$49,275	\$0	\$964,275	\$607
2028	\$900,000	\$61,160		\$961,160	\$940,000	\$21,450	\$0	\$961,450	(\$290)
2029	\$940,000	\$20,680	(\$712,081)	\$248,599	\$245,000	\$3,675	\$0	\$248,675	(\$76)
Totals	\$5,875,000	\$2,005,991		\$7,168,910	\$5,460,000	\$1,159,373	\$0	\$6,619,373	\$549,538

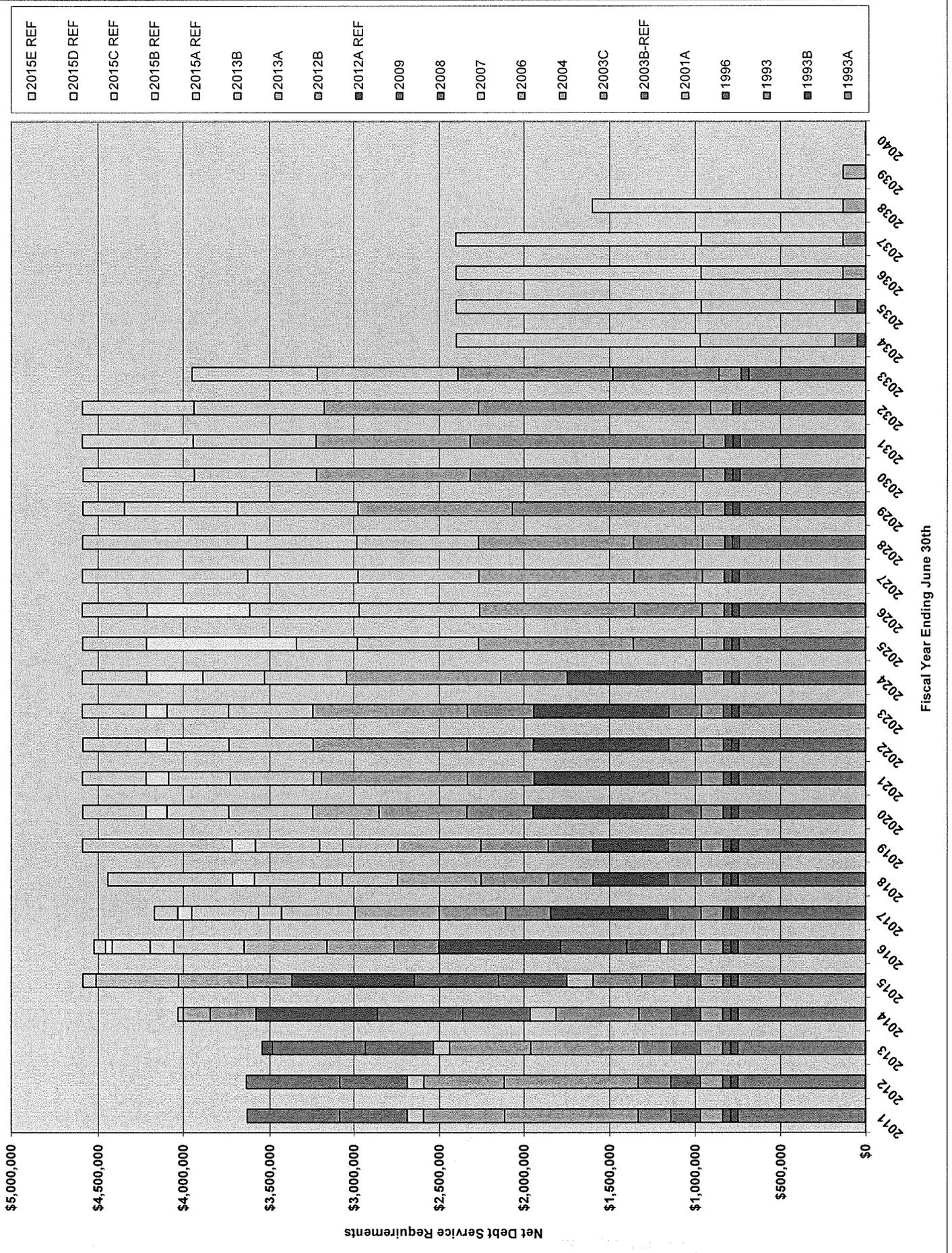
Net Savings Amount	
Gross Savings:	\$549,538
Present Value Savings:	\$530,349
Present Value Savings %:	9.03%

Interest Rate Reduction	
Series 2009 Interest Rate:	4.24%
Series 2015E Interest Rate:	2.49%
Interest Rate Reduction:	1.75%

Refunding Escrow Analysis	
Negative Arbitrage:	(\$118,409)
Escrow Efficiency Ratio:	4.48x

Debt Capsule Summary Report

Bond Series	Original Issuer	Original		Interest Rate Range	Final Maturity	Call Information
		Par Amount	Outstanding Amount			
1993 (WDA)	Opequon PSD	\$9,752,924	\$7,694,836	6.750%	04/01/33	WDA Consent Only
1993A (WDA)	Hedgesville PSD	\$528,871	\$389,883	7.750%	10/01/31	WDA Consent Only
1993B (WDA)	Hedgesville PSD	\$17,629	\$7,232	0.000%	10/01/31	WDA Consent Only
1996 (WDA)	Hedgesville PSD	\$677,158	\$525,098	6.250%	10/01/35	WDA Consent Only
2001A (WDA)	Berkeley PSD	\$2,010,000	\$1,688,759	5.800%	10/01/39	WDA Consent Only
2003C (WDA)	Berkeley PSD	\$2,430,000	\$1,260,258	5.000%	10/01/23	WDA Consent Only
2012A REF	Berkeley PSD	\$7,425,000	\$5,650,000	1.500% - 2.375%	12/01/24	Non-Callable
2012B	Berkeley PSD	\$7,800,000	\$7,725,000	1.350% - 3.250%	12/01/32	Dec. 1, 2022 @ 100%
2013A	Berkeley PSD	\$9,900,000	\$9,850,000	2.000% - 4.500%	12/01/33	Dec. 1, 2023 @ 100%
2013B	Berkeley PSD	\$2,875,000	\$2,035,000	2.100% - 3.950%	12/01/20	Make Whole
2015A REF	Berkeley PSD	\$9,575,000	\$9,455,000	2.000% - 3.250%	12/01/36	Dec. 1, 2025 @ 100%
2015B REF	Berkeley PSD	\$525,000	\$395,000	2.000%	12/01/18	Non-Callable
2015C REF	Berkeley PSD	\$9,910,000	\$9,910,000	0.600% - 3.625%	12/01/37	Dec. 1, 2025 @ 100%
2015D REF	Berkeley PSD	\$2,150,000	\$2,150,000	2.000% - 3.000%	12/01/25	Non-Callable
2015E REF	Berkeley PSD	\$5,460,000	\$5,460,000	2.000% - 3.000%	12/01/28	Dec. 1, 2025 @ 100%
Totals:	---	\$71,036,582	\$64,196,066	---	---	---



DSRF and Capitalized Interest Report

Issuer:	(Hedgesville) Mar 8, 1993	(Hedgesville) Mar 8, 1993	(Hedgesville) Jul 23, 1993	(Hedgesville) Aug 6, 1996	(Berkeley) Oct 25, 2001	(Berkeley) May 15, 2003	(Berkeley) Dec 30, 2004	(Berkeley) Dec 21, 2007	(Berkeley) Jun 24, 2008	(Berkeley) Feb 17, 2009	(Berkeley) Dec 30, 2012	(Berkeley) Dec 30, 2013	(Berkeley) Dec 30, 2013	(Berkeley) Feb 26, 2015	(Berkeley) Oct 1, 2015	(Berkeley) Oct 1, 2015	(Berkeley) Dec 1, 2015	Radiation Amount				
FY	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series					
Ending	1993A	1993B	1993	1996	2001A	2003C	2004	2007	2008	2009	2012A REF	2012B	2013A	2013B	2015A REF	2015B REF	2015C REF	2015D REF	2015E REF			
June 30	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds		
2013																					(\$106,331)	
2014																					\$0	
2015																					\$0	
2016																					\$0	
2017																					\$0	
2018																					\$0	
2019																					\$0	
2020																					\$0	
2021																					\$0	
2022																					\$0	
2023																					\$0	
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2029																					\$0	
2030																					\$0	
2031																					\$0	
2032																					\$0	
2033																					\$0	
2034																					\$0	
2035																					\$0	
2036																					\$0	
2037																					\$0	
2038																					\$0	
2039																					\$0	
2040																					\$0	
Totals:																						(\$5954,156)

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Sources & Uses

Dated 12/01/2015 | Delivered 12/01/2015

Sources Of Funds

Par Amount of Bonds	\$5,460,000.00
Reoffering Premium	116,672.85
Transfers from Prior Issue DSR Funds	712,080.93
Total Sources	\$6,288,753.78

Uses Of Funds

Total Underwriter's Discount (0.482%)	26,293.75
Costs of Issuance	149,484.39
Gross Bond Insurance Premium (34.6 bp)	22,903.03
Surety Bond	12,547.52
Deposit to Net Cash Escrow Fund	6,077,525.09
Total Uses	\$6,288,753.78

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
12/01/2017	Serial Coupon	2.000%	1.000%	595,000.00	101.975%	-	-	-	606,751.25
12/01/2018	Serial Coupon	2.000%	1.250%	755,000.00	102.201%	-	-	-	771,617.55
12/01/2019	Serial Coupon	2.000%	1.500%	265,000.00	101.934%	-	-	-	270,125.10
12/01/2020	Serial Coupon	2.000%	1.750%	275,000.00	101.191%	-	-	-	278,275.25
12/01/2021	Serial Coupon	2.000%	2.000%	275,000.00	100.000%	-	-	-	275,000.00
12/01/2022	Serial Coupon	2.150%	2.150%	285,000.00	100.000%	-	-	-	285,000.00
12/01/2023	Serial Coupon	2.300%	2.300%	295,000.00	100.000%	-	-	-	295,000.00
12/01/2024	Serial Coupon	3.000%	2.400%	300,000.00	104.830%	-	-	-	314,490.00
12/01/2025	Serial Coupon	3.000%	2.500%	315,000.00	104.399%	-	-	-	328,856.85
12/01/2026	Serial Coupon	3.000%	2.650%	915,000.00	103.056%	c 2.677%	12/01/2025	100.000%	942,962.40
12/01/2027	Serial Coupon	3.000%	2.750%	940,000.00	102.172%	c 2.786%	12/01/2025	100.000%	960,416.80
12/01/2028	Serial Coupon	3.000%	2.850%	245,000.00	101.297%	c 2.880%	12/01/2025	100.000%	248,177.65
Total	-	-	-	\$5,460,000.00	-	-	-	-	\$5,576,672.85

Bid Information

Par Amount of Bonds	\$5,460,000.00
Reoffering Premium or (Discount)	116,672.85
Gross Production	\$5,576,672.85
Total Underwriter's Discount (0.482%)	\$(26,293.75)
Bid (101.655%)	5,550,379.10
Total Purchase Price	\$5,550,379.10
Bond Year Dollars	\$42,275.00
Average Life	7.743 Years
Average Coupon	2.7424542%
Net Interest Cost (NIC)	2.5286656%
True Interest Cost (TIC)	2.4867577%

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

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(BAM Insured - Bank Qualified)

Summary Of Underwriter's Discount

Maturity	Concession	+ Takedown	= Total	Issuance Value	Total Takedown
12/01/2017	-	0.250%	0.250%	595,000.00	1,487.50
12/01/2018	-	0.375%	0.375%	755,000.00	2,831.25
12/01/2019	-	0.375%	0.375%	265,000.00	993.75
12/01/2020	-	0.375%	0.375%	275,000.00	1,031.25
12/01/2021	-	0.500%	0.500%	275,000.00	1,375.00
12/01/2022	-	0.500%	0.500%	285,000.00	1,425.00
12/01/2023	-	0.500%	0.500%	295,000.00	1,475.00
12/01/2024	-	0.500%	0.500%	300,000.00	1,500.00
12/01/2025	-	0.500%	0.500%	315,000.00	1,575.00
12/01/2026	-	0.500%	0.500%	915,000.00	4,575.00
12/01/2027	-	0.500%	0.500%	940,000.00	4,700.00
12/01/2028	-	0.500%	0.500%	245,000.00	1,225.00
Total	-	-	-	\$5,460,000.00	\$24,193.75

Underwriting & Issuance Expenses

Total Average Takedown (0.443%)	\$24,193.75
Total Underwriters Expenses (0.038%)	\$2,100.00
TOTAL UNDERWRITING SPREAD (0.482%)	\$26,293.75

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2015	-	-	-	-
06/01/2016	-	-	68,831.25	68,831.25
12/01/2016	-	-	68,831.25	68,831.25
06/01/2017	-	-	68,831.25	68,831.25
12/01/2017	595,000.00	2.000%	68,831.25	663,831.25
06/01/2018	-	-	62,881.25	62,881.25
12/01/2018	755,000.00	2.000%	62,881.25	817,881.25
06/01/2019	-	-	55,331.25	55,331.25
12/01/2019	265,000.00	2.000%	55,331.25	320,331.25
06/01/2020	-	-	52,681.25	52,681.25
12/01/2020	275,000.00	2.000%	52,681.25	327,681.25
06/01/2021	-	-	49,931.25	49,931.25
12/01/2021	275,000.00	2.000%	49,931.25	324,931.25
06/01/2022	-	-	47,181.25	47,181.25
12/01/2022	285,000.00	2.150%	47,181.25	332,181.25
06/01/2023	-	-	44,117.50	44,117.50
12/01/2023	295,000.00	2.300%	44,117.50	339,117.50
06/01/2024	-	-	40,725.00	40,725.00
12/01/2024	300,000.00	3.000%	40,725.00	340,725.00
06/01/2025	-	-	36,225.00	36,225.00
12/01/2025	315,000.00	3.000%	36,225.00	351,225.00
06/01/2026	-	-	31,500.00	31,500.00
12/01/2026	915,000.00	3.000%	31,500.00	946,500.00
06/01/2027	-	-	17,775.00	17,775.00
12/01/2027	940,000.00	3.000%	17,775.00	957,775.00
06/01/2028	-	-	3,675.00	3,675.00
12/01/2028	245,000.00	3.000%	3,675.00	248,675.00
06/01/2029	-	3.000%	-	-
Total	\$5,460,000.00	-	\$1,159,372.50	\$6,619,372.50

Yield Statistics

Bond Year Dollars	\$42,275.00
Average Life	7.743 Years
Average Coupon	2.7424542%
Net Interest Cost (NIC)	2.5286656%
True Interest Cost (TIC)	2.4867577%
Bond Yield for Arbitrage Purposes	2.5016524%
All Inclusive Cost (AIC)	2.9840256%

IRS Form 8038

Net Interest Cost	2.4109717%
Weighted Average Maturity	7.755 Years

2015E REF | 2006 | 11/2/2015 | 12:41 PM

Compass Municipal Advisors, LLC
Public Finance - BNurick

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2016	68,831.25	68,831.25	116,335.00	47,503.75
06/30/2017	137,662.50	137,662.50	498,620.00	360,957.50
06/30/2018	726,712.50	726,712.50	874,670.00	147,957.50
06/30/2019	873,212.50	873,212.50	873,890.00	677.50
06/30/2020	373,012.50	373,012.50	374,110.00	1,097.50
06/30/2021	377,612.50	377,612.50	376,110.00	(1,502.50)
06/30/2022	372,112.50	372,112.50	372,810.00	697.50
06/30/2023	376,298.75	376,298.75	374,072.50	(2,226.25)
06/30/2024	379,842.50	379,842.50	379,688.13	(154.37)
06/30/2025	376,950.00	376,950.00	374,741.26	(2,208.74)
06/30/2026	382,725.00	382,725.00	379,222.51	(3,502.49)
06/30/2027	964,275.00	964,275.00	964,881.88	606.88
06/30/2028	961,450.00	961,450.00	961,160.00	(290.00)
06/30/2029	248,675.00	248,675.00	248,599.07	(75.93)
Total	\$6,619,372.50	\$6,619,372.50	\$7,168,910.35	\$549,537.85

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	1,045,775.27
Effects of changes in DSR investments	(515,426.08)
Net PV Cashflow Savings @ 2.502%(Bond Yield)	530,349.19
Net Present Value Benefit	\$530,349.19
Net PV Benefit / \$5,875,000 Refunded Principal	9.027%
Net PV Benefit / \$5,460,000 Refunding Principal	9.713%

Refunding Bond Information

Refunding Dated Date	12/01/2015
Refunding Delivery Date	12/01/2015

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualifed)

Proof of Premium/5Yr Call Bond Selection of Call Dates/Prices

<u>Maturity</u>	<u>Call Date</u>	<u>Call Price</u>	<u>PV at Bond Yield</u>	<u>Lowest?</u>
12/01/2026	-	-	958,612.63	No
12/01/2026	12/01/2025	100.000%	955,122.09	Yes

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualifed)

Proof of D/S for Arbitrage Purposes

Date	Principal	Interest	Total
12/01/2015	-	-	-
06/01/2016	-	68,831.25	68,831.25
12/01/2016	-	68,831.25	68,831.25
06/01/2017	-	68,831.25	68,831.25
12/01/2017	595,000.00	68,831.25	663,831.25
06/01/2018	-	62,881.25	62,881.25
12/01/2018	755,000.00	62,881.25	817,881.25
06/01/2019	-	55,331.25	55,331.25
12/01/2019	265,000.00	55,331.25	320,331.25
06/01/2020	-	52,681.25	52,681.25
12/01/2020	275,000.00	52,681.25	327,681.25
06/01/2021	-	49,931.25	49,931.25
12/01/2021	275,000.00	49,931.25	324,931.25
06/01/2022	-	47,181.25	47,181.25
12/01/2022	285,000.00	47,181.25	332,181.25
06/01/2023	-	44,117.50	44,117.50
12/01/2023	295,000.00	44,117.50	339,117.50
06/01/2024	-	40,725.00	40,725.00
12/01/2024	300,000.00	40,725.00	340,725.00
06/01/2025	-	36,225.00	36,225.00
12/01/2025	1,230,000.00	36,225.00	1,266,225.00
06/01/2026	-	17,775.00	17,775.00
12/01/2026	-	17,775.00	17,775.00
06/01/2027	-	17,775.00	17,775.00
12/01/2027	940,000.00	17,775.00	957,775.00
06/01/2028	-	3,675.00	3,675.00
12/01/2028	245,000.00	3,675.00	248,675.00
Total	\$5,460,000.00	\$1,131,922.50	\$6,591,922.50

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Proof Of Bond Yield @ 2.5016524%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/01/2015	-	1.0000000x	-	-
06/01/2016	68,831.25	0.9876463x	67,980.93	67,980.93
12/01/2016	68,831.25	0.9754451x	67,141.11	135,122.03
06/01/2017	68,831.25	0.9633947x	66,311.66	201,433.70
12/01/2017	663,831.25	0.9514932x	631,630.93	833,064.63
06/01/2018	62,881.25	0.9397387x	59,091.95	892,156.58
12/01/2018	817,881.25	0.9281294x	759,099.66	1,651,256.24
06/01/2019	55,331.25	0.9166636x	50,720.14	1,701,976.38
12/01/2019	320,331.25	0.9053393x	290,008.48	1,991,984.87
06/01/2020	52,681.25	0.8941550x	47,105.20	2,039,090.07
12/01/2020	327,681.25	0.8831089x	289,378.22	2,328,468.29
06/01/2021	49,931.25	0.8721992x	43,549.99	2,372,018.28
12/01/2021	324,931.25	0.8614242x	279,903.66	2,651,921.94
06/01/2022	47,181.25	0.8507824x	40,140.98	2,692,062.92
12/01/2022	332,181.25	0.8402721x	279,122.63	2,971,185.55
06/01/2023	44,117.50	0.8298916x	36,612.74	3,007,798.29
12/01/2023	339,117.50	0.8196393x	277,954.04	3,285,752.34
06/01/2024	40,725.00	0.8095137x	32,967.45	3,318,719.78
12/01/2024	340,725.00	0.7995132x	272,414.14	3,591,133.92
06/01/2025	36,225.00	0.7896362x	28,604.57	3,619,738.49
12/01/2025	1,266,225.00	0.7798813x	987,505.15	4,607,243.64
06/01/2026	17,775.00	0.7702468x	13,691.14	4,620,934.78
12/01/2026	17,775.00	0.7607314x	13,522.00	4,634,456.78
06/01/2027	17,775.00	0.7513335x	13,354.95	4,647,811.73
12/01/2027	957,775.00	0.7420517x	710,718.60	5,358,530.34
06/01/2028	3,675.00	0.7328846x	2,693.35	5,361,223.69
12/01/2028	248,675.00	0.7238308x	179,998.61	5,541,222.30
Total	\$6,591,922.50	-	\$5,541,222.30	-

Derivation Of Target Amount

Par Amount of Bonds	\$5,460,000.00
Reoffering Premium or (Discount)	116,672.85
Bond Insurance Premium..... (34.6 bp)	(22,903.03)
Other Credit Enhancement Fees	(12,547.52)
Original Issue Proceeds	\$5,541,222.30

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Price	Issuance Price	Exponent	Bond Years
12/01/2015	-	-	-	-	-
12/01/2017	595,000.00	101.975%	606,751.25	2.0000000x	1,213,502.50
12/01/2018	755,000.00	102.201%	771,617.55	3.0000000x	2,314,852.65
12/01/2019	265,000.00	101.934%	270,125.10	4.0000000x	1,080,500.40
12/01/2020	275,000.00	101.191%	278,275.25	5.0000000x	1,391,376.25
12/01/2021	275,000.00	100.000%	275,000.00	6.0000000x	1,650,000.00
12/01/2022	285,000.00	100.000%	285,000.00	7.0000000x	1,995,000.00
12/01/2023	295,000.00	100.000%	295,000.00	8.0000000x	2,360,000.00
12/01/2024	300,000.00	104.830%	314,490.00	9.0000000x	2,830,410.00
12/01/2025	315,000.00	104.399%	328,856.85	10.0000000x	3,288,568.50
12/01/2026	915,000.00	103.056%	942,962.40	11.0000000x	10,372,586.40
12/01/2027	940,000.00	102.172%	960,416.80	12.0000000x	11,525,001.60
12/01/2028	245,000.00	101.297%	248,177.65	13.0000000x	3,226,309.45
Total	\$5,460,000.00	-	\$5,576,672.85	-	\$43,248,107.75

IRS Form 8038

Weighted Average Maturity = Bond Years/Issue Price	7.755 Years
Total Interest from Debt Service	1,159,372.50
Reoffering (Premium) or Discount	(116,672.85)
Total Interest	1,042,699.65
NIC = Interest / (Issue Price * Average Maturity)	2.4109717%
Bond Yield for Arbitrage Purposes	2.5016524%

Berkeley County Public Service Water District

Water Revenue Bonds, Series 2009 (Bank Qualified)

FINAL: Priced on 02.03.09 - Delivery on 02.17.09

Ratings: Aa3/Baa1 (FSA Insured)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
06/01/2016	-	-	116,335.00	116,335.00
12/01/2016	270,000.00	3.000%	116,335.00	386,335.00
06/01/2017	-	-	112,285.00	112,285.00
12/01/2017	660,000.00	3.000%	112,285.00	772,285.00
06/01/2018	-	-	102,385.00	102,385.00
12/01/2018	680,000.00	3.200%	102,385.00	782,385.00
06/01/2019	-	-	91,505.00	91,505.00
12/01/2019	195,000.00	4.000%	91,505.00	286,505.00
06/01/2020	-	-	87,605.00	87,605.00
12/01/2020	205,000.00	4.000%	87,605.00	292,605.00
06/01/2021	-	-	83,505.00	83,505.00
12/01/2021	210,000.00	4.000%	83,505.00	293,505.00
06/01/2022	-	-	79,305.00	79,305.00
12/01/2022	220,000.00	4.125%	79,305.00	299,305.00
06/01/2023	-	-	74,767.50	74,767.50
12/01/2023	235,000.00	4.125%	74,767.50	309,767.50
06/01/2024	-	-	69,920.63	69,920.63
12/01/2024	240,000.00	4.250%	69,920.63	309,920.63
06/01/2025	-	-	64,820.63	64,820.63
12/01/2025	255,000.00	4.250%	64,820.63	319,820.63
06/01/2026	-	-	59,401.88	59,401.88
12/01/2026	865,000.00	4.375%	59,401.88	924,401.88
06/01/2027	-	-	40,480.00	40,480.00
12/01/2027	900,000.00	4.400%	40,480.00	940,480.00
06/01/2028	-	-	20,680.00	20,680.00
12/01/2028	940,000.00	4.400%	20,680.00	960,680.00
Total	\$5,875,000.00	-	\$2,005,991.28	\$7,880,991.28

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/01/2015
Average Life	8.061 Years
Average Coupon	4.2356235%
Weighted Average Maturity (Par Basis)	8.061 Years

Refunding Bond Information

Refunding Dated Date	12/01/2015
Refunding Delivery Date	12/01/2015

Berkeley County Public Service Water District

Water Revenue Bonds, Series 2009 (Bank Qualified)

FINAL: Priced on 02.03.09 - Delivery on 02.17.09

Ratings: Aa3/Baa1 (FSA Insured)

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/01/2016	-	116,335.00	116,335.00	-	-	116,335.00	116,335.00
12/01/2016	5,875,000.00	116,335.00	5,991,335.00	270,000.00	3.000%	116,335.00	386,335.00
06/01/2017	-	-	-	-	-	112,285.00	112,285.00
12/01/2017	-	-	-	660,000.00	3.000%	112,285.00	772,285.00
06/01/2018	-	-	-	-	-	102,385.00	102,385.00
12/01/2018	-	-	-	680,000.00	3.200%	102,385.00	782,385.00
06/01/2019	-	-	-	-	-	91,505.00	91,505.00
12/01/2019	-	-	-	195,000.00	4.000%	91,505.00	286,505.00
06/01/2020	-	-	-	-	-	87,605.00	87,605.00
12/01/2020	-	-	-	205,000.00	4.000%	87,605.00	292,605.00
06/01/2021	-	-	-	-	-	83,505.00	83,505.00
12/01/2021	-	-	-	210,000.00	4.000%	83,505.00	293,505.00
06/01/2022	-	-	-	-	-	79,305.00	79,305.00
12/01/2022	-	-	-	220,000.00	4.125%	79,305.00	299,305.00
06/01/2023	-	-	-	-	-	74,767.50	74,767.50
12/01/2023	-	-	-	235,000.00	4.125%	74,767.50	309,767.50
06/01/2024	-	-	-	-	-	69,920.63	69,920.63
12/01/2024	-	-	-	240,000.00	4.250%	69,920.63	309,920.63
06/01/2025	-	-	-	-	-	64,820.63	64,820.63
12/01/2025	-	-	-	255,000.00	4.250%	64,820.63	319,820.63
06/01/2026	-	-	-	-	-	59,401.88	59,401.88
12/01/2026	-	-	-	865,000.00	4.375%	59,401.88	924,401.88
06/01/2027	-	-	-	-	-	40,480.00	40,480.00
12/01/2027	-	-	-	900,000.00	4.400%	40,480.00	940,480.00
06/01/2028	-	-	-	-	-	20,680.00	20,680.00
12/01/2028	-	-	-	940,000.00	4.400%	20,680.00	960,680.00
Total	\$5,875,000.00	\$232,670.00	\$6,107,670.00	\$5,875,000.00	-	\$2,005,991.28	\$7,880,991.28

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/01/2015
Average Life	8.061 Years
Average Coupon	4.2356235%
Weighted Average Maturity (Par Basis)	8.061 Years

Refunding Bond Information

Refunding Dated Date	12/01/2015
Refunding Delivery Date	12/01/2015

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
12/01/2015	-	-	-	116,703.74	-	116,703.74
05/31/2016	-	-	25,983.13	25,983.13	-	142,686.87
06/01/2016	-	-	-	-	116,335.00	26,351.87
11/30/2016	5,939,000.00	0.875%	25,983.13	5,964,983.13	-	5,991,335.00
12/01/2016	-	-	-	-	5,991,335.00	-
Total	\$5,939,000.00	-	\$51,966.26	\$6,107,670.00	\$6,107,670.00	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	116,703.74
Cost of Investments Purchased with Bond Proceeds	5,960,821.35
Total Cost of Investments	\$6,077,525.09
Target Cost of Investments at bond yield	\$5,959,116.43
Actual positive or (negative) arbitrage	(118,408.66)
Yield to Receipt	0.5075887%
Yield for Arbitrage Purposes	2.5016524%

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Escrow Summary Cost

Maturity	Type	Coupon	Yield	\$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Escrow								
11/30/2016	T-NOTE	0.875%	0.508%	100.3650340%	5,939,000	5,960,679.37	141.98	5,960,821.35
Subtotal		-	-	-	\$5,939,000	\$5,960,679.37	\$141.98	\$5,960,821.35
Total		-	-	-	\$5,939,000	\$5,960,679.37	\$141.98	\$5,960,821.35

Escrow

Cash Deposit	116,703.74
Cost of Investments Purchased with Bond Proceeds	5,960,821.35
Total Cost of Investments	\$6,077,525.09

Delivery Date 12/01/2015

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Primary Purpose Fund Proof Of Yield @ 0.5075887%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/01/2015	-	1.0000000x	-	-
05/31/2016	25,983.13	0.9974685x	25,917.35	25,917.35
11/30/2016	5,964,983.13	0.9949574x	5,934,904.00	5,960,821.35
Total	\$5,990,966.26	-	\$5,960,821.35	-

Composition Of Initial Deposit

Cost of Investments Purchased with Bond Proceeds	5,960,821.35
Adjusted Cost of Investments	5,960,821.35

Berkeley County Public Service Water District

Water Revenue Refunding Bonds, Series 2015 E

FINAL: Priced by Piper Jaffray/Crews on 11.02.15 - Delivery on 12.01.15

(BAM Insured - Bank Qualified)

Derivation Of Target Amount @ 2.5016524%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/01/2015	-	1.0000000x	-	-
06/01/2016	116,335.00	0.9876463x	114,897.83	114,897.83
12/01/2016	5,991,335.00	0.9754451x	5,844,218.60	5,959,116.43
Total	\$6,107,670.00	-	\$5,959,116.43	-

Composition Of Initial Deposit

Cost of Investments Purchased with Bond Proceeds	5,960,821.35
Cash Deposit	116,703.74
Target Cost of Investments at bond yield	\$5,959,116.43
Actual positive or (negative) arbitrage	(118,408.66)

WV MUNICIPAL BOND COMMISSION

900 Pennsylvania Avenue
 Suite 1117
 Charleston, WV 25301
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 12/1/2015

ISSUE: <u>Berkeley County Public Service District</u>	
<u>Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)</u>	
ADDRESS: <u>251 Caperton Boulevard, Martinsburg, WV 25403</u>	COUNTY: <u>Berkeley</u>
PURPOSE OF ISSUE:	
New Money: _____	REFUNDS ISSUE(S) DATED: <u>2/17/2009</u>
Refunding: <input checked="" type="checkbox"/> Series 2009	
ISSUE DATE: <u>12/1/2015</u>	CLOSING DATE: <u>12/1/2015</u>
ISSUE AMOUNT: <u>\$5,460,000</u>	RATE: <u>2%-3%</u>
1ST DEBT SERVICE DUE: <u>6/1/2016</u>	1ST PRINCIPAL DUE: <u>12/1/2017</u>
1ST DEBT SERVICE AMOUNT <u>\$68,831.25</u>	PAYING AGENT: <u>Municipal Bond Commission</u>
BOND COUNSEL:	
Firm: <u>Steptoe & Johnson PLLC</u>	UNDERWRITERS COUNSEL
Contact: <u>John C. Stump, Esquire</u>	Firm: <u>Jackson Kelly, PLLC</u>
Phone: <u>(304) 353.8196</u>	Contact: <u>Samme Gee, Esquire</u>
	Phone: <u>(304) 340-1318</u>
CLOSING BANK:	
Bank: <u>United Bank, Inc.</u>	ESCROW TRUSTEE:
Contact: <u>Kathy Smith</u>	Firm: _____
Phone: <u>304.348.8427</u>	Contact: _____
	Phone: _____
KNOWLEDGEABLE ISSUER CONTACT	
Contact: <u>Christine Thiel, P. E.</u>	OTHER:
Position: <u>Executive Director</u>	<u>Underwriter</u>
Phone: <u>304.267.4600</u>	<u>Piper Jaffray</u>
	Contact: <u>Joe Niggel</u>
	Position: <u>Managing Director</u>
	Phone: <u>704.342.7815</u>
DEPOSITS TO MBC AT CLOSE	
By: <input checked="" type="checkbox"/> Wire	Accrued Interest: \$ _____
<input type="checkbox"/> Check	Capitalized Interest: \$ _____
	Reserve Account \$ _____
	<input checked="" type="checkbox"/> Other: Escrow Fund \$ <u>5,365,444.16</u>
	Other: _____
REFUNDS & TRANSFERS BY MBC AT CLOSE	
By: <input type="checkbox"/> Wire	To Escrow Trustee \$ _____
<input type="checkbox"/> Check	To Issuer \$ _____
<input checked="" type="checkbox"/> IGT	To Cons. Invest. Fund \$ _____
2009 Reserve <input checked="" type="checkbox"/>	To Other: Escrow Fund \$ <u>712,080.93</u>
	To Other: _____
NOTES: <u>The Series 2015 E Bonds Reserve Account will be funded with a Surety Bond</u>	
FOR MUNICIPAL BOND COMMISSION USE ONLY:	
DOCUMENTS REQUIRED: _____	
TRANSFERS REQUIRED: _____	

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated December 1, 2015 (the "Agreement"), by and between the Berkeley County Public Service District, West Virginia (the "Issuer" or "Obligor") and BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM").

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. 2015R0810 (the "2015 E Reserve Policy") with respect to the Berkeley County Public Service District, West Virginia Water Refunding Revenue Bonds, Series 2015 E (Bank-Qualified) (the "Bonds" or "Insured Obligations") issued under the Bond Resolution duly adopted by the Issuer on October 26, 2015, as supplemented by a Supplemental Parameters Resolution duly adopted by the Issuer on October 26, 2015 and a Certificate of Determinations executed by the Chairman on November 2, 2015 (collectively, the "Authorizing Documents"), which Bonds are secured by the Net Revenue pledge of the Obligor and the other revenue and collateral described in the Authorizing Documents, and the payment to BAM of the Insurance Payment for the Reserve Policy, the Obligor and BAM hereby covenant and agree as follows:

1. The Obligor shall repay BAM any draws under the Reserve Policy and pay all Administrative Expenses (as defined below) incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base-lending rate of such national bank as BAM shall designate.
2. Repayment of draws and payment of Administrative Expenses and the interest accrued thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregated of Policy Costs related to such draw. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due.
3. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.

4. All cash and investments in any debt service reserve fund or account securing the Insured Obligations (the "Reserve Fund") shall be transferred to the debt service fund for payment of debt service on the Insured Obligations before any drawing may be made on the Reserve Policy or on any alternative credit instrument. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all alternative credit instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such alternative credit instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to alternative credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.
5. Draws on the 2015 E Reserve Policy may only be used to make payments on the Bonds (and for the avoidance of doubt, not any other obligations of the Obligor, whether issued on parity with the Insured Obligations, or otherwise).
6. If the Obligor shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Documents and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Documents, other than (i) acceleration of the maturity of the Insured Obligations or (ii) remedies which would adversely affect owners of the Insured Obligations.
7. The Authorizing Documents shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Obligor's obligation to pay such amounts shall expressly survive payment in full of the Insured Obligations.
8. In order to secure the Obligor's payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Insured Obligations and those obligations secured on a parity with the Insured Obligations) in all revenues and collateral pledged as security for the Insured Obligations. The Obligor shall not grant, or permit to exist, a lien on or security interest in the Net Revenues for the benefit of a provider of an alternative credit instrument that is provided in lieu of a cash deposit to a debt service reserve fund or account for any obligations secured by a lien on or payable from such revenues on a parity with or subordinate to the Insured Obligations that is senior or superior to the security interest granted to BAM hereunder.

9. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Authorizing Documents.
10. The Paying Agent, as defined in the Authorizing Documents, shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of Paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Insured Obligations. Where deposits are required to be made by the Obligor with the Paying Agent to the debt service fund for the Insured Obligations more often than semi-annually, the Paying Agent shall give notice to BAM of any failure of the Obligor to make timely payment in full of such deposits within two business days of the date due.
11. The Obligor agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Documents and any other document executed in connection with the Insured Obligations ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Obligor agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.
12. The obligation of the Obligor to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Obligor and will be paid or performed strictly in accordance with this Agreement.
13. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Documents or any other document executed in connection with the Insured Obligations, the Obligor shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.
14. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2015R0810, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com; with a copy of such notice or other

communication sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214.

15. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement. In the event of any conflict in the terms of this Agreement and the Authorizing Documents, the terms of this Agreement shall control.
16. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Documents.
17. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.
18. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

BERKELEY COUNTY PUBLIC SERVICE
DISTRICT

By: _____

Title: Chairman

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: _____

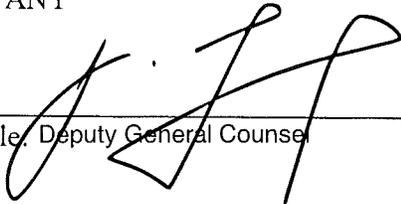
Title: _____

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

BERKELEY COUNTY PUBLIC SERVICE
DISTRICT

By: 
Title: Chairman

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: 
Title: Deputy General Counsel



**MUNICIPAL BOND DEBT SERVICE RESERVE
INSURANCE COMMITMENT**

Issuer: Berkeley County Public Service District, West Virginia Effective Date: October 26, 2015

Member: Berkeley County Public Service District, West Virginia Expiration Date: December 24, 2015

Bonds: Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified) insured by BAM in aggregate principal amount not to exceed \$5,465,000

Premium: 2.25% of Policy Limit

Policy Limit: An amount not to exceed the debt service reserve requirement for the Bonds insured by BAM as set forth in the Security Documents (the "Reserve Account Requirement"). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement in accordance with the Security Documents

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), a New York mutual insurance corporation, hereby commits to issue its Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy"), in the form attached hereto as **Exhibit A**, relating to the above-described debt obligations (the "Bonds"), subject to the terms and conditions contained herein or added hereto. All terms used herein and not otherwise defined shall have the meanings ascribed to them in the Bond Insurance Commitment referred to in Paragraph 1 below or, if not defined therein, in the Debt Service Reserve Agreement referred to in Paragraph 3(a) below.

To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to deny or grant a renewal in its sole discretion. To keep the Commitment in effect to the Expiration Date set forth above, BAM must receive a duplicate of this Commitment executed by an authorized officer of the Issuer within ten days of the date of this Commitment.

THE RESERVE POLICY SHALL BE ISSUED UPON SATISFACTION OR THE WAIVER BY BAM OF THE FOLLOWING CONDITIONS, AND THE ISSUER AGREES AS FOLLOWS:

1. **Conditions to Municipal Bond Policy Satisfied.** All conditions required under the Municipal Bond Insurance Commitment, dated October 26, 2015 issued by BAM with respect to the Bonds (the “Bond Insurance Commitment”) for the issuance of the municipal bond insurance policy to be issued thereunder shall have been satisfied and the Bonds are simultaneously insured by BAM. All conditions set forth in this Commitment shall be in addition to the requirements set forth in Bond Insurance Commitment.
2. **The Transaction Documents** shall contain the document provisions set forth in **Exhibit B** hereto.
3. **Agreement and Related Opinions.** BAM shall be provided with the following:
 - (a) A copy of the Debt Service Reserve Agreement, substantially in the form of **Exhibit C**, duly executed by the Issuer, subject only to such changes as shall be agreed to by BAM, as evidenced by BAM’s execution thereof (For your information, the form of legal opinion to be delivered by BAM at closing is attached hereto as **Exhibit D**).
 - (b) An opinion(s) of bond counsel or other counsel acceptable to BAM, addressed and in form and substance satisfactory to BAM, as to (i) the due authorization, validity and enforceability of the Debt Service Reserve Agreement, and (ii) if applicable, the Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund or account (the “Reserve Fund”) under the Security Documents, and as to such other matters as BAM shall reasonably request.
 - (c) Evidence of wire transfer of immediately available funds in an amount equal to the Premium stated above, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the delivery date of the Reserve Policy. Please see “Procedures for Premium Payment” attached hereto.
4. **Security for Repayment of Draws under the Reserve Policy, and Policy Costs.** The Security Documents shall secure repayment of draws under the Reserve Policy and all Policy Costs consistent with the terms of the Debt Service Reserve Agreement.
5. **Payments Due under the Policy.** All amounts on deposit under the Security Documents available to pay debt service on the Bonds (exclusive of the Reserve Policy) shall be used to pay such debt service before any drawing may be made on the Reserve Policy or any other credit facility. Draws on the Reserve Policy may be used only to pay principal of and/or interest on the Bonds.
6. **Ascertainment of Amounts to be Drawn.** The Security Documents shall require the Trustee or Paying Agent to determine the necessity for a claim upon the Reserve Policy and to provide notice to BAM in accordance with the terms of the Reserve Policy.

7. **Final Documents.** Copies of all transaction documents and opinions required by this Commitment prepared subsequent to the date of this Commitment (black-lined to reflect all revisions from previously reviewed drafts) shall be furnished to BAM for review and approval at the same time and in the same manner as other transaction documents are required to be provided under (and as defined in) the Bond Insurance Commitment.
8. **Expiration of the Reserve Policy.** The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

Closing Transcript. The closing transcript required to be provided to BAM pursuant to the Bond Insurance Commitment shall include all transaction documents and opinions required by this Commitment.

BUILD AMERICA MUTUAL ASSURANCE COMPANY



Authorized Officer

October 26, 2015
Date

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AGREED AND ACCEPTED

The undersigned, an authorized officer of the Issuer, agrees and accepts the conditions set forth above and further agrees that (i) if the debt service reserve fund requirement for the Bonds is met by a credit instrument, such credit instrument shall be a Reserve Policy provided by BAM in accordance with the terms of this Commitment; (ii) the Issuer has made an independent investigation and decision as to whether to satisfy its reserve fund requirement with the Reserve Policy or whether the Reserve Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore the Issuer is not relying on, any recommendation from BAM that the Issuer satisfy its reserve fund requirement with or obtain the Reserve Policy, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Reserve Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to insure the Bonds or obtain the Reserve Policy; (iv) the Issuer acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the Issuer acknowledges that a credit or claims-paying rating of BAM assigned by a Rating Agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning Rating Agency, any such rating may change or be suspended, placed under review or withdrawn by such Rating Agency if circumstances so warrant, and BAM compensates a Rating Agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; and (vi) the Issuer also acknowledges that BAM may in its sole and absolute discretion at any time request that a Rating Agency withdraw any rating maintained in respect of BAM. Notwithstanding anything to the contrary set forth herein, the provisions set forth under subparagraphs (ii) through (vi) above shall survive the expiration or termination of this Commitment.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA

By: 

Title: CHAIRMAN

Date: 10/28/2015

**PROCEDURES FOR PREMIUM PAYMENT
TO
BUILD AMERICA MUTUAL ASSURANCE COMPANY
("BAM")**

BAM's issuance of its municipal bond debt service reserve insurance policy at bond closing is contingent upon payment and receipt of the Initial Premium. **NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED BY BAM.** Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Confirmation of Amount to be Paid: **Upon determination of the final debt service reserve fund requirement, fax or email such schedule to BAM**
Attention: Andrew Bevan
Email: abevan@buildamerica.com
Phone No.: 212-235-2526
Fax No.: 212-962-1524

Confirm with BAM's credit analyst that you are in agreement with respect to Reserve Fund Policy Limit and Initial Premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the Bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank: First Republic Bank
ABA#: 321081669
Acct. Name: Build America Mutual Assurance Company
Account No.: 80001613703
Policy No.: POLICY# _____ (Include in OBI Field)

CONFIRMATION OF PREMIUM WIRE NUMBER AT CLOSING

BAM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to Miranda Ganzer, Closing Coordinator, 212-235-2535, email: mganzer@buildamerica.com.

EXHIBIT A

Specimen Municipal Bond Debt Service Reserve Insurance Policy



**MUNICIPAL BOND DEBT
SERVICE RESERVE
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF
TRANSACTION]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon such payment, BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement, if any.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such

payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the

Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. If the amount payable under this Policy is also payable under another BAM issued policy insuring the Bonds, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “**Business Day**” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. [“**Debt Service Reserve Agreement**” means the Debt Service Reserve Fund Agreement, if any, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time.] “**Due for Payment**” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “**Nonpayment**” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “**Nonpayment**” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “**Notice**” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “**Owner**” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “**Owner**” shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. “**Policy Limit**” means the dollar amount of the debt service reserve fund required to be maintained for the Bonds by the Security Documents from time to time (the “**Reserve Account Requirement**”), or the portion of the Reserve Account Requirement for the Bonds provided by this Policy as specified in the Security Documents or Debt Service Reserve Agreement, if any, but in no event shall the Policy Limit

exceed \$ _____. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of or, if this Policy is only providing a portion of the Reserve Account Requirement, in the same proportion as, each reduction in the

Reserve Account Requirement, as provided in the Security Documents or Debt Service Reserve Agreement. **“Security Documents”** means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement and any additional or supplemental document executed in connection with the Bonds. **“Term”** means the period from and including the Effective Date until the earlier of (i) the maturity date for the Bonds and (ii) the date on which the Bonds are no longer outstanding under the Security Documents.

BAM may appoint a fiscal agent (the **“Insurer’s Fiscal Agent”**) for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer’s Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer’s Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer’s Fiscal Agent on behalf of BAM. The Insurer’s Fiscal Agent is the agent of BAM only, and the Insurer’s Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer’s Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy is being issued under and pursuant to and shall be construed under and governed by the laws of the State of New York, without regard to conflict of law provisions.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: _____
Authorized Officer

SPECIMEN

Schedule

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor

200 Liberty Street

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Security Documents or Debt Service Reserve Agreement, if any, and, as of the date hereof, the Policy Limit is \$ _____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: _____
Name:
Title:

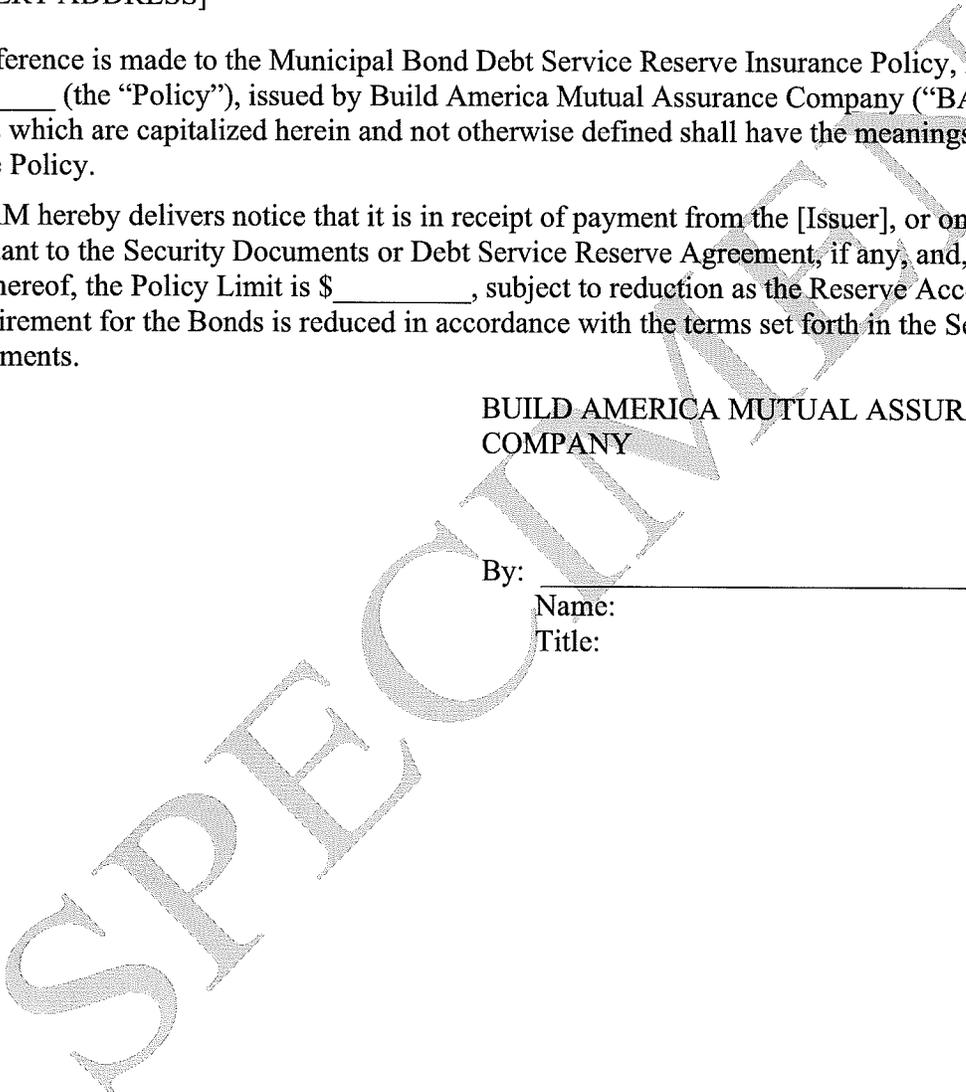


EXHIBIT B

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in the Authorizing Documents the Issuer and the Trustee agree to comply with the following provisions:

- (a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the “Reserve Policy”) and pay all related reasonable expenses incurred by BAM (the “Bond Insurer”). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Bond Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Bond Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Debt Service Reserve Fund established for the Bonds shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Reserve Fund Credit Instrument in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt Service Reserve Fund. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to

honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

- (b) Draws under the Reserve Policy may only be used to make payments on Bonds insured by the Bond Insurer.
- (c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Indenture other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect owners of the Bonds.
- (d) This Indenture shall not be discharged until all Policy Costs owing to the Bond Insurer shall have been paid in full. The Issuer's obligation to pay such amount shall expressly survive payment in full of the Bonds.
- (e) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to the Bond Insurer at least three business days prior to each date upon which interest or principal is due on the Bonds.
- (f) The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

EXHIBIT C

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated _____ (the “Agreement”), by and between Berkeley County Public Service District, West Virginia (the “Obligor”) and BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”).

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. @@POLICY_NO@@ (the “Reserve Policy”) with respect to the Berkeley County Public Service District, West Virginia Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified) Series 2015 E [Bonds] and any [parity bonds] (the “Bonds”) issued under the [Indenture/Resolution/Ordinance] dated as of _____, between the [Obligor] [Issuer] and the [Trustee] (the “Trustee”) (the “Authorizing Document”) [, which bonds are secured by the [Lease/Loan] payments of the Obligor under the [Lease/Loan] Agreement dated as of _____ [the “[Lease/Loan] Agreement”] between the Issuer and the Obligor and the other revenue and collateral described in the Authorizing Document,] and the payment to BAM of the Initial Insurance Payment for the Reserve Policy, the Obligor, Issuer and BAM hereby covenant and agree as follows:

1. The Obligor shall repay BAM any draws under the Reserve Policy and pay all Administrative Expenses (as defined below) incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base-lending rate of such national bank as BAM shall designate.
2. Repayment of draws and payment of Administrative Expenses and the interest accrued thereon at the Late Payment Rate (collectively, “Policy Costs”) shall commence in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregated of Policy Costs related to such draw[; *provided, however, that all such payments shall be due prior to termination of the [Lease] Agreement dated as of _____ between the Issuer and Obligor*]. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due. *[For Ca. RDA add: The Obligor shall include the repayment of Policy Costs in its Recognized Payment Obligation Schedule.]*

3. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.
4. All cash and investments in the debt service reserve fund or account securing the Insured Obligations (the "Reserve Fund") shall be transferred to the debt service fund for payment of debt service on the Insured Obligations before any drawing may be made on the Reserve Policy or on any alternative credit instrument. Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all alternative credit instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such alternative credit instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to alternative credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.
5. Draws on the Reserve Policy may only be used to make payments on the Insured Obligations (and for the avoidance of doubt, not any other obligations of the *[Issuer or]* Obligor, whether issued on parity with the Insured Obligations, or otherwise).
6. If the Obligor shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document, other than (i) acceleration of the maturity of the Insured Obligations or (ii) remedies which would adversely affect owners of the Insured Obligations.
7. The Authorizing Document shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Obligor's obligation to pay such amounts shall expressly survive payment in full of the Insured Obligations.
8. In order to secure the Obligor's payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Insured Obligations) in all revenues and collateral pledged as security for the Insured Obligations *[payment obligations of the Obligor under the Lease/Loan Agreement]*.
9. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Authorizing Document *[Lease/Loan Agreement]*.

10. The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Insured Obligations. Where deposits are required to be made by the Obligor with the Trustee to the debt service fund for the Insured Obligations more often than semi-annually, the Trustee shall give notice to BAM of any failure of the Obligor to make timely payment in full of such deposits within two business days of the date due.
11. The Obligor agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Document and any other document executed in connection with the Insured Obligations ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Obligor agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.
12. The obligation of the Obligor to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Obligor and will be paid or performed strictly in accordance with this Agreement.
13. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Document or any other document executed in connection with the Insured Obligations, the Obligor shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.
14. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com; with a copy of such notice or other communication sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214.
15. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this

Agreement. In the event of any conflict in the terms of this Agreement and the Authorizing Document, the terms of this Agreement shall control.

16. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.
17. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.
18. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT,
WEST VIRGINIA

By: _____
Title:

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Title:

EXHIBIT D

BAM LEGAL OPINION



[CLOSING DATE]

[ADDRESSEES (ISSUER, UNDERWRITER AND TRUSTEE)]

Re: Bond Insurance Policy: Municipal Bond Insurance Policy No. [POLICY NO.]
DSR Policy: Debt Service Reserve Policy No. [POLICY NO.]
Member:
Bonds:
Official Statement: dated []

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced Bond Insurance Policy and DSR Policy (collectively, the "Policies"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.
2. The Policies have been duly authorized, executed and delivered by BAM.
3. Each of the Policies constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.

4. The issuance of the Policies qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policies are non-assessable and create no contingent mutual liability.

In addition, please be advised that I have reviewed the description of the Bond Insurance Policy under the caption "BOND INSURANCE" in the Official Statement related to the above-referenced Bonds. There has not come to my attention any information which would cause me to believe that the description of the Bond Insurance Policy, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that except as described above, I express no opinion with respect to any information contained in, or omitted, from the Official Statement.

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addressees hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,



BAM

December 01, 2015

Berkeley County Public Service District
251 Caperton Blvd.
Martinsburg, WV 25403

Piper Jaffray & Co.
3400 Players Club Parkway, Suite 150
Memphis, TN 38125

West Virginia Municipal Bond Commission
1207 Quarrier Street, Suite 401
Charleston, WV 25301

RE: Bond Insurance Policy: Municipal Bond Insurance Policy No. 2015B0810
DSR Policy: Debt Service Reserve Policy No. 2015R0810
Member: Berkeley County Public Service District, West Virginia
Bonds: Water Refunding Revenue Bonds, Series 2015 E (Bank
Qualified)

Date of the Official Statement: November 02, 2015

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced Bond Insurance Policy and DSR Policy (collectively, the "Policies"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.
2. The Policies have been duly authorized, executed and delivered by BAM.
3. Each of the Policies constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the

bankruptcy or insolvency of BAM and to the application of general principles of equity.

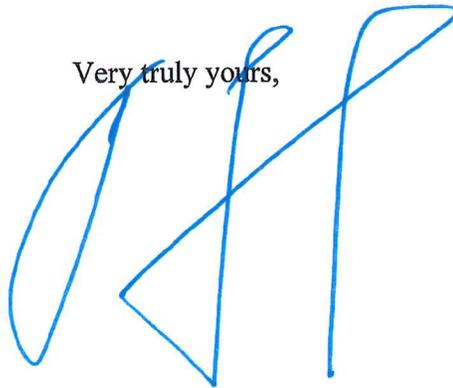
4. The issuance of the Policies qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policies are non-assessable and create no contingent mutual liability.

In addition, please be advised that I have reviewed the description of the Bond Insurance Policy under the caption "BOND INSURANCE" in the Official Statement related to the above-referenced Bonds. There has not come to my attention any information which would cause me to believe that the description of the Bond Insurance Policy, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that except as described above, I express no opinion with respect to any information contained in, or omitted, from the Official Statement.

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addressees hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

A handwritten signature in blue ink, consisting of a large, stylized initial 'M' followed by a vertical line and a horizontal stroke that loops back to the top of the vertical line.



**MUNICIPAL BOND DEBT
SERVICE RESERVE
INSURANCE POLICY**

ISSUER: Berkeley County Public Service
District, West Virginia

Policy No: 2015R0810

MEMBER: Berkeley County Public Service
District, West Virginia

Effective Date: December 01, 2015

BONDS: Water Refunding Revenue Bonds,
Series 2015 E (Bank Qualified)

Risk Premium: \$5,576.67
Member Surplus Contribution: \$6,970.84
Total Insurance Payment: \$12,547.51

Maximum Policy Limit: \$557,667.29

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon such payment, BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement, if any.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this

Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. If the amount payable under this Policy is also payable under another BAM issued policy insuring the Bonds, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “**Business Day**” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. “**Debt Service Reserve Agreement**” means the Debt Service Reserve Agreement, if any, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. “**Due for Payment**” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “**Nonpayment**” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “Nonpayment” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “**Notice**” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “**Owner**” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. “**Policy Limit**” means the dollar amount of the debt service reserve fund required to be maintained for the Bonds by the Security Documents from time to time (the “Reserve Account Requirement”), or the portion of the Reserve Account Requirement for the Bonds provided by this Policy as specified in the Security

Documents or Debt Service Reserve Agreement, if any, but in no event shall the Policy Limit exceed the Maximum Policy Limit set forth above. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of or, if this Policy is only providing a portion of the Reserve Account Requirement, in the same proportion as, each reduction in the Reserve Account Requirement, as provided in the Security Documents or Debt Service Reserve Agreement. **“Security Documents”** means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement and any additional or supplemental document executed in connection with the Bonds. **“Term”** means the period from and including the Effective Date until the earlier of (i) the maturity date for the Bonds and (ii) the date on which the Bonds are no longer outstanding under the Security Documents.

BAM may appoint a fiscal agent (the “Insurer’s Fiscal Agent”) for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer’s Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer’s Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer’s Fiscal Agent on behalf of BAM. The Insurer’s Fiscal Agent is the agent of BAM only, and the Insurer’s Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer’s Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy is being issued under and pursuant to and shall be construed under and governed by the laws of the State of New York, without regard to conflict of law provisions.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. **THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.**

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: _____

Authorized Officer

A large, stylized handwritten signature in blue ink is written over a horizontal line. The signature is composed of several loops and sharp angles, characteristic of a cursive or semi-cursive style. The line extends across the width of the signature.

Schedule

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

EXHIBIT A

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Security Documents or Debt Service Reserve Agreement, if any, and, as of the date hereof, the Policy Limit is \$ _____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: _____
Name:
Title:



MUNICIPAL BOND INSURANCE COMMITMENT

ISSUER: Berkeley County Public Service District, West Virginia
MEMBER: Berkeley County Public Service District, West Virginia
Effective Date: October 26, 2015
Expiration Date: December 24, 2015
BONDS: Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified)

in aggregate principal amount not to exceed \$5,465,000

Insurance Payment: 0.346% of the Total Debt Service on the Bonds

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM") hereby commits, subject to the terms and conditions contained herein or added hereto, to issue its Municipal Bond Insurance Policy (the "Policy") relating to the Bonds referenced above (the "Bonds") issued by or on behalf of the Member. To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to grant or deny a renewal in its sole discretion.

THE MUNICIPAL BOND INSURANCE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The documents to be executed and delivered in connection with the issuance and sale of the Bonds (collectively, the "Security Documents"), shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof (the "Closing Date").
3. As of the Closing Date, there shall have been no material adverse change in, as to or affecting (i) the Member or the Bonds, including, without limitation, the security for the Bonds or (ii) any disclosure document relating to the Bonds (including any financial statements and other information included or incorporated by reference therein) (the "Official Statement"), the Security Documents to be executed and delivered with respect to the Bonds, any project to be

financed with the proceeds of the Bonds (if applicable), the legal opinions to be delivered in connection with the issuance and sale of the Bonds, or any other information submitted to BAM with respect to the issuance and sale of the Bonds, including the proposed debt service schedule of the Bonds, from information previously provided to BAM in writing.

4. The applicable transaction documents shall contain the document provisions set forth in Exhibit A hereto. No variation shall be permitted therefrom except as specifically approved by BAM in writing prior to the Closing Date.

5. The Bonds shall contain no reference to BAM, the Policy or the insurance evidenced thereby except as may be approved in writing by BAM. BOND PROOFS SHALL BE APPROVED IN WRITING BY BAM PRIOR TO PRINTING. The Bonds shall bear a Statement of Insurance in the form found on BAM's website (www.buildamerica.com) and in Exhibit B hereto entitled "DOCUMENT, PRINTING AND DISCLOSURE INFORMATION FOR PUBLIC FINANCE TRANSACTIONS".

6. The Official Statement shall contain the language provided by BAM and only such other references to BAM as BAM shall supply or approve in writing, and BAM shall be provided with final drafts of any preliminary and final Official Statement at least two business days prior to printing/electronic posting. BAM SHALL BE PROVIDED WITH AN ELECTRONIC COPY OF THE OFFICIAL STATEMENT SEVEN (7) DAYS PRIOR TO CLOSING, unless BAM shall agree in writing to a shorter period.

7. BAM shall be provided with:

(a) Copies of all Transaction Document drafts prepared subsequent to the date of this Commitment (blacklined to reflect all revisions from previously reviewed drafts) for review and approval. Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(b) Copies of any consulting reports, feasibility studies, rate reports, engineer's reports or similar expert reports for review and approval, along with any revisions thereto (blacklined to reflect all revisions from previously reviewed drafts). Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(c) The amortization schedule for, and final maturity date of, the Bonds, which schedule shall be acceptable to BAM. Please be aware that BAM will only insure fixed rate Bonds.

(d) A description of all material pending litigation relating to the Member or the Bonds and any opinions BAM shall request in connection therewith.

(e) A description of any material change in the Member's financial position from and after the date of the financial statements provided to BAM.

(f) Executed copies of all Security Documents, the Official Statement and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the Closing Date and which, except for the opinions of counsel relating to the adequacy of disclosure, shall be addressed to BAM or accompanied by a letter of such counsel permitting BAM to rely on such opinion as if such opinion were addressed to BAM), including, without limitation, the unqualified approving opinion of bond counsel, in form and substance satisfactory to BAM. The foregoing shall be in form and substance acceptable to BAM. (For your information, the form of legal opinion, primary market disclosure certificate and officer's certificate to be delivered by BAM at Closing is attached hereto as Exhibit C.)

(g) Evidence of wire transfer in federal funds of an amount equal to the Insurance Payment, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the Closing Date.

8. Bonds must have an underlying, long-term rating of at least:

N/A	Standard and Poor's
A2	Moody's Investors Service
NR	Fitch Ratings

9. Promptly, but in no event more than thirty (30) days after the Closing Date, BAM shall receive two (2) CD-ROMs, which contain the final closing transcript of proceedings or if CD-ROMs are not available, such other electronic form as BAM shall accept.

10. To maintain this commitment until the Expiration Date set forth above, BAM must receive a copy of the signature page of this Commitment fully executed by an authorized officer of the undersigned by the earlier of the date on which the Official Statement containing disclosure language regarding BAM is circulated and ten (10) days after the date of this Commitment.

REPRESENTATION AND AGREEMENT BY BAM

(a) BAM is a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York.

(b) BAM covenants that it will only insure obligations of states, political subdivisions, an integral part of states or political subdivisions or entities otherwise eligible for the exclusion of income under Section 115 of the Internal Revenue Code of 1986, as amended, or any successor thereto.

(c) BAM covenants that it will not seek to convert to a stock insurance corporation.

(d) The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

(e) Refundings.

If (1) the Security Documents relating to the Bonds permit a legal defeasance (such that the bonds are no longer treated as outstanding under the Security Documents), (2) refunding bonds ("Refunding Bonds") will be issued for the purpose of legally defeasing such then outstanding BAM-insured Bonds (in this context, the "Refunded Bonds") and (3) upon their issuance (A) such Refunding Bonds have a final maturity date that is not later than the final Maturity Date of the Refunded Bonds, (B) the average annual debt service on the Refunding Bonds does not exceed the average annual debt service on the Refunded Bonds, and (C) the net proceeds of such Refunding Bonds are applied solely towards the legal defeasance of the Refunded Bonds and related costs of issuance, then, if BAM is requested to, and in its sole discretion determines to, offer a municipal bond insurance policy covering the Refunding Bonds (the "Refunding Policy") BAM will credit the Member Surplus Contribution (set forth on the front page of the Policy) for the Refunded Bonds against the insurance payment then charged with respect to the Refunding Bonds. If the Security Documents are silent on the matter of a legal defeasance, BAM may, in its sole and absolute discretion, accept such certificates, opinions and reports from or on behalf of the Member in connection with the issuance of such Refunding Bonds in order to establish to its satisfaction that the Refunding Bonds will be issued to retire the outstanding Refunded Bonds and that the Refunding Bonds comply with the criteria set forth in clause (3) of the preceding sentence for the purpose of determining whether a supplemental Member Surplus Contribution is or is not required to be made at that time.

**BUILD AMERICA MUTUAL
ASSURANCE COMPANY**

Authorized Officer

October 26, 2015

Date

AGREED AND ACCEPTED

The undersigned agrees and accepts the conditions set forth above and further agrees that (i) if the Bonds (and any of the Bonds to be issued on the same date and for which BAM has issued a commitment) are insured by a policy of municipal bond insurance, such insurance shall be provided by BAM in accordance with the terms of this Commitment; (ii) it has made an independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Bonds and whether the Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore it is not relying on, any recommendation from BAM that the Bonds be insured or that a Policy be obtained, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to insure the Bonds or obtain the Policy; (iv) the undersigned acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the undersigned acknowledges that a credit or claims-paying rating of BAM assigned by a Rating Agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning Rating Agency, any such rating may change or be suspended, placed under review or withdrawn by such Rating Agency if circumstances so warrant, and BAM compensates a Rating Agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; (vi) the undersigned acknowledges that BAM may in its sole and absolute discretion at any time request that a Rating Agency withdraw any rating maintained in respect of BAM. Notwithstanding anything to the contrary set forth herein, upon issuance of the Policy, the provisions set forth under subparagraphs (ii) through (vi) above and the representations and agreements of BAM shall survive the expiration or termination of this Commitment.

**BERKELEY COUNTY PUBLIC SERVICE
DISTRICT, WEST VIRGINIA**

By: 
Authorized Officer

10/28/2015
Date

EXHIBIT A

DOCUMENT PROVISIONS

GENERAL REVENUE BOND TRANSACTION DOCUMENT
PROVISIONS

The following terms and provisions (the “Insurer Provisions”) shall be incorporated into the Security Documents. If the Insurer Provisions are attached to any of the Security Document as an exhibit, such Security Document shall include a provision that incorporates by reference the Insurer Provisions directly into the Security Documents. The Insurer Provisions shall control and supersede any conflicting or inconsistent provisions in the Security Documents.

- 1) Notice and Other Information to be given to BAM. The [Issuer] [Obligor] will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Insured Obligations or the Trustee under the Security Documents.

The notice address of BAM is: Build America Mutual Assurance Company, 1 World Financial Center, 27th Floor, 200 Liberty Street, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

- 2) Defeasance. The investments in the defeasance escrow relating to Insured Obligation shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by BAM.

At least (three) 3 Business Days prior to any defeasance with respect to the Insured Obligations, the Issuer shall deliver to BAM draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Obligations, and a verification report (a “Verification Report”) prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

- a) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond

counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Obligations is excludable) from gross income of the holders of the Insured Obligations of the interest on the Insured Obligations for federal income tax purposes and the prior written consent of BAM, which consent will not be unreasonably withheld.

- b) The [Issuer] [Obligor] will not exercise any prior optional redemption of Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.
- c) The [Issuer] [Obligor] shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

3) Trustee and Paying Agent.

- a) BAM shall receive prior written notice of any name change of the trustee (the "Trustee") or, if applicable, the paying agent (the "Paying Agent") for the Insured Obligations or the resignation or removal of the Trustee or, if applicable, the Paying Agent. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (C) otherwise approved by BAM in writing.
- b) No removal, resignation or termination of the Trustee or, if applicable, the Paying Agent shall take effect until a successor, acceptable to BAM, shall be qualified and appointed.

4) Amendments, Supplements and Consents. BAM's prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The [Issuer] [Obligor] shall send copies of any such amendments or supplements to BAM and the rating agencies which have assigned a rating to the Insured Obligations.

- a) *Consent of BAM.* Any amendments or supplements to the Security Documents shall require the prior written consent of BAM with the exception of amendments or supplements:
 - i. To cure any ambiguity or formal defect or omissions or to correct any

inconsistent provisions in the transaction documents or in any supplement thereto, or

- ii. To grant or confer upon the holders of the Insured Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Obligations, or
 - iii. To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or
 - iv. To add to the covenants and agreements of the [Issuer/Obligor] in the Security Documents other covenants and agreements thereafter to be observed by the [Issuer/Obligor] or to surrender any right or power therein reserved to or conferred upon the [Issuer/Obligor].
- b) *Consent of BAM in Addition to Bondholder Consent.* Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Insured Obligations or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.
- c) *Consent of BAM in the Event of Insolvency.* Any reorganization or liquidation plan with respect to the Issuer [or Obligor] must be acceptable to BAM. In the event of any reorganization or liquidation of the Issuer [or Obligor], BAM shall have the right to vote on behalf of all holders of the Insured Obligations absent a continuing failure by BAM to make a payment under the Policy.
- d) *Consent of BAM Upon Default.* Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Obligations or the Trustee or Paying Agent for the benefit of the holders of the Insured Obligations under any Security Document. No default or event of default may be waived without BAM's written consent.
- e) *BAM as Owner.* Upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole owner of the Insured Obligations for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.
- f) *Consent of BAM for acceleration.* BAM's prior written consent is required as a condition precedent to and in all instances of acceleration.
- g) *Grace Period for Payment Defaults.* No grace period shall be permitted for payment defaults on the Insured Obligations. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

h) *Special Provisions for Insurer Default.* If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs 4(a)-(e) above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other holder of the Insured Obligations for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

5) Loan/Lease/Financing Agreement.

a) The security for the Insured Obligations shall include a pledge and assignment of any agreement with any underlying obligor that is a source of payment for the Insured Obligations (a "Financing Agreement") and a default under any Financing Agreement shall constitute an Event of Default under the Security Documents. In accordance with the foregoing, any such Financing Agreement is hereby pledged and assigned to the Trustee for the benefit of the holders of the Insured Obligations.

b) Any payments by the Obligor under the Financing Agreement that will be applied to the payment of debt service on the Insured Obligations shall be made directly to the Trustee at least fifteen (15) days prior to each debt service payment date for the Insured Obligations.

6) BAM As Third Party Beneficiary. BAM is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of

the Security Documents as if it were a party thereto.

7) Payment Procedure Under the Policy.

In the event that principal and/or interest due on the Insured Obligations shall be paid by BAM pursuant to the Policy, the Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Insured Obligations.

In the event that on the second (2nd) business day prior to any payment date on the Insured Obligations, the Paying Agent or Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Obligations due on such payment date, the Paying Agent or Trustee shall immediately notify BAM or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify BAM or its designee.

In addition, if the Paying Agent or Trustee has notice that any holder of the Insured Obligations has been required to disgorge payments of principal of or interest on the Insured Obligations pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent or Trustee shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

The Paying Agent or Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Obligations as follows:

- a) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Obligations, the Paying Agent or Trustee shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holders of the Insured Obligations in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Insured Obligations, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from BAM with respect to the claims for interest so assigned, and (iii) disburse the same to such respective holders; and
- b) If there is a deficiency in amounts required to pay principal of the Insured

Obligations, the Paying Agent or Trustee shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holder of the Insured Obligations in any legal proceeding related to the payment of such principal and an assignment to BAM of the Insured Obligations surrendered to BAM, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from BAM, and (iii) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal on Insured Obligations paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Obligations registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Obligation shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Obligation or the subrogation or assignment rights of BAM.

Payments with respect to claims for interest on and principal of Insured Obligations disbursed by the Paying Agent or Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Insured Obligations, and BAM shall become the owner of such unpaid Insured Obligations and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

Irrespective of whether any such assignment is executed and delivered, the Issuer[, Obligor] and the Paying Agent and Trustee agree for the benefit of BAM that:

- a) They recognize that to the extent BAM makes payments directly or indirectly (*e.g.*, by paying through the Paying Agent or Trustee), on account of principal of or interest on the Insured Obligations, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer/Obligor, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Insured Obligations; and
- b) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Obligations, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Obligations to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

- 8) Additional Payments. The [Issuer] [Obligor] agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The [Issuer] [Obligor] agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the Issuer agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Policy ("BAM Policy Payment"); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Issuer, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. The Issuer hereby covenants and agrees that the BAM Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Obligations on a parity with debt service due on the Insured Obligations.

- 9) Debt Service Reserve Fund and Construction Fund.

a) The prior written consent of BAM shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund, if any. Amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Insured Obligations.

b) Unless BAM otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Insured Obligations.

- 10) Exercise of Rights by BAM. The rights granted to BAM under the Security Documents to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Policy. Any exercise by BAM of such rights is merely an exercise of the BAM's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Obligations and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Insured Obligations or any other person is required in addition to the consent of BAM.

- 11) BAM shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Policy) and any amounts due on the Insured Obligations as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not BAM has received a claim upon the Policy.
- 12) So long as the Insured Obligations are outstanding or any amounts are due and payable to BAM, the [Issuer/Obligor] shall not sell, lease, transfer, encumber or otherwise dispose of the [System] or any material portion thereof, except upon obtaining the prior written consent of BAM.
- 13) No contract shall be entered into or any action taken by which the rights of BAM or security for or source of payment of the Insured Obligations may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of BAM.
- 14) If an event of default occurs under any agreement pursuant to which any Obligation of the [Issuer/Obligor] has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Obligations or BAM, as BAM may determine in its sole discretion, then an event of default shall be deemed to have occurred under this [Indenture] and the related Security Documents for which BAM or the Trustee, at the direction of BAM, shall be entitled to exercise all available remedies under the Security Documents, at law and in equity. For purposes of the foregoing "Obligation" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Obligations.

15) Definitions.

“BAM” shall mean Build America Mutual Assurance Company, or any successor thereto.

“Insured Obligations” shall mean the [bonds].

“Issuer” shall mean the [Authority].

“Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime

Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

“Obligor” shall mean the [_____].

“Policy” shall mean the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Insured Obligations when due.

“Security Documents” shall mean the resolution, trust agreement, indenture, ordinance, loan agreement, lease agreement, bond, note, certificate and/or any additional or supplemental document executed in connection with the Insured Obligations.

EXHIBIT B

**DOCUMENT, PRINTING AND DISCLOSURE
INFORMATION FOR
PUBLIC FINANCE TRANSACTIONS**



BUILD AMERICA MUTUAL ASSURANCE COMPANY

DOCUMENT, PRINTING AND DISCLOSURE

INFORMATION FOR

PUBLIC FINANCE TRANSACTIONS

This information is intended for use by bond counsel, the underwriters, financial advisors, printers and preparers of municipal bond offerings that will be insured in whole or in part by Build America Mutual Assurance Company ("BAM").

Prior to any reference to BAM in your marketing efforts, including, but not limited to any preliminary or final Official Statement and any rating agency presentation, in respect of a BAM-insured issue, BAM must receive an executed copy of its Commitment Letter. Blacklined copies of each draft of each transaction document, preliminary and final official statements with Appendices, and bond form(s) should be delivered to BAM for review and comment with reasonable opportunity to submit any comments prior to printing or execution, but in any event not less than three business days prior to execution. Such documents shall be delivered to the BAM attorney working on the transaction. If you are uncertain of the proper person to whom to deliver the documents, please email the documents to: documents@buildamerica.com. Please identify the issuer, obligor and issue name in the subject line of the email.

BAM will deliver to Bond Counsel, at the pre-closing for any such municipal bond offering (such offering to the extent insured by BAM, the "Insured Obligations"), assuming the requirements of the Commitment Letter have been met,

- an opinion of counsel as to the validity of the policy,
- a disclosure, no default and tax certificate of BAM, the executed policy and
- other certificates, if any, required in the transaction.

Prior to closing, BAM will obtain the rating letter from Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, relating to any Insured Obligations. Note that any questions with regards to rating agency fees should be directed to the rating agency.

INDEX

	<u>EXHIBIT NO.</u>
<u>DIRECTORY</u>	
Legal Department Directory	1
<u>OFFICIAL STATEMENT</u>	
BAM Disclosure Information (for inclusion in the Official Statement).....	2
Specimen:	
Municipal Bond Insurance Policy	3
<u>BOND FORM</u>	
Statement of Insurance (Language for Bond Form)	4
<u>WIRE INSTRUCTIONS</u>	
Procedures For Premium Payment (including wire-transfer instructions)	5

BAM DIRECTORY

<u>Name</u>	<u>Title</u>	<u>Telephone</u>	<u>Email</u>
<u>BAM ATTORNEYS</u>			
Jill Greiss	Deputy Counsel	212-235-2515	jgreiss@buildamerica.com
<u>CLOSING COORDINATORS</u>			
Miranda Ganzer		212-235-2535	mganzer@buildamerica.com

**BUILD AMERICA MUTUAL ASSURANCE COMPANY
("BAM")
DISCLOSURE INFORMATION
(FOR INCLUSION IN THE OFFICIAL STATEMENT)**

The following are BAM's requirements for printing the preliminary and final official statements:

1. Both the preliminary and final official statements must contain the information set forth in these Exhibits and BAM must be provided with final drafts for its approval and sign off thereon at least two business days prior to the printing thereof;
2. Any changes made to the BAM Disclosure Information for inclusion in the preliminary and final official statements must first be approved by BAM, and
3. BAM must receive an electronic copy of the final official statement seven (7) days prior to closing, unless BAM shall have agreed to some shorter period.

TO BE PRINTED ON THE COVER OF THE OFFICIAL STATEMENT:

The following language should be used when insuring:

1. THE ENTIRE ISSUE:

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

2. CAPITAL APPRECIATION BONDS:

The scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):

The scheduled payment of principal of and interest on the Bonds maturing on _____ of the years ____ through _____, inclusive, with CUSIP #'(s) _____ (collectively, the "Insured Bonds"), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

4. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**PRINTER'S NOTE: USE BUILD AMERICA MUTUAL ASSURANCE COMPANY
LOGO AND INK #PMS BLUE 2736; REDS 199, 201 AND 1817.**

THE LOGO MAY BE OBTAINED FROM BAM'S WEBSITE
WWW.BUILDAMERICA.COM

TO BE PRINTED IN THE BODY OF THE OFFICIAL STATEMENT OR AS AN EXHIBIT

USE THE FOLLOWING LANGUAGE WHEN INSURING THE ENTIRE ISSUE:

NOTE: The language under the subheading "Bond Insurance Policy" should be modified when insuring Capital Appreciation Bonds, Partial Maturities (less than the entire issue), Certificates and/or Notes.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2015 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$466.5 million, \$22.2 million and \$444.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/.

Obligor Disclosure Briefs. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Obligor Disclosure Brief for those bonds. These pre-sale Obligor Disclosure Briefs provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Obligor Disclosure Briefs will be updated and superseded by a final Obligor Disclosure Brief to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Obligor Disclosure Briefs are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce an Obligor Disclosure Brief for all bonds insured by BAM, whether or not a pre-sale Obligor Disclosure Brief has been prepared for such bonds.

Disclaimers. The Obligor Disclosure Briefs and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Obligor Disclosure Briefs and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Obligor Disclosure Briefs and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

The Bond Insurance language for the Official Statement under the subheading “Bond Insurance Policy” should be replaced with the following language when insuring:

1. CAPITAL APPRECIATION BONDS:

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

2. PARTIAL MATURITIES (LESS THAN THE ENTIRE ISSUE):

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Bonds maturing on _____ of the years _____ through _____, inclusive, with CUSIP #'s___ (collectively, the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

3. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**TO BE PRINTED ON THE INSIDE COVER OF OFFICIAL STATEMENT
AS PART OF THE DISCLAIMER STATEMENT:**

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “Bond Insurance” and “Exhibit __ - Specimen Municipal Bond Insurance Policy”.

Specimen Municipal Bond Insurance Policy



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

STATEMENT OF INSURANCE
(Language for the Bond Form)
This form is not to be included in the Official Statement.

The Bonds shall bear a Statement of Insurance in the following form.

The following language should be used when insuring

1. THE ENTIRE ISSUE:

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, [as paying agent for the Bonds (the "Paying Agent")] [as trustee for the Bonds (the "Trustee")]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent] [Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent][Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

2. CAPITAL APPRECIATION BONDS:

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") in respect of the scheduled payments due of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on this Bond to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, as [paying agent for the Bonds (the "Paying Agent")] as trustee for the Bonds (the "Trustee"). Said Policy is on file and available for inspection at the principal office of the [Paying Agent][Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent][Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on the Bonds maturing on _____ of the years _____ through _____, inclusive (the "Insured Bonds"), to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, [as paying agent for the Insured Bonds (the "Paying Agent")][as trustee for the Insured Bonds (the "Trustee")]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent][Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent][Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more fully set forth in the Policy.

4. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**PROCEDURES FOR PREMIUM PAYMENT
TO
BAM**

This form is not to be included in the Official Statement.

BAM's issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the premium. NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED. Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Upon determination of the final debt service schedule, email or fax such schedule to the appropriate BAM Underwriter

Andrew Bevan

Phone No. 212-235-2526

Email. abevan@buildamerica.com

Confirm with the individual in our underwriting department that you are in agreement with respect to par and premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the Insured Bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank: First Republic Bank
ABA#: 321081669
Acct. Name: Build America Mutual Assurance Company
Account No.: 80001613703
Policy No.: [To Be Assigned] - (Include in OBI Field)

CONFIRMATION OF PREMIUM

BAM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated to the Closing Coordinator on the closing date:

Miranda Ganzer	(212) 235-2535
Patrice James	(212) 235-2559
Nolan Miller	(212) 235-2511

EXHIBIT C

BAM LEGAL OPINION AND CERTIFICATE

[CLOSING DATE]

[ADDRESSEES (ISSUER, UNDERWRITER AND TRUSTEE)]

Re: Municipal Bond Insurance Policy No. [POLICY NO.] With Respect to
\$ ____ [Name of Issuer] (the "Issuer")
____ Bonds, Series ____ (the "Bonds")

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.
2. The Policy has been duly authorized, executed and delivered by BAM.
3. The Policy constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.
4. The issuance of the Policy qualifies [the Issuer] as a member of BAM until [the Bonds] are no longer outstanding. As a member of BAM, [the Issuer] is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

In addition, please be advised that I have reviewed the description of the Policy under the caption "BOND INSURANCE" in the official statement relating to the above-referenced Bonds dated [DATE] (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy referred to above, as of the date of the Official Statement or

as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that I express no opinion with respect to any information contained in, or omitted from, "the Official Statement".

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addressee hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

**DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF
BUILD AMERICA MUTUAL ASSURANCE COMPANY**

The undersigned hereby certifies on behalf of BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), in connection with the issuance by BAM of its Policy No. [POLICY NO.] (the "Policy") in respect of the [\$AMOUNT] [NAME OF TRANSACTION] (the "Bonds") that:

- (i) The information set forth under the caption "BOND INSURANCE-BUILD AMERICA MUTUAL ASSURANCE COMPANY" in the official statement dated [DATE], relating to the Bonds (the "Official Statement") is true and correct;
- (ii) BAM is not currently in default nor has BAM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation;
- (iii) The Policy is an unconditional and recourse obligation of BAM (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds when due in the event of Nonpayment by the Issuer (as set forth in the Policy);
- (iv) The insurance payment (inclusive of the sum of the Risk Premium and the Member Surplus Contribution) (the "Insurance Payment") is a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to BAM as a condition to the issuance of the Policy;
- (v) BAM will, for federal income tax purposes, treat the Insurance Payment as solely in consideration for the insurance risk it assumes in the Policy and not as consideration for an investment in BAM or its assets;
- (vi) No portion of such Insurance Payment represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by BAM to maintain its rating, which, together with all other overhead expenses of BAM, are taken into account in the formulation of its rate structure, or for the provision of additional services by BAM, nor the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor);
- (vii) BAM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Insurance Payment, BAM will not use any portion of the Bond proceeds;
- (viii) Except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by BAM, unless BAM has issued a debt service reserve insurance policy with respect to the Bonds.
- (ix) BAM does not expect that a claim will be made on the Policy; and

(x) Neither the Issuer nor any other Obligor is entitled to a refund of the Insurance Payments for the Policy in the event a Bond is retired before the final maturity date.

BAM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Dated: [CLOSING DATE]

Primary Market Disclosure Certificate
[Bond Description] (the "Insured Bonds")

For the benefit of _____ (the "Issuer"), and acknowledging that the Issuer will be relying on the contents hereof in addressing certain tax and disclosure items and for other matters, Build America Mutual Assurance Company ("Build America") makes the following representations and warranties as of the date hereof:

1. Neither Build America nor any affiliate of Build America has purchased, or has committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise;
2. Neither Build America nor any affiliate of Build America has entered into any agreement or understanding regarding the purchase or sale of the Insured Bonds, except for the insurance policies that Build America has provided regarding payments due under the Insured Bonds and the documentation associated with said insurance policies.

For the purposes of this certificate, "affiliate of Build America" means a person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, Build America.

[dated as of the closing date]

Build America Mutual Assurance Company

By

Authorized Officer



BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Berkeley County Public Service District,
West Virginia

Policy No: 2015B0810

MEMBER: Berkeley County Public Service District,
West Virginia

Effective Date: December 01, 2015

BONDS: \$5,460,000 in aggregate principal
amount of Water Refunding Revenue Bonds, Series 2015 E
(Bank Qualified)

Risk Premium:	\$9,464.00
Member Surplus Contribution:	\$13,439.03
Total Insurance Payment:	\$22,903.03

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner’s right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner’s rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner’s right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. “Due for Payment” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall

elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

IN WITNESS WHEREOF, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer



Schedule A

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)