**NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT**

**SEWER REFUNDING REVENUE BONDS, SERIES 2016 A**

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**NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT**

**SEWER REFUNDING REVENUE BONDS, SERIES 2016 A**

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**NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT**

RESOLUTION AUTHORIZING THE REFUNDING OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2002 A, OF THE NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT THROUGH THE ISSUANCE BY THE NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT OF NOT MORE THAN $1,067,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2016 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

## ARTICLE I

## STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any ordinance, order or resolutions supplemental hereto, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

Section 1.02. Findings. A. It is hereby found, determined and declared that: Northern Wayne County Public Service District (the "Issuer") is a public service district and political subdivision of the State of West Virginia in Wayne County of said State.

B. The Issuer now owns and operates a public sewer system. The refunding of the Series 2002 A Bonds, as hereinafter defined, is hereby authorized and provided for is a public purpose of the Issuer and is ordered for the purpose of meeting and serving public convenience and necessity.

C. The Issuer has heretofore issued its Sewer Refunding Revenue Bonds, Series 2002 A, dated December 1, 2002, issued in the original aggregate principal amount of $1,860,000 (the "Series 2002 A Bonds").

D. It is in the best interest of the Issuer that the Series 2002 A Bonds be currently refunded in order to allow the Issuer to take advantage of the interest savings.

E. It is deemed necessary for the Issuer to issue its Sewer Refunding Revenue Bonds, Series 2016 A in the total aggregate principal amount of not more than $1,067,000 (the "Series 2016 A Bonds") to pay in full the principal of and interest accrued on the Series 2002 A Bonds, to

fund the Series 2016 A Bonds Reserve Account, as hereinafter defined, and to pay costs of issuance thereof and related costs.

F. It is in the best interest of the Issuer that the Series 2016 A Bonds be sold to the Purchaser (as hereinafter defined) pursuant to the terms and provisions of the commitment letter of the Purchaser.

G. The Issuer has complied with all requirements of West Virginia law relating to the authorization of the refunding of the Series 2002 A Bonds, and the issuance of the Series 2016 A Bonds, or will have so complied prior to issuance of the Series 2016 A Bonds, including, among other things and without limitation, the approval of the refunding of the Series 2002 A Bonds and the financing thereof by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2016 A Bonds or such final order will not be subject to appeal.

H. Upon the refunding of the Series 2002 A Bonds, there are outstanding obligations of the Issuer which will rank on a parity with the Series 2016 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's:

(i) Sewerage System Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated March 16, 1989, issued in the original principal amount of $2,354,914 (the "Series 1989 A Bonds");

(ii) Sewerage System Design Revenue Bonds, Series 2001 A (West Virginia SRF Program), dated January 30, 2001, issued in the original aggregate principal amount of $497,857 (the "Series 2001 A Bonds"); and

(iii) Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), dated October 4, 2005, issued in the original aggregate principal amount of $4,536,000 (the "Series 2005 A Bonds") (hereinafter collectively, the "First Lien Bonds").

There are outstanding obligations of the Issuer which will rank junior and subordinate to the Series 2016 A Bonds as to liens, pledge of and security for payment, being the Issuer's:

(iv) Subordinate Sewerage System Revenue Bonds, Series 1989 C (West Virginia Water Development Authority), dated March 16, 1989, issued in the original aggregate principal amount of $349,086 (the "Series 1989 C Bonds" or the "Second Lien Bonds" and collectively with the First Lien Bonds, the "Prior Bonds").

The Issuer has also issued its Sewerage System Design Bond Anticipation Notes, Series 2015 A (The Ohio Valley Bank Company), dated June 29, 2015, issued in the original aggreate principal amount of $136,750 (the "Series 2015 A Notes"), which are payable from and secured by the Surplus Revenues.

The Series 2016 A Bonds shall be issued on a parity with the First 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 2016 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the First Lien Bonds are met; (ii) the written consent of the Holders of the First Lien Bonds to the issuance of the Series 2016 A Bonds on a parity with the First Lien Bonds; and (iii) the written consent of the Holders of the Second Lien Bonds to the issuance of the Series 2016 A Bonds senior and prior to the Second Lien Bonds. After payment of the Series 2002 A Bonds, other than the Prior Bonds and the Series 2015 A Notes, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2016 A Bonds by those who shall be the Registered Owner of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2016 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

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

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

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

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

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

"Bonds" means, collectively, the Series 2016 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder of by another resolution of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Bonds for all or a portion of the proceeds thereof representing the purchase price of the Bonds by the Purchaser.

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

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

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

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

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts.

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

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

"Investment Property" means 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 any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, 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 Northern Wayne County Public Service District, a public service district and political subdivision of the State of West Virginia in Wayne County, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Net Proceeds" means the face amount of the Series 2016 A Bonds, plus accrued interest and premium, if any, and less original issue discount, if any. 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 2016 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code that is not a purpose investment.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, fees and expenses of fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as hereinafter defined), payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Series 2016 A Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

"Parity Bonds" means additional Parity Bonds issued under the provisions and within the limitations prescribed by Section 5.04 hereof.

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

"Prior Bonds" means, collectively, the Series 1989 A Bonds, the Series 1989 C Bonds, the Series 2001 A Bonds and the Series 2005 A Bonds.

"Prior Resolutions" means, collectively, the resolutions 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. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Purchaser" means the purchaser or purchasers of the Series 2016 A Bonds directly from the Issuer designated as such in the Supplemental Resolution and its successors and assigns.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

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

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

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

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

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

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

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

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

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Prior Resolutions.

"Second Lien Bonds" means the Series 1989 C Bonds.

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

"Series 1989 A Bonds" means the Issuer's Sewerage System Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated March 16, 1989, issued in the original principal amount of $2,354,914.

"Series 1989 C Bonds" means the Issuer's Subordinate Sewerage System Revenue Bonds, Series 1989 C (West Virginia Water Development Authority), dated March 16, 1989, issued in the original aggregate principal amount of $349,086.

"Series 2001 A Bonds" means the Issuer's Sewerage System Design Revenue Bonds, Series 2001 A (West Virginia SRF Program), dated January 30, 2001, issued in the original aggregate principal amount of $497,857.

"Series 2002 A Bonds" means the Issuer's Sewer Refunding Revenue Bonds, Series 2002 A, dated December 1, 2002, issued in the original aggregate pricipal amount of $1,860,000.

"Series 2002 A Resolution" means collectively the resolutions of the Issuer authorizing the Series 2002 A Bonds.

"Series 2005 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), dated October 4, 2005, issued in the original aggregate principal amount of $4,536,000.

"Series 2015 A Notes" means the Issuer's Sewerage System Design Bond Anticipation Notes, Series 2015 A (The Ohio Valley Bank Company), dated June 29, 2015, issued in the original aggreate principal amount of $136,750, which are payable from and secured by the Surplus Revenues.

"Series 2016 A Bonds" means the Sewer Refunding Revenue Bonds, Series 2016 A, authorized hereby to be issued pursuant to this Resolution.

"Series 2016 A Bonds Reserve Account" means the Series 2016 A Bonds Reserve Account created by Section 4.02 hereof.

"Series 2016 A Bonds Reserve Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2016 A Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2016 A Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2016 A Bonds.

"Series 2016 A Bonds Sinking Fund" means the Series 2016 A Bonds Sinking Fund created by Section 4.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 2016 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2016 A Bonds and not so included may be included in another Supplemental Resolution.

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

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

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

## ARTICLE II

## AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. All Series 2002 A Bonds outstanding as of the date of issuance of the Series 2016 A Bonds and all unpaid interest accrued thereon, if any, are hereby ordered to be refunded and paid in full and the pledge of Net Revenues in favor of the Holders of the Series 2002 A Bonds imposed by the Series 2002 A Resolution, the monies in the funds and accounts created by the Series 2002 A Resolution pledged to payment of the Series 2002 A Bonds, and any other funds pledged by the Series 2002 A Resolution to payment of the Series 2002 A Bonds are hereby ordered terminated, discharged and released upon such payment to the Holders of the Series 2002 A Bonds. Contemporaneously with the payment in full of the Series 2002 A Bonds, the amounts on deposit in the sinking fund, and all other funds and accounts created and maintained on behalf of the Series 2002 A Bonds, shall be released from the lien created by the Series 2002 A Resolution. The portion of the proceeds of the Series 2016 A Bonds hereby authorized to be applied towards the refunding of the Series 2002 A Bonds shall be applied as provided in Article III hereof.

## ARTICLE III

## AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purpose of refunding the Series 2002 A Bonds, funding the Series 2016 A Bonds Reserve Account and paying certain costs of issuance and related costs not otherwise provided for, or any all of such purposes, there is hereby authorized to be issued the Sewer Refunding Revenue Bonds, Series 2016 A, of the Issuer, in the aggregate principal amount of not more than $1,067,000 and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2016 A Bonds shall be issued in single form, numbered AR-1, and only as a fully registered Bond. The Series 2016 A Bonds shall be dated such date; shall be in such principal amount, not to exceed $1,067,000; shall bear interest at such rate or rates, not exceeding the then legally permissible limit on such dates; shall mature on such dates not to exceed March 1, 2029 and in such amounts; and shall be subject to such repayment or redemption, prepayment penalty all as the Issuer shall prescribe in a Supplemental Resolution. The Series 2016 A Bonds shall be payable as to principal and interest at the office of the Paying Agent in any coin or currency which, on the dates of payment is legal tender for the payment of public or private debts under the laws of the United States of America.

Section 3.03. Execution of Bonds. The Series 2016 A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2016 A Bonds shall cease to be such officer of the Issuer before the Series 2016 A Bonds so signed and sealed have been actually sold and delivered, the Series 2016 A 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. The Series 2016 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2016 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2016 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2016 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of the Series 2016 A Bonds, shall be conclusively deemed to have agreed that such Bond shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bond shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2016 A Bonds remain outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Series 2016 A Bonds.

The registered Series 2016 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the Series 2016 A Bonds or transferring the registered Bonds are exercised, the Series 2016 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. Any Bond surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of the Series 2016 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each such new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the person requesting such exchange or transfer, as a condition precedent to the exercise of the privilege of making such transfer. The Bond Registrar shall not be obliged to make any such exchange or transfer of the Series 2016 A Bonds during the 15 days preceding a scheduled payment date on such Bonds or after notice of any prepayment of such Bonds has been given.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2016 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Series 2016 A Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such reasonable expenses as the Issuer and the Bond Registrar may incur. The Series 2016 A Bond so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Series 2016 A Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds Not to Be Indebtedness of the Issuer. The Series 2016 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2016 A

Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2016 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2016 A Bonds shall be secured forthwith by a lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided, on a parity with the First Lien Bonds and senior and prior to the Second Lien Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2016 A Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2016 A Bonds and the Prior Bonds as the same become due.

Section 3.09. Form of Bonds. The text of the Series 2016 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

[FORM OF SERIES 2016 A BONDS]

NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS, SERIES 2016 A

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2016, NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia in Wayne 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 order of

_____

or registered assigns (the "Payee"), the principal sum of _____ DOLLARS ($_____), plus interest as follows:

A. Interest on this Bond shall be payable at a rate of ____% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days and 30 days in a month.

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at a rate of ____% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

C. This Bond shall be payable in ____ installments commencing on the 1st day of _____, 2016 and on the 1st day of each month thereafter, to and including March 1, 2029. The monthly installments shall consist of principal and interest as listed on the attached debt service schedule attached hereto as EXHIBIT A.

D. All payments received by the Paying Agent on account of the Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of the Bond. If not sooner paid, the entire principal amount of this Bond unpaid on March 1, 2029 together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

The principal of and interest on this Bond is payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond is subject to prepayment of the principal balance in whole on a scheduled payment date with a 1.0% prepayment premium.

This Bond is issued to (i) refund the Issuer's Sewer Refunding Revenue Bonds, Series 2002 A; (ii) fund the Series 2016 A Bonds Reserve Account; and (iii) to pay costs of issuance and related costs. The existing public sewer facilities of the Issuer, and any further additions, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on _____, 2016, and a Supplemental Resolution, duly adopted by the Issuer on _____, 2016 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

THE PRINCIPAL OF AND INTEREST ON THIS BOND IS PAYABLE ONLY FROM AND SECURED BY A PLEDGE OF THE NET REVENUES TO BE DERIVED FROM THE OPERATION OF THE SYSTEM, ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S:

(I) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 16, 1989, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,354,914 (THE "SERIES 1989 A BONDS");

(II) SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 30, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $497,857 (THE "SERIES 2001 A BONDS"); AND

(III) SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 4, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,536,000 (THE "SERIES 2005 A BONDS"), (HEREINAFTER COLLECTIVELY, THE "FIRST LIEN BONDS").

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK JUNIOR AND SUBORDINATE TO THE SERIES 2016 A BONDS AS TO LIENS, PLEDGE OF AND SECURITY FOR PAYMENT, BEING THE ISSUER'S:

(IV) SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 16, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $349,086 (THE "SERIES 1989 C BONDS" OR THE "SECOND LIEN BONDS" AND

COLLECTIVELY WITH THE FIRST LIEN BONDS, THE "PRIOR BONDS").

The Issuer has also issued its Sewerage System Design Bond Anticipation Notes, Series 2015 A (The Ohio Valley Bank Company), dated June 29, 2015, issued in the original aggreate principal amount of $136,750 (the "Series 2015 A Notes"), which are payable from and secured by the Surplus Revenues.

This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from the source set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Payee, for the terms of which reference is made to said Bond Legislation. Remedies provided the Payee are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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 have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed hereon and attested by its Secretary, and has caused this Bond to be dated the day and year first written above.

NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT

[SEAL]

By: _____
Its: Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____, 2016.

[_____]
as Registrar

By: _____
Its: Authorized Officer

Debt Service Schedule

[Form of Assignment]

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

Dated: _____, 20___.

_____

In the presence of:

_____

Section 3.10. Sale of Bonds. The Series 2016 A Bonds shall be sold to the Purchaser contemporaneously with, or as soon as practicable and authorized and permitted by applicable law after, the adoption of the Supplemental Resolution; provided, that the Purchaser and the Issuer shall have agreed to the purchase thereof.

Section 3.11. Disposition of Bond Proceeds. From the monies received from the sale of the Series 2016 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2016 A Bonds, the Issuer shall forthwith transfer from the proceeds of the Series 2016 A Bonds an amount as specified in supplemental resolution which is equal to the amount necessary to pay in full the entire principal of and interest accrued on the Series 2002A Bonds directly to the Holders of the Series 2002 A Bonds.

B. Next from the proceeds of the Series 2016 A Bonds, the Issuer shall transfer to the Municipal Bond Commission an amount as specified in the Supplemental Resolution to be deposited in the Series 2016 A Bonds Reserve Account.

C. Next, from the proceeds of the Series 2016 A Bonds, the Issuer shall pay the costs of issuance of the Series 2016 A Bonds.

Section 3.12. Designation of Bonds "Qualified Tax-Exempt Obligations." The Issuer hereby designates the Series 2016 A Bonds as "qualified tax-exempt obligations" for the purpose of Section 265(b)(3)(B) of the Code and covenants that the Bond does not constitute private activity bonds as defined in Section 141 of the Code, and 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 tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, other than 501(c)3 Bonds, as defined in Section 141 of the Code), including the Series 2016 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during calendar year 2016.

## ARTICLE IV

## FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund (established by Prior Resolutions and hereby continued); and

(2) Renewal and Replacement Fund (established in Prior Resolutions and hereby continued).

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

(1) Series 1989 A Bonds Sinking Fund (established by Prior Resolutions);

(2) Series 1989 A Bonds Reserve Account (established by Prior Resolutions);

(3) Series 1989 C Bonds Sinking Fund (established by Prior Resolutions);

(4) Series 1989 C Bonds Reserve Account (established by Prior Resolutions);

(5) Series 2001 A Bonds Sinking Fund (established by Prior Resolutions);

(6) Series 2001 A Bonds Reserve Account (established by Prior Resolutions);

(7) Series 2005 A Bonds Sinking Fund (established by Prior Resolutions);

(8) Series 2005 A Bonds Reserve Account (established by Prior Resolutions);

(9) Series 2016 A Bonds Sinking Fund; and

(10) Series 2016 A Bonds Reserve Account.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as the Series 2016 A Bonds shall be outstanding and unpaid, or until there shall have been set apart, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2016 A Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Series 2016 A Bonds as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided herein.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, each month, pay from the monies in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to the Commission (i) the amount required by Prior Resolutions to pay interest on the Series 1989 A

Bonds; and (ii) the amounts required to pay the interest on the Series 2016 A Bonds.

(3) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to (i) the Commission, the amount required by Prior Resolutions to pay principal of the First Lien Bonds; and (ii) the Commission, the amounts required to pay the principal of the Series 2016 A Bonds.

(4) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to the Commission (i) the amount required for deposit into the First Lien Bonds Reserve Accounts; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2016 A Bonds, if not fully funded upon issuance of the Series 2016 A Bonds, for deposit in the Series 2016 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2016 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2016 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2016 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2.5% 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 VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission the principal payments on the Series 1989 C Bonds as required by Prior Resolutions.

(7) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1989 C Bonds Reserve Account, the amount required by Prior Resolutions.

Monies in the Series 2016 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2016 A Bonds as the same shall become due. Monies in the Series 2016 A Bonds Reserve Account shall be used only for the purpose of paying principal of and

interest on the Series 2016 A Bonds as the same shall come due, when other monies in the Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2016 A Bonds Sinking Fund shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2016 A Bonds.

Any withdrawals from the Series 2016 A Bonds Reserve Account, which result in a reduction in the balance of such account to below the Reserve Requirement thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2016 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective Reserve Accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2016 A Bonds Sinking Fund, or the Series 2016 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2016 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the First Lien Bonds and the Series 2016 A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2016 A Bonds Sinking Fund and the Series 2016 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2016 A Bonds, under the conditions and restrictions set forth herein.

C. CHANGE OF DEPOSITORY BANK. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any

such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

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

E. INVESTMENT OF EXCESS BALANCES. The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

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

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

## ARTICLE V

## GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2016 A Bonds shall be outstanding and unpaid, or until there shall have been set apart a sum sufficient to prepay the entire principal of the Series 2016 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Bondholder.

Section 5.02. Rates. Prior to the issuance of the Series 2016 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be 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 Secretary, 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 the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created 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 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2016 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2016 A Bonds, including the First Lien Bonds.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Resolutions.

Section 5.04. Issuance of Additional Parity Bonds. So long as the Prior Bonds are outstanding, no additional Parity Bonds or obligations payable out of any of the Revenues of the System shall be issued, except as set forth in the Prior Resolutions.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2016 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding the Prior Bonds or the Bonds issued pursuant hereto or subsequent Parity Bonds, or any combination of such purposes.

So long as the Prior Bonds or the Series 2016 A Bonds are outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in the certificate of the Independent Certified Public Accountants.

The Net Revenues actually derived from the System during the 12-consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the Series 2016 A Bonds and the Holders of any Parity Bonds 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. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien 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 lien on and source of and security for payment from such revenues, with the Bond.

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

Section 5.05. Insurance and Bonds. A. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2016 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(i) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion.

(ii) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2016 A Bonds.

(iii) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for

bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(iv) Workers' Compensation Coverage for All Employees of the Issuer Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds have been or will be filed with the Clerk of the County Commission of said County prior to commencement of construction in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

(v) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(vi) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

(vii) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, so long as the Series 2016 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer with insurance carriers or bonding companies acceptable to Purchaser.

B. All insurance proceeds awarded to the Issuer that are not applied to the repair or replacement of the subject property damaged or destroyed, shall be applied by the Issuer to prepayment of the Bond, unless otherwise consented to in writing by the Bondholder.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2016 A Bonds, on a parity with the First Lien Bonds and senior and prior to the Second Lien Bonds.

Section 5.07. Fiscal Year; Budget. While the Series 2016 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year.

Section 5.08. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such

member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.09. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser within 60 days of completion. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.10. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2016 A Bonds are outstanding.

Section 5.11. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

Section 5.12. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

## ARTICLE VI

## RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Commission Order entered _January 31, 2012 in Case No. 11-1582-PSD-30B of the Public Service Commission of West Virginia which are incorporated herein by reference as a part hereof.

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

C. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have all remedies and

powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

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

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

## ARTICLE VII

## TAX COVENANTS

Section 7.01. 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 2016 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2016 A Bonds during the term thereof is, under the terms of the Series 2016 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2016 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2016 A Bonds during the term thereof is, under the terms of the Series 2016 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2016 A 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 2016 A Bonds is for the purpose of financing more than one project, a portion of the project, and shall not exceed the proceeds used for the governmental use of that portion of the project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2016 A 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 2016 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2016 A 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 2016 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions which would adversely affect such exclusion.

Section 7.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2016 A Bonds which would cause the Series 2016 A Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code, 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 2016 A Bonds) so that the interest on the Series 2016 A 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 7.03. Tax Certificate and Rebate. 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 2016 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2016 A 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 Bond Legislation.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. The Issuer shall pay, or cause to be paid, to the United States, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. 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 in time to time in effect with such reports and statements as may be prescribed by such Regulations. The Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 7.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations.

## ARTICLE VIII

## DEFAULT AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2016 A Bonds:

1. If default occurs in the due and punctual payment of the principal of or interest on the Series 2016 A Bonds; or

2. If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2016 A Bonds set forth in this Bond Legislation, any supplemental resolution, or in the Series 2016 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Paying Agent, Depository Bank, any other bank or banking association holding any fund or account hereunder or a Holder of a Series 2016 A Bonds; or

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

4. If default occurs with respect to the Prior Bonds or the Prior Resolutions.

Section 8.02. Remedies. Upon the happening and continuance of any Event of Default, the Registered Owner of the Series 2016 A Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owner including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2016 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owner of the Series 2016 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2016 A Bonds, or the rights of such Registered Owner.

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 2016 A Bonds shall be on a parity with those of the Holders of the First Lien Bonds and senior and prior to the Second Lien Bonds.

## ARTICLE IX

## DEFEASANCE

Section 9.01. Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holder of the Series 2016 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then this Bond Legislation and the pledge of Net Revenues and other monies and securities pledged under

this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2016 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2016 A Bonds from gross income for federal income tax purposes.

The payment of the Series 2016 A Bonds with 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 principal installments of and interest on the Series 2016 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. The Series 2016 A 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 Paying Agent, 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 other monies, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on the Series 2016 A Bonds on and prior to the maturity dates thereof. Neither securities nor monies deposited with the Paying Agent 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 installments of and interest on the Series 2016 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Paying Agent, 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 installments of and interest to become due on the Series 2016 A Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Paying Agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

## ARTICLE X

## MISCELLANEOUS

Section 10.01. Amendment or Modification of Bond Legislation. This Bond Legislation may not be amended or modified after final passage without the prior written consent of the Registered Owner; provided, however, that this Bond Legislation may be amended without the consent of the Registered Owner as may be necessary to assure the exclusion of interest on the Series 2016 A Bonds from gross income of the Registered Owner for federal income tax purposes.

Section 10.02 Resolution Constitutes Contract. The provisions of the Resolution shall constitute a contract between the Issuer and the Holders of the Bonds, and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

Section 10.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2016 A Bonds.

Section 10.04. Table of Contents and Headings. The table of contents and headings of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 10.05. Conflicting Provisions Repealed. All orders, indentures, or resolutions and 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 Prior Resolutions, the Prior Resolutions shall control, unless less restrictive, so long as the Prior Bonds are Outstanding.

Section 10.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this 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 10.07. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 31st day of March, 2016.

NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT

Donald Stamper

Chairman

CERTIFICATION

Certified a true copy of a Bond Resolution duly adopted by the Board of the Northern Wayne County Public Service District on the 31st day of March, 2016.

Date: May 6, 2016.

[SEAL]

Chastity Ballard
Secretary

NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT

Sewer Refunding Revenue Bonds, Series 2016 A

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO DATE, MATURITY, INTEREST RATE AND OTHER TERMS OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2016 A OF THE NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH SERIES 2016 A BONDS TO BRANCH BANKING & TRUST COMPANY, AND MAKING OTHER PROVISIONS AS TO THE SERIES 2016 A BONDS.

WHEREAS, the Council (the "Governing Body") of the Northern Wayne County Service District (the "Issuer") has duly and officially adopted a resolution on March 31, 2016 (the "Bond Resolution"), entitled:

RESOLUTION AUTHORIZING THE REFUNDING OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2002 A, OF THE NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT THROUGH THE ISSUANCE BY THE NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT OF NOT MORE THAN $1,067,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2016 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Resolution provides for the issuance of Sewer Refunding Revenue Bonds, Series 2016 A, of the Issuer, in an aggregate principal amount of not more than $1,067,000, (the "Series 2016 A Bonds") all in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond Resolution, it is provided that the date, the maturity date, interest rate and other terms of the Series 2016 A Bonds should be established by a supplemental resolution pertaining to the Series 2016 A Bonds; and that other matters relating to the Series 2016 A Bonds be herein provided for;

WHEREAS, the Series 2016 A Bonds are proposed to be purchased by the Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), pursuant

to the terms of the commitment letter dated March 24, 2016, a copy of which is attached hereto and made a part hereof (the "Commitment Letter"); and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the date, the maturity date, the interest rate and other terms of the Series 2016 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2016 A Bonds be herein provided for.

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

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there is hereby authorized and ordered to be issued the Sewer Refunding Revenue Bonds, Series 2016 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,067,000. The Series 2016 A Bonds shall be dated May 5, 2016, shall mature on March 1, 2029 and shall bear interest as follows:

A. Interest on the Series 2016 A Bonds shall be payable at a rate of 2.47% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days, and 30 days in a month.

B. Notwithstanding any other provision herein, in the event the interest on the Series 2016 A Bonds is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on the Series 2016 A Bonds shall be payable at a rate of 3.76% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on the Series 2016 A Bonds is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on the Series 2016 A Bonds are paid, notwithstanding that the entire principal amount of the Series 2016 A Bonds may have been paid in full prior to the Determination of Taxability. Any interest being past due on the Series 2016 A Bonds by reason of such increase shall become immediately due and payable.

C. The Series 2016 A Bond shall be payable in 153 monthly installments, commencing July 1, 2016 and continuing on the 1st day of each month thereafter to and including March 1, 2029. The monthly installments shall consist of principal and interest and shall be as listed on the debt service schedule attached hereto as Exhibit A.

D. The Series 2016 A Bond shall be subject to prepayment of the principal balance in whole on a scheduled payment date with a 1.0% prepayment premium.

E. All payments received by the Paying Agent on account of the Series 2016 A Bonds shall be applied first to payment of interest accrued on the Series 2016 A Bonds and next to payment of principal of the Series 2016 A Bonds. If not sooner paid, the entire principal amount of the Series 2016 A Bonds unpaid on March 1, 2029, together with all accrued interest and any other sums due and owing upon the Series 2016 A Bonds shall be due and payable on such date.

Section 2. All other provisions relating to the Series 2016 A Bonds and the text of the Series 2016 A Bonds shall be in substantially the form provided in the Bond Resolution.

Section 3. The Issuer does hereby approve the terms of the Commitment Letter dated March 24, 2016.

Section 4. The Series 2016 A Bonds shall be sold to the Branch Banking and Trust Company, Charleston, West Virginia, and shall be registered in the name of such bank. The price of the Series 2016 A Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 5. The Issuer does hereby appoint and designate the Branch Banking and Trust Company, Charleston, West Virginia, the Registrar for the Series 2016 A Bonds.

Section 6. The Issuer does hereby appoint and designate the Municipal Bond Commission as Paying Agent (the "Paying Agent") for the Series 2016 A Bonds.

Section 7. A. At Closing, the Issuer shall receive $1,067,000 from the proceeds of the Series 2016 A Bonds, $144,462.30 from the Series 2002 A Bonds Reserve Account and $124,964.24 from the Series 2002 A Bonds Sinking Fund held by the Municipal Bond Commission (the "MBC").

B. Series 2016 A Bonds Proceeds in the amount of $932,286.10, $144,462.30 from the Series 2002 A Bonds Reserve Account and $124,964.24 from the Series 2002 A Bonds Sinking Fund shall be transferred to the United States Department of Agriculture to pay the outstanding principal balance of and all accrued interest on the Issuer's Sewer Refunding Revenue Bonds, Series 2002 A (the "Series 2002 A Bonds") at Closing.

C. Series 2016 A Bonds proceeds in the amount of $97,814 will be transferred to the MBC to fully fund the Series 2016 A Bonds Reserve Account.

Section 8. The payment of the Series 2002 A Bonds with the proceeds of the Series 2016 A Bonds is in the public interest, serves a public purpose of the Issuer and will promote health, welfare and safety of the residents of the Issuer.

Section 9. The Issuer hereby designates the Series 2016 A Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver the Series 2016 A Bonds and such other documents and certificates required or desirable in connection with the Series 2016 A Bonds hereby and by the Bond Resolution approved and provided for, to the end that the Series 2016 A Bonds may be delivered to the Purchaser on or about May 5, 2016.

Section 11. The Tax Compliance Policy attached hereto as Exhibit B is approved.

[Remainder of Page Intentionally Blank]

Section 12. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 31st day of March, 2016.

NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Board of NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT on the 31st day of March, 2016.

Date: May 6, 2016.

[SEAL]

Chastity Ballard
Secretary

664320.00006

EXHIBIT A

Debt Service Schedule

Bond Debt Service

Northern Wayne County Public Service District, WV Customer No. 9948001389 NAICS: 221320

Revenue Bond(Sewerage Refunding Bond 2016) Contract No. 00001

Dated Date 5/5/2016

Delivery Date 5/5/2016

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service | Bond Balance | Total Bond Value |
|---|---|---|---|---|---|---|---|
| 5/5/2016 | | | | | | 1,067,000.00 | 1,067,000.00 |
| 7/1/2016 | 4,051.47 | 2.470% | 4,099.65 | 8,151.12 | | 1,062,948.53 | 1,062,948.53 |
| 8/1/2016 | 5,963.22 | 2.470% | 2,187.90 | 8,151.12 | | 1,056,985.31 | 1,056,985.31 |
| 9/1/2016 | 5,975.49 | 2.470% | 2,175.63 | 8,151.12 | | 1,051,009.82 | 1,051,009.82 |
| 10/1/2016 | 5,987.79 | 2.470% | 2,163.33 | 8,151.12 | | 1,045,022.03 | 1,045,022.03 |
| 11/1/2016 | 6,000.12 | 2.470% | 2,151.00 | 8,151.12 | | 1,039,021.91 | 1,039,021.91 |
| 12/1/2016 | 6,012.47 | 2.470% | 2,138.65 | 8,151.12 | | 1,033,009.44 | 1,033,009.44 |
| 1/1/2017 | 6,024.84 | 2.470% | 2,126.28 | 8,151.12 | | 1,026,984.60 | 1,026,984.60 |
| 2/1/2017 | 6,037.24 | 2.470% | 2,113.88 | 8,151.12 | | 1,020,947.36 | 1,020,947.36 |
| 3/1/2017 | 6,049.67 | 2.470% | 2,101.45 | 8,151.12 | | 1,014,897.69 | 1,014,897.69 |
| 4/1/2017 | 6,062.12 | 2.470% | 2,089.00 | 8,151.12 | | 1,008,835.56 | 1,008,835.56 |
| 5/1/2017 | 6,074.60 | 2.470% | 2,076.52 | 8,151.12 | | 1,002,760.96 | 1,002,760.96 |
| 6/1/2017 | 6,087.10 | 2.470% | 2,064.02 | 8,151.12 | | 996,673.86 | 996,673.86 |
| 6/30/2017 | | | | | 97,813.45 | 996,673.86 | 996,673.86 |
| 7/1/2017 | 6,099.63 | 2.470% | 2,051.49 | 8,151.12 | | 990,574.23 | 990,574.23 |
| 8/1/2017 | 6,112.19 | 2.470% | 2,038.93 | 8,151.12 | | 984,462.04 | 984,462.04 |
| 9/1/2017 | 6,124.77 | 2.470% | 2,026.35 | 8,151.12 | | 978,337.27 | 978,337.27 |
| 10/1/2017 | 6,137.38 | 2.470% | 2,013.74 | 8,151.12 | | 972,199.89 | 972,199.89 |
| 11/1/2017 | 6,150.01 | 2.470% | 2,001.11 | 8,151.12 | | 966,049.88 | 966,049.88 |
| 12/1/2017 | 6,162.67 | 2.470% | 1,988.45 | 8,151.12 | | 959,887.21 | 959,887.21 |
| 1/1/2018 | 6,175.35 | 2.470% | 1,975.77 | 8,151.12 | | 953,711.86 | 953,711.86 |
| 2/1/2018 | 6,188.06 | 2.470% | 1,963.06 | 8,151.12 | | 947,523.80 | 947,523.80 |
| 3/1/2018 | 6,200.80 | 2.470% | 1,950.32 | 8,151.12 | | 941,323.00 | 941,323.00 |
| 4/1/2018 | 6,213.56 | 2.470% | 1,937.56 | 8,151.12 | | 935,109.43 | 935,109.43 |
| 5/1/2018 | 6,226.35 | 2.470% | 1,924.77 | 8,151.12 | | 928,883.08 | 928,883.08 |
| 6/1/2018 | 6,239.17 | 2.470% | 1,911.95 | 8,151.12 | | 922,643.91 | 922,643.91 |
| 6/30/2018 | | | | | 97,813.45 | 922,643.91 | 922,643.91 |
| 7/1/2018 | 6,252.01 | 2.470% | 1,899.11 | 8,151.12 | | 916,391.90 | 916,391.90 |
| 8/1/2018 | 6,264.88 | 2.470% | 1,886.24 | 8,151.12 | | 910,127.02 | 910,127.02 |
| 9/1/2018 | 6,277.78 | 2.470% | 1,873.34 | 8,151.12 | | 903,849.24 | 903,849.24 |
| 10/1/2018 | 6,290.70 | 2.470% | 1,860.42 | 8,151.12 | | 897,558.55 | 897,558.55 |
| 11/1/2018 | 6,303.65 | 2.470% | 1,847.47 | 8,151.12 | | 891,254.90 | 891,254.90 |
| 12/1/2018 | 6,316.62 | 2.470% | 1,834.50 | 8,151.12 | | 884,938.28 | 884,938.28 |
| 1/1/2019 | 6,329.62 | 2.470% | 1,821.50 | 8,151.12 | | 878,608.66 | 878,608.66 |
| 2/1/2019 | 6,342.65 | 2.470% | 1,808.47 | 8,151.12 | | 872,266.00 | 872,266.00 |
| 3/1/2019 | 6,355.71 | 2.470% | 1,795.41 | 8,151.12 | | 865,910.30 | 865,910.30 |
| 4/1/2019 | 6,368.79 | 2.470% | 1,782.33 | 8,151.12 | | 859,541.51 | 859,541.51 |
| 5/1/2019 | 6,381.90 | 2.470% | 1,769.22 | 8,151.12 | | 853,159.61 | 853,159.61 |
| 6/1/2019 | 6,395.03 | 2.470% | 1,756.09 | 8,151.12 | | 846,764.58 | 846,764.58 |
| 6/30/2019 | | | | | 97,813.45 | 846,764.58 | 846,764.58 |
| 7/1/2019 | 6,408.20 | 2.470% | 1,742.92 | 8,151.12 | | 840,356.38 | 840,356.38 |
| 8/1/2019 | 6,421.39 | 2.470% | 1,729.73 | 8,151.12 | | 833,935.00 | 833,935.00 |
| 9/1/2019 | 6,434.60 | 2.470% | 1,716.52 | 8,151.12 | | 827,500.39 | 827,500.39 |
| 10/1/2019 | 6,447.85 | 2.470% | 1,703.27 | 8,151.12 | | 821,052.54 | 821,052.54 |
| 11/1/2019 | 6,461.12 | 2.470% | 1,690.00 | 8,151.12 | | 814,591.42 | 814,591.42 |
| 12/1/2019 | 6,474.42 | 2.470% | 1,676.70 | 8,151.12 | | 808,117.00 | 808,117.00 |

Bond Debt Service

Northern Wayne County Public Service District, WV Customer No. 9948001389 NAICS: 221320

Revenue Bond(Sewerage Refunding Bond 2016) Contract No. 00001

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service | Bond Balance | Total Bond Value |
|---|---|---|---|---|---|---|---|
| 1/1/2020 | 6,487.75 | 2.470% | 1,663.37 | 8,151.12 | | 801,629.26 | 801,629.26 |
| 2/1/2020 | 6,501.10 | 2.470% | 1,650.02 | 8,151.12 | | 795,128.15 | 795,128.15 |
| 3/1/2020 | 6,514.48 | 2.470% | 1,636.64 | 8,151.12 | | 788,613.67 | 788,613.67 |
| 4/1/2020 | 6,527.89 | 2.470% | 1,623.23 | 8,151.12 | | 782,085.78 | 782,085.78 |
| 5/1/2020 | 6,541.33 | 2.470% | 1,609.79 | 8,151.12 | | 775,544.46 | 775,544.46 |
| 6/1/2020 | 6,554.79 | 2.470% | 1,596.33 | 8,151.12 | | 768,989.66 | 768,989.66 |
| 6/30/2020 | | | | | 97,813.45 | 768,989.66 | 768,989.66 |
| 7/1/2020 | 6,568.28 | 2.470% | 1,582.84 | 8,151.12 | | 762,421.38 | 762,421.38 |
| 8/1/2020 | 6,581.80 | 2.470% | 1,569.32 | 8,151.12 | | 755,839.58 | 755,839.58 |
| 9/1/2020 | 6,595.35 | 2.470% | 1,555.77 | 8,151.12 | | 749,244.23 | 749,244.23 |
| 10/1/2020 | 6,608.93 | 2.470% | 1,542.19 | 8,151.12 | | 742,635.30 | 742,635.30 |
| 11/1/2020 | 6,622.53 | 2.470% | 1,528.59 | 8,151.12 | | 736,012.77 | 736,012.77 |
| 12/1/2020 | 6,636.16 | 2.470% | 1,514.96 | 8,151.12 | | 729,376.61 | 729,376.61 |
| 1/1/2021 | 6,649.82 | 2.470% | 1,501.30 | 8,151.12 | | 722,726.79 | 722,726.79 |
| 2/1/2021 | 6,663.51 | 2.470% | 1,487.61 | 8,151.12 | | 716,063.28 | 716,063.28 |
| 3/1/2021 | 6,677.22 | 2.470% | 1,473.90 | 8,151.12 | | 709,386.06 | 709,386.06 |
| 4/1/2021 | 6,690.97 | 2.470% | 1,460.15 | 8,151.12 | | 702,695.09 | 702,695.09 |
| 5/1/2021 | 6,704.74 | 2.470% | 1,446.38 | 8,151.12 | | 695,990.35 | 695,990.35 |
| 6/1/2021 | 6,718.54 | 2.470% | 1,432.58 | 8,151.12 | | 689,271.81 | 689,271.81 |
| 6/30/2021 | | | | | 97,813.45 | 689,271.81 | 689,271.81 |
| 7/1/2021 | 6,732.37 | 2.470% | 1,418.75 | 8,151.12 | | 682,539.44 | 682,539.44 |
| 8/1/2021 | 6,746.23 | 2.470% | 1,404.89 | 8,151.12 | | 675,793.21 | 675,793.21 |
| 9/1/2021 | 6,760.11 | 2.470% | 1,391.01 | 8,151.12 | | 669,033.10 | 669,033.10 |
| 10/1/2021 | 6,774.03 | 2.470% | 1,377.09 | 8,151.12 | | 662,259.07 | 662,259.07 |
| 11/1/2021 | 6,787.97 | 2.470% | 1,363.15 | 8,151.12 | | 655,471.10 | 655,471.10 |
| 12/1/2021 | 6,801.94 | 2.470% | 1,349.18 | 8,151.12 | | 648,669.16 | 648,669.16 |
| 1/1/2022 | 6,815.94 | 2.470% | 1,335.18 | 8,151.12 | | 641,853.22 | 641,853.22 |
| 2/1/2022 | 6,829.97 | 2.470% | 1,321.15 | 8,151.12 | | 635,023.25 | 635,023.25 |
| 3/1/2022 | 6,844.03 | 2.470% | 1,307.09 | 8,151.12 | | 628,179.21 | 628,179.21 |
| 4/1/2022 | 6,858.12 | 2.470% | 1,293.00 | 8,151.12 | | 621,321.10 | 621,321.10 |
| 5/1/2022 | 6,872.23 | 2.470% | 1,278.89 | 8,151.12 | | 614,448.86 | 614,448.86 |
| 6/1/2022 | 6,886.38 | 2.470% | 1,264.74 | 8,151.12 | | 607,562.48 | 607,562.48 |
| 6/30/2022 | | | | | 97,813.45 | 607,562.48 | 607,562.48 |
| 7/1/2022 | 6,900.55 | 2.470% | 1,250.57 | 8,151.12 | | 600,661.93 | 600,661.93 |
| 8/1/2022 | 6,914.76 | 2.470% | 1,236.36 | 8,151.12 | | 593,747.17 | 593,747.17 |
| 9/1/2022 | 6,928.99 | 2.470% | 1,222.13 | 8,151.12 | | 586,818.18 | 586,818.18 |
| 10/1/2022 | 6,943.25 | 2.470% | 1,207.87 | 8,151.12 | | 579,874.92 | 579,874.92 |
| 11/1/2022 | 6,957.54 | 2.470% | 1,193.58 | 8,151.12 | | 572,917.38 | 572,917.38 |
| 12/1/2022 | 6,971.87 | 2.470% | 1,179.25 | 8,151.12 | | 565,945.51 | 565,945.51 |
| 1/1/2023 | 6,986.22 | 2.470% | 1,164.90 | 8,151.12 | | 558,959.30 | 558,959.30 |
| 2/1/2023 | 7,000.60 | 2.470% | 1,150.52 | 8,151.12 | | 551,958.70 | 551,958.70 |
| 3/1/2023 | 7,015.01 | 2.470% | 1,136.11 | 8,151.12 | | 544,943.70 | 544,943.70 |
| 4/1/2023 | 7,029.44 | 2.470% | 1,121.68 | 8,151.12 | | 537,914.25 | 537,914.25 |
| 5/1/2023 | 7,043.91 | 2.470% | 1,107.21 | 8,151.12 | | 530,870.34 | 530,870.34 |
| 6/1/2023 | 7,058.41 | 2.470% | 1,092.71 | 8,151.12 | | 523,811.93 | 523,811.93 |
| 6/30/2023 | | | | | 97,813.45 | 523,811.93 | 523,811.93 |
| 7/1/2023 | 7,072.94 | 2.470% | 1,078.18 | 8,151.12 | | 516,738.99 | 516,738.99 |
| 8/1/2023 | 7,087.50 | 2.470% | 1,063.62 | 8,151.12 | | 509,651.49 | 509,651.49 |
| 9/1/2023 | 7,102.09 | 2.470% | 1,049.03 | 8,151.12 | | 502,549.40 | 502,549.40 |
| 10/1/2023 | 7,116.71 | 2.470% | 1,034.41 | 8,151.12 | | 495,432.69 | 495,432.69 |

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service | Bond Balance | Total Bond Value |
|---|---|---|---|---|---|---|---|
| 11/1/2023 | 7,131.35 | 2.470% | 1,019.77 | 8,151.12 | | 488,301.34 | 488,301.34 |
| 12/1/2023 | 7,146.03 | 2.470% | 1,005.09 | 8,151.12 | | 481,155.30 | 481,155.30 |
| 1/1/2024 | 7,160.74 | 2.470% | 990.38 | 8,151.12 | | 473,994.56 | 473,994.56 |
| 2/1/2024 | 7,175.48 | 2.470% | 975.64 | 8,151.12 | | 466,819.08 | 466,819.08 |
| 3/1/2024 | 7,190.25 | 2.470% | 960.87 | 8,151.12 | | 459,628.83 | 459,628.83 |
| 4/1/2024 | 7,205.05 | 2.470% | 946.07 | 8,151.12 | | 452,423.78 | 452,423.78 |
| 5/1/2024 | 7,219.88 | 2.470% | 931.24 | 8,151.12 | | 445,203.90 | 445,203.90 |
| 6/1/2024 | 7,234.74 | 2.470% | 916.38 | 8,151.12 | | 437,969.15 | 437,969.15 |
| 6/30/2024 | | | | | 97,813.45 | 437,969.15 | 437,969.15 |
| 7/1/2024 | 7,249.63 | 2.470% | 901.49 | 8,151.12 | | 430,719.52 | 430,719.52 |
| 8/1/2024 | 7,264.56 | 2.470% | 886.56 | 8,151.12 | | 423,454.96 | 423,454.96 |
| 9/1/2024 | 7,279.51 | 2.470% | 871.61 | 8,151.12 | | 416,175.45 | 416,175.45 |
| 10/1/2024 | 7,294.49 | 2.470% | 856.63 | 8,151.12 | | 408,880.96 | 408,880.96 |
| 11/1/2024 | 7,309.51 | 2.470% | 841.61 | 8,151.12 | | 401,571.45 | 401,571.45 |
| 12/1/2024 | 7,324.55 | 2.470% | 826.57 | 8,151.12 | | 394,246.90 | 394,246.90 |
| 1/1/2025 | 7,339.63 | 2.470% | 811.49 | 8,151.12 | | 386,907.27 | 386,907.27 |
| 2/1/2025 | 7,354.74 | 2.470% | 796.38 | 8,151.12 | | 379,552.54 | 379,552.54 |
| 3/1/2025 | 7,369.87 | 2.470% | 781.25 | 8,151.12 | | 372,182.66 | 372,182.66 |
| 4/1/2025 | 7,385.04 | 2.470% | 766.08 | 8,151.12 | | 364,797.62 | 364,797.62 |
| 5/1/2025 | 7,400.25 | 2.470% | 750.88 | 8,151.12 | | 357,397.37 | 357,397.37 |
| 6/1/2025 | 7,415.48 | 2.470% | 735.64 | 8,151.12 | | 349,981.89 | 349,981.89 |
| 6/30/2025 | | | | | 97,813.45 | 349,981.89 | 349,981.89 |
| 7/1/2025 | 7,430.74 | 2.470% | 720.38 | 8,151.12 | | 342,551.15 | 342,551.15 |
| 8/1/2025 | 7,446.04 | 2.470% | 705.08 | 8,151.12 | | 335,105.12 | 335,105.12 |
| 9/1/2025 | 7,461.36 | 2.470% | 689.76 | 8,151.12 | | 327,643.75 | 327,643.75 |
| 10/1/2025 | 7,476.72 | 2.470% | 674.40 | 8,151.12 | | 320,167.03 | 320,167.03 |
| 11/1/2025 | 7,492.11 | 2.470% | 659.01 | 8,151.12 | | 312,674.92 | 312,674.92 |
| 12/1/2025 | 7,507.53 | 2.470% | 643.59 | 8,151.12 | | 305,167.39 | 305,167.39 |
| 1/1/2026 | 7,522.98 | 2.470% | 628.14 | 8,151.12 | | 297,644.41 | 297,644.41 |
| 2/1/2026 | 7,538.47 | 2.470% | 612.65 | 8,151.12 | | 290,105.94 | 290,105.94 |
| 3/1/2026 | 7,553.99 | 2.470% | 597.13 | 8,151.12 | | 282,551.95 | 282,551.95 |
| 4/1/2026 | 7,569.53 | 2.470% | 581.59 | 8,151.12 | | 274,982.42 | 274,982.42 |
| 5/1/2026 | 7,585.12 | 2.470% | 566.01 | 8,151.12 | | 267,397.30 | 267,397.30 |
| 6/1/2026 | 7,600.73 | 2.470% | 550.39 | 8,151.12 | | 259,796.58 | 259,796.58 |
| 6/30/2026 | | | | | 97,813.45 | 259,796.58 | 259,796.58 |
| 7/1/2026 | 7,616.37 | 2.470% | 534.75 | 8,151.12 | | 252,180.20 | 252,180.20 |
| 8/1/2026 | 7,632.05 | 2.470% | 519.07 | 8,151.12 | | 244,548.15 | 244,548.15 |
| 9/1/2026 | 7,647.76 | 2.470% | 503.36 | 8,151.12 | | 236,900.39 | 236,900.39 |
| 10/1/2026 | 7,663.50 | 2.470% | 487.62 | 8,151.12 | | 229,236.89 | 229,236.89 |
| 11/1/2026 | 7,679.27 | 2.470% | 471.85 | 8,151.12 | | 221,557.62 | 221,557.62 |
| 12/1/2026 | 7,695.08 | 2.470% | 456.04 | 8,151.12 | | 213,862.54 | 213,862.54 |
| 1/1/2027 | 7,710.92 | 2.470% | 440.20 | 8,151.12 | | 206,151.62 | 206,151.62 |
| 2/1/2027 | 7,726.79 | 2.470% | 424.33 | 8,151.12 | | 198,424.83 | 198,424.83 |
| 3/1/2027 | 7,742.70 | 2.470% | 408.42 | 8,151.12 | | 190,682.13 | 190,682.13 |
| 4/1/2027 | 7,758.63 | 2.470% | 392.49 | 8,151.12 | | 182,923.50 | 182,923.50 |
| 5/1/2027 | 7,774.60 | 2.470% | 376.52 | 8,151.12 | | 175,148.89 | 175,148.89 |
| 6/1/2027 | 7,790.61 | 2.470% | 360.51 | 8,151.12 | | 167,358.29 | 167,358.29 |
| 6/30/2027 | | | | | 97,813.45 | 167,358.29 | 167,358.29 |
| 7/1/2027 | 7,806.64 | 2.470% | 344.48 | 8,151.12 | | 159,551.65 | 159,551.65 |
| 8/1/2027 | 7,822.71 | 2.470% | 328.41 | 8,151.12 | | 151,728.94 | 151,728.94 |

Northern Wayne County Public Service District, WV Customer No. 9948001389 NAICS: 221320

Revenue Bond(Sewerage Refunding Bond 2016) Contract No. 00001

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service | Bond Balance | Total Bond Value |
|---|---|---|---|---|---|---|---|
| 9/1/2027 | 7,838.81 | 2.470% | 312.31 | 8,151.12 | | 143,890.13 | 143,890.13 |
| 10/1/2027 | 7,854.95 | 2.470% | 296.17 | 8,151.12 | | 136,035.18 | 136,035.18 |
| 11/1/2027 | 7,871.11 | 2.470% | 280.01 | 8,151.12 | | 128,164.06 | 128,164.06 |
| 12/1/2027 | 7,887.32 | 2.470% | 263.80 | 8,151.12 | | 120,276.75 | 120,276.75 |
| 1/1/2028 | 7,903.55 | 2.470% | 247.57 | 8,151.12 | | 112,373.20 | 112,373.20 |
| 2/1/2028 | 7,919.82 | 2.470% | 231.30 | 8,151.12 | | 104,453.38 | 104,453.38 |
| 3/1/2028 | 7,936.12 | 2.470% | 215.00 | 8,151.12 | | 96,517.26 | 96,517.26 |
| 4/1/2028 | 7,952.46 | 2.470% | 198.66 | 8,151.12 | | 88,564.80 | 88,564.80 |
| 5/1/2028 | 7,968.82 | 2.470% | 182.30 | 8,151.12 | | 80,595.98 | 80,595.98 |
| 6/1/2028 | 7,985.23 | 2.470% | 165.89 | 8,151.12 | | 72,610.75 | 72,610.75 |
| 6/30/2028 | | | | | 97,813.45 | 72,610.75 | 72,610.75 |
| 7/1/2028 | 8,001.66 | 2.470% | 149.46 | 8,151.12 | | 64,609.09 | 64,609.09 |
| 8/1/2028 | 8,018.13 | 2.470% | 132.99 | 8,151.12 | | 56,590.95 | 56,590.95 |
| 9/1/2028 | 8,034.64 | 2.470% | 116.48 | 8,151.12 | | 48,556.32 | 48,556.32 |
| 10/1/2028 | 8,051.18 | 2.470% | 99.95 | 8,151.12 | | 40,505.14 | 40,505.14 |
| 11/1/2028 | 8,067.75 | 2.470% | 83.37 | 8,151.12 | | 32,437.39 | 32,437.39 |
| 12/1/2028 | 8,084.35 | 2.470% | 66.77 | 8,151.12 | | 24,353.04 | 24,353.04 |
| 1/1/2029 | 8,100.99 | 2.470% | 50.13 | 8,151.12 | | 16,252.05 | 16,252.05 |
| 2/1/2029 | 8,117.67 | 2.470% | 33.45 | 8,151.12 | | 8,134.38 | 8,134.38 |
| 3/1/2029 | 8,134.38 | 2.470% | 16.74 | 8,151.12 | | | |
| 6/30/2029 | | | | | 73,360.08 | | |
| | 1,067,000.00 | | 180,121.44 | 1,247,121.44 | 1,247,121.44 | | |

EXHIBIT B

Tax Compliance Policy

[See Tab 16 of Bond Transcript]

Northern Wayne County Public Service District
Sewer Refunding Revenue Bonds, Series 2016 A

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On this 5th day of May, 2016, the undersigned authorized representative of the Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), and the undersigned Chairman of the Northern Wayne County Public Service District (the "Issuer"), hereby certify as follows:

1. On May 5, 2016, at Lavalette, West Virginia, the Purchaser received the Northern Wayne County Public Service District's Sewer Refunding Revenue Bonds, Series 2016 A, No. AR-1, issued as a single Bond in the principal amount of $1,067,000, dated May 5, 2016 (the "Series 2016 A Bonds"). The Series 2016 A Bonds represent the entire above-captioned Bond issue.

2. At the time of such receipt, the Series 2016 A Bonds have been executed and sealed by the designated officials of the Issuer.

3. The Issuer has received and hereby acknowledges receipt from the Purchaser of the sum of $1,067,000, being the entire principal amount of the Series 2016 A Bonds, there being no interest accrued thereon.

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WITNESS our respective signatures dated as of the day and year first written above.

BRANCH BANKING AND TRUST COMPANY

By: _____
Its: Authorized Officer

NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

664320.00006

Northern Wayne County Public Service District
Sewer Refunding Revenue Bonds, Series 2016 A

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Branch Banking and Trust Company,
as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 5th day of May, 2016:

1. Bond No. AR-1, constituting the entire original issue of the Northern Wayne County Public Service District Sewer Refunding Revenue Bonds, Series 2016 A, dated May 5, 2016, in the principal amount of $1,067,000 (the "Series 2016 A Bonds"), executed by the Chairman and the Secretary of the Northern Wayne County Public Service District (the "Issuer") and bearing the official seal of the Issuer. The Series 2016 A Bonds are authorized to be issued under and pursuant to a Bond Resolution adopted by the Issuer on March 31, 2016, and a Supplemental Resolution adopted by the Issuer on March 31, 2016 (collectively, the "Bond Legislation").

2. A copy of the Bond Legislation duly certified by the Secretary.

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

You are hereby requested and authorized to authenticate, register and deliver the Series 2016 A Bonds to the Branch Banking and Trust Company, Charleston, West Virginia, as the Purchaser thereof.

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Dated this as of the day and year first written above.

NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

664320.00006

SPECIMEN

NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS, SERIES 2016 A

No. AR-1 $1,067,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 5th day of May, 2016, NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia in Wayne 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 order of

BRANCH BANKING AND TRUST COMPANY

or registered assigns (the "Payee"), the principal sum of ONE MILLION SIXTY-SEVEN THOUSAND DOLLARS ($1,067,000), plus interest as follows:

A. Interest on this Bond shall be payable at a rate of 2.47% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days and 30 days in a month.

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at a rate of 3.76% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

C. This Bond shall be payable in 153 installments commencing on the 1st day of July, 2016 and on the 1st day of each month thereafter, to and including March 1, 2029. The monthly installments shall consist of principal and interest as listed on the attached debt service schedule attached hereto as EXHIBIT A.

D. All payments received by the Paying Agent on account of the Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of the Bond. If not sooner paid, the entire principal amount of this Bond unpaid on March 1, 2029 together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

The principal of and interest on this Bond is payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the

United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond is subject to prepayment of the principal balance in whole on a scheduled payment date with a 1.0% prepayment premium.

This Bond is issued to (i) refund the Issuer's Sewer Refunding Revenue Bonds, Series 2002 A; (ii) fund the Series 2016 A Bonds Reserve Account; and (iii) to pay costs of issuance and related costs. The existing public sewer facilities of the Issuer, and any further additions, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on March 31, 2016, and a Supplemental Resolution, duly adopted by the Issuer on March 31, 2016 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

THE PRINCIPAL OF AND INTEREST ON THIS BOND IS PAYABLE ONLY FROM AND SECURED BY A PLEDGE OF THE NET REVENUES TO BE DERIVED FROM THE OPERATION OF THE SYSTEM, ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S:

(I) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 16, 1989, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,354,914 (THE "SERIES 1989 A BONDS");

(II) SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 30, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $497,857 (THE "SERIES 2001 A BONDS"); AND

(III) SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 4, 2005, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,536,000 (THE "SERIES 2005 A BONDS"), (HEREINAFTER COLLECTIVELY, THE "FIRST LIEN BONDS").

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK JUNIOR AND SUBORDINATE TO THE SERIES 2016 A BONDS AS TO LIENS, PLEDGE OF AND SECURITY FOR PAYMENT, BEING THE ISSUER'S:

(IV) SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 16, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $349,086 (THE "SERIES 1989 C BONDS" OR THE "SECOND LIEN BONDS" AND COLLECTIVELY WITH THE FIRST LIEN BONDS, THE "PRIOR BONDS").

The Issuer has also issued its Sewerage System Design Bond Anticipation Notes, Series 2015 A (The Ohio Valley Bank Company), dated June 29, 2015, issued in the original aggreate principal amount of $136,750 (the "Series 2015 A Notes"), which are payable from and secured by the Surplus Revenues.

This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from the source set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Payee, for the terms of which reference is made to said Bond Legislation. Remedies provided the Payee are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of Branch Banking and Trust Company, Charleston, West Virginia, as Registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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 have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

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IN WITNESS WHEREOF, the NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed hereon and attested by its Secretary, and has caused this Bond to be dated the day and year first written above.

NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT

[SEAL]

By: _____
Its: Chairman

ATTEST:

_____
Secretary

SPECIMEN
SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: May 5, 2016.

SPECIMEN

BRANCH BANKING AND TRUST COMPANY
as Registrar

By: _____
Its: Authorized Officer

Debt Service Schedule

Bond Debt Service

Northern Wayne County Public Service District, WV Customer No. 9948001389 NAICS: 221320

Revenue Bond(Sewerage Refunding Bond 2016) Contract No. 00001

Dated Date 5/5/2016

Delivery Date 5/5/2016

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service | Bond Balance | Total Bond Value |
|---|---|---|---|---|---|---|---|
| 5/5/2016 | | | | | | 1,067,000.00 | 1,067,000.00 |
| 7/1/2016 | 4,051.47 | 2.470% | 4,099.65 | 8,151.12 | | 1,062,948.53 | 1,062,948.53 |
| 8/1/2016 | 5,963.22 | 2.470% | 2,187.90 | 8,151.12 | | 1,056,985.31 | 1,056,985.31 |
| 9/1/2016 | 5,975.49 | 2.470% | 2,175.63 | 8,151.12 | | 1,051,009.82 | 1,051,009.82 |
| 10/1/2016 | 5,987.79 | 2.470% | 2,163.33 | 8,151.12 | | 1,045,022.03 | 1,045,022.03 |
| 11/1/2016 | 6,000.12 | 2.470% | 2,151.00 | 8,151.12 | | 1,039,021.91 | 1,039,021.91 |
| 12/1/2016 | 6,012.47 | 2.470% | 2,138.65 | 8,151.12 | | 1,033,009.44 | 1,033,009.44 |
| 1/1/2017 | 6,024.84 | 2.470% | 2,126.28 | 8,151.12 | | 1,026,984.60 | 1,026,984.60 |
| 2/1/2017 | 6,037.24 | 2.470% | 2,113.88 | 8,151.12 | | 1,020,947.36 | 1,020,947.36 |
| 3/1/2017 | 6,049.67 | 2.470% | 2,101.45 | 8,151.12 | | 1,014,897.69 | 1,014,897.69 |
| 4/1/2017 | 6,062.12 | 2.470% | 2,089.00 | 8,151.12 | | 1,008,835.56 | 1,008,835.56 |
| 5/1/2017 | 6,074.60 | 2.470% | 2,076.52 | 8,151.12 | | 1,002,760.96 | 1,002,760.96 |
| 6/1/2017 | 6,087.10 | 2.470% | 2,064.02 | 8,151.12 | | 996,673.86 | 996,673.86 |
| 6/30/2017 | | | | | 97,813.45 | 996,673.86 | 996,673.86 |
| 7/1/2017 | 6,099.63 | 2.470% | 2,051.49 | 8,151.12 | | 990,574.23 | 990,574.23 |
| 8/1/2017 | 6,112.19 | 2.470% | 2,038.93 | 8,151.12 | | 984,462.04 | 984,462.04 |
| 9/1/2017 | 6,124.77 | 2.470% | 2,026.35 | 8,151.12 | | 978,337.27 | 978,337.27 |
| 10/1/2017 | 6,137.38 | 2.470% | 2,013.74 | 8,151.12 | | 972,199.89 | 972,199.89 |
| 11/1/2017 | 6,150.01 | 2.470% | 2,001.11 | 8,151.12 | | 966,049.88 | 966,049.88 |
| 12/1/2017 | 6,162.67 | 2.470% | 1,988.45 | 8,151.12 | | 959,887.21 | 959,887.21 |
| 1/1/2018 | 6,175.35 | 2.470% | 1,975.77 | 8,151.12 | | 953,711.86 | 953,711.86 |
| 2/1/2018 | 6,188.06 | 2.470% | 1,963.06 | 8,151.12 | | 947,523.80 | 947,523.80 |
| 3/1/2018 | 6,200.80 | 2.470% | 1,950.32 | 8,151.12 | | 941,323.00 | 941,323.00 |
| 4/1/2018 | 6,213.56 | 2.470% | 1,937.56 | 8,151.12 | | 935,109.43 | 935,109.43 |
| 5/1/2018 | 6,226.35 | 2.470% | 1,924.77 | 8,151.12 | | 928,883.08 | 928,883.08 |
| 6/1/2018 | 6,239.17 | 2.470% | 1,911.95 | 8,151.12 | | 922,643.91 | 922,643.91 |
| 6/30/2018 | | | | | 97,813.45 | 922,643.91 | 922,643.91 |
| 7/1/2018 | 6,252.01 | 2.470% | 1,899.11 | 8,151.12 | | 916,391.90 | 916,391.90 |
| 8/1/2018 | 6,264.88 | 2.470% | 1,886.24 | 8,151.12 | | 910,127.02 | 910,127.02 |
| 9/1/2018 | 6,277.78 | 2.470% | 1,873.34 | 8,151.12 | | 903,849.24 | 903,849.24 |
| 10/1/2018 | 6,290.70 | 2.470% | 1,860.42 | 8,151.12 | | 897,558.55 | 897,558.55 |
| 11/1/2018 | 6,303.65 | 2.470% | 1,847.47 | 8,151.12 | | 891,254.90 | 891,254.90 |
| 12/1/2018 | 6,316.62 | 2.470% | 1,834.50 | 8,151.12 | | 884,938.28 | 884,938.28 |
| 1/1/2019 | 6,329.62 | 2.470% | 1,821.50 | 8,151.12 | | 878,608.66 | 878,608.66 |
| 2/1/2019 | 6,342.65 | 2.470% | 1,808.47 | 8,151.12 | | 872,266.00 | 872,266.00 |
| 3/1/2019 | 6,355.71 | 2.470% | 1,795.41 | 8,151.12 | | 865,910.30 | 865,910.30 |
| 4/1/2019 | 6,368.79 | 2.470% | 1,782.33 | 8,151.12 | | 859,541.51 | 859,541.51 |
| 5/1/2019 | 6,381.90 | 2.470% | 1,769.22 | 8,151.12 | | 853,159.61 | 853,159.61 |
| 6/1/2019 | 6,395.03 | 2.470% | 1,756.09 | 8,151.12 | | 846,764.58 | 846,764.58 |
| 6/30/2019 | | | | | 97,813.45 | 846,764.58 | 846,764.58 |
| 7/1/2019 | 6,408.20 | 2.470% | 1,742.92 | 8,151.12 | | 840,356.38 | 840,356.38 |
| 8/1/2019 | 6,421.39 | 2.470% | 1,729.73 | 8,151.12 | | 833,935.00 | 833,935.00 |
| 9/1/2019 | 6,434.60 | 2.470% | 1,716.52 | 8,151.12 | | 827,500.39 | 827,500.39 |
| 10/1/2019 | 6,447.85 | 2.470% | 1,703.27 | 8,151.12 | | 821,052.54 | 821,052.54 |
| 11/1/2019 | 6,461.12 | 2.470% | 1,690.00 | 8,151.12 | | 814,591.42 | 814,591.42 |
| 12/1/2019 | 6,474.42 | 2.470% | 1,676.70 | 8,151.12 | | 808,117.00 | 808,117.00 |

Bond Debt Service

Northern Wayne County Public Service District, WV Customer No. 9948001389 NAICS: 221320

Revenue Bond(Sewerage Refunding Bond 2016) Contract No. 00001

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service | Bond Balance | Total Bond Value |
|---|---|---|---|---|---|---|---|
| 1/1/2020 | 6,487.75 | 2.470% | 1,663.37 | 8,151.12 | | 801,629.26 | 801,629.26 |
| 2/1/2020 | 6,501.10 | 2.470% | 1,650.02 | 8,151.12 | | 795,128.15 | 795,128.15 |
| 3/1/2020 | 6,514.48 | 2.470% | 1,636.64 | 8,151.12 | | 788,613.67 | 788,613.67 |
| 4/1/2020 | 6,527.89 | 2.470% | 1,623.23 | 8,151.12 | | 782,085.78 | 782,085.78 |
| 5/1/2020 | 6,541.33 | 2.470% | 1,609.79 | 8,151.12 | | 775,544.46 | 775,544.46 |
| 6/1/2020 | 6,554.79 | 2.470% | 1,596.33 | 8,151.12 | | 768,989.66 | 768,989.66 |
| 6/30/2020 | | | | | 97,813.45 | 768,989.66 | 768,989.66 |
| 7/1/2020 | 6,568.28 | 2.470% | 1,582.84 | 8,151.12 | | 762,421.38 | 762,421.38 |
| 8/1/2020 | 6,581.80 | 2.470% | 1,569.32 | 8,151.12 | | 755,839.58 | 755,839.58 |
| 9/1/2020 | 6,595.35 | 2.470% | 1,555.77 | 8,151.12 | | 749,244.23 | 749,244.23 |
| 10/1/2020 | 6,608.93 | 2.470% | 1,542.19 | 8,151.12 | | 742,635.30 | 742,635.30 |
| 11/1/2020 | 6,622.53 | 2.470% | 1,528.59 | 8,151.12 | | 736,012.77 | 736,012.77 |
| 12/1/2020 | 6,636.16 | 2.470% | 1,514.96 | 8,151.12 | | 729,376.61 | 729,376.61 |
| 1/1/2021 | 6,649.82 | 2.470% | 1,501.30 | 8,151.12 | | 722,726.79 | 722,726.79 |
| 2/1/2021 | 6,663.51 | 2.470% | 1,487.61 | 8,151.12 | | 716,063.28 | 716,063.28 |
| 3/1/2021 | 6,677.22 | 2.470% | 1,473.90 | 8,151.12 | | 709,386.06 | 709,386.06 |
| 4/1/2021 | 6,690.97 | 2.470% | 1,460.15 | 8,151.12 | | 702,695.09 | 702,695.09 |
| 5/1/2021 | 6,704.74 | 2.470% | 1,446.38 | 8,151.12 | | 695,990.35 | 695,990.35 |
| 6/1/2021 | 6,718.54 | 2.470% | 1,432.58 | 8,151.12 | | 689,271.81 | 689,271.81 |
| 6/30/2021 | | | | | 97,813.45 | 689,271.81 | 689,271.81 |
| 7/1/2021 | 6,732.37 | 2.470% | 1,418.75 | 8,151.12 | | 682,539.44 | 682,539.44 |
| 8/1/2021 | 6,746.23 | 2.470% | 1,404.89 | 8,151.12 | | 675,793.21 | 675,793.21 |
| 9/1/2021 | 6,760.11 | 2.470% | 1,391.01 | 8,151.12 | | 669,033.10 | 669,033.10 |
| 10/1/2021 | 6,774.03 | 2.470% | 1,377.09 | 8,151.12 | | 662,259.07 | 662,259.07 |
| 11/1/2021 | 6,787.97 | 2.470% | 1,363.15 | 8,151.12 | | 655,471.10 | 655,471.10 |
| 12/1/2021 | 6,801.94 | 2.470% | 1,349.18 | 8,151.12 | | 648,669.16 | 648,669.16 |
| 1/1/2022 | 6,815.94 | 2.470% | 1,335.18 | 8,151.12 | | 641,853.22 | 641,853.22 |
| 2/1/2022 | 6,829.97 | 2.470% | 1,321.15 | 8,151.12 | | 635,023.25 | 635,023.25 |
| 3/1/2022 | 6,844.03 | 2.470% | 1,307.09 | 8,151.12 | | 628,179.21 | 628,179.21 |
| 4/1/2022 | 6,858.12 | 2.470% | 1,293.00 | 8,151.12 | | 621,321.10 | 621,321.10 |
| 5/1/2022 | 6,872.23 | 2.470% | 1,278.89 | 8,151.12 | | 614,448.86 | 614,448.86 |
| 6/1/2022 | 6,886.38 | 2.470% | 1,264.74 | 8,151.12 | | 607,562.48 | 607,562.48 |
| 6/30/2022 | | | | | 97,813.45 | 607,562.48 | 607,562.48 |
| 7/1/2022 | 6,900.55 | 2.470% | 1,250.57 | 8,151.12 | | 600,661.93 | 600,661.93 |
| 8/1/2022 | 6,914.76 | 2.470% | 1,236.36 | 8,151.12 | | 593,747.17 | 593,747.17 |
| 9/1/2022 | 6,928.99 | 2.470% | 1,222.13 | 8,151.12 | | 586,818.18 | 586,818.18 |
| 10/1/2022 | 6,943.25 | 2.470% | 1,207.87 | 8,151.12 | | 579,874.92 | 579,874.92 |
| 11/1/2022 | 6,957.54 | 2.470% | 1,193.58 | 8,151.12 | | 572,917.38 | 572,917.38 |
| 12/1/2022 | 6,971.87 | 2.470% | 1,179.25 | 8,151.12 | | 565,945.51 | 565,945.51 |
| 1/1/2023 | 6,986.22 | 2.470% | 1,164.90 | 8,151.12 | | 558,959.30 | 558,959.30 |
| 2/1/2023 | 7,000.60 | 2.470% | 1,150.52 | 8,151.12 | | 551,958.70 | 551,958.70 |
| 3/1/2023 | 7,015.01 | 2.470% | 1,136.11 | 8,151.12 | | 544,943.70 | 544,943.70 |
| 4/1/2023 | 7,029.44 | 2.470% | 1,121.68 | 8,151.12 | | 537,914.25 | 537,914.25 |
| 5/1/2023 | 7,043.91 | 2.470% | 1,107.21 | 8,151.12 | | 530,870.34 | 530,870.34 |
| 6/1/2023 | 7,058.41 | 2.470% | 1,092.71 | 8,151.12 | | 523,811.93 | 523,811.93 |
| 6/30/2023 | | | | | 97,813.45 | 523,811.93 | 523,811.93 |
| 7/1/2023 | 7,072.94 | 2.470% | 1,078.18 | 8,151.12 | | 516,738.99 | 516,738.99 |
| 8/1/2023 | 7,087.50 | 2.470% | 1,063.62 | 8,151.12 | | 509,651.49 | 509,651.49 |
| 9/1/2023 | 7,102.09 | 2.470% | 1,049.03 | 8,151.12 | | 502,549.40 | 502,549.40 |
| 10/1/2023 | 7,116.71 | 2.470% | 1,034.41 | 8,151.12 | | 495,432.69 | 495,432.69 |

Bond Debt Service

Northern Wayne County Public Service District, WV Customer No. 9948001389 NAICS: 221320

Revenue Bond(Sewerage Refunding Bond 2016) Contract No. 00001

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service | Bond Balance | Total Bond Value |
|---|---|---|---|---|---|---|---|
| 11/1/2023 | 7,131.35 | 2.470% | 1,019.77 | 8,151.12 | | 488,301.34 | 488,301.34 |
| 12/1/2023 | 7,146.03 | 2.470% | 1,005.09 | 8,151.12 | | 481,155.30 | 481,155.30 |
| 1/1/2024 | 7,160.74 | 2.470% | 990.38 | 8,151.12 | | 473,994.56 | 473,994.56 |
| 2/1/2024 | 7,175.48 | 2.470% | 975.64 | 8,151.12 | | 466,819.08 | 466,819.08 |
| 3/1/2024 | 7,190.25 | 2.470% | 960.87 | 8,151.12 | | 459,628.83 | 459,628.83 |
| 4/1/2024 | 7,205.05 | 2.470% | 946.07 | 8,151.12 | | 452,423.78 | 452,423.78 |
| 5/1/2024 | 7,219.88 | 2.470% | 931.24 | 8,151.12 | | 445,203.90 | 445,203.90 |
| 6/1/2024 | 7,234.74 | 2.470% | 916.38 | 8,151.12 | | 437,969.15 | 437,969.15 |
| 6/30/2024 | | | | | 97,813.45 | 437,969.15 | 437,969.15 |
| 7/1/2024 | 7,249.63 | 2.470% | 901.49 | 8,151.12 | | 430,719.52 | 430,719.52 |
| 8/1/2024 | 7,264.56 | 2.470% | 886.56 | 8,151.12 | | 423,454.96 | 423,454.96 |
| 9/1/2024 | 7,279.51 | 2.470% | 871.61 | 8,151.12 | | 416,175.45 | 416,175.45 |
| 10/1/2024 | 7,294.49 | 2.470% | 856.63 | 8,151.12 | | 408,880.96 | 408,880.96 |
| 11/1/2024 | 7,309.51 | 2.470% | 841.61 | 8,151.12 | | 401,571.45 | 401,571.45 |
| 12/1/2024 | 7,324.55 | 2.470% | 826.57 | 8,151.12 | | 394,246.90 | 394,246.90 |
| 1/1/2025 | 7,339.63 | 2.470% | 811.49 | 8,151.12 | | 386,907.27 | 386,907.27 |
| 2/1/2025 | 7,354.74 | 2.470% | 796.38 | 8,151.12 | | 379,552.54 | 379,552.54 |
| 3/1/2025 | 7,369.87 | 2.470% | 781.25 | 8,151.12 | | 372,182.66 | 372,182.66 |
| 4/1/2025 | 7,385.04 | 2.470% | 766.08 | 8,151.12 | | 364,797.62 | 364,797.62 |
| 5/1/2025 | 7,400.25 | 2.470% | 750.88 | 8,151.12 | | 357,397.37 | 357,397.37 |
| 6/1/2025 | 7,415.48 | 2.470% | 735.64 | 8,151.12 | | 349,981.89 | 349,981.89 |
| 6/30/2025 | | | | | 97,813.45 | 349,981.89 | 349,981.89 |
| 7/1/2025 | 7,430.74 | 2.470% | 720.38 | 8,151.12 | | 342,551.15 | 342,551.15 |
| 8/1/2025 | 7,446.04 | 2.470% | 705.08 | 8,151.12 | | 335,105.12 | 335,105.12 |
| 9/1/2025 | 7,461.36 | 2.470% | 689.76 | 8,151.12 | | 327,643.75 | 327,643.75 |
| 10/1/2025 | 7,476.72 | 2.470% | 674.40 | 8,151.12 | | 320,167.03 | 320,167.03 |
| 11/1/2025 | 7,492.11 | 2.470% | 659.01 | 8,151.12 | | 312,674.92 | 312,674.92 |
| 12/1/2025 | 7,507.53 | 2.470% | 643.59 | 8,151.12 | | 305,167.39 | 305,167.39 |
| 1/1/2026 | 7,522.98 | 2.470% | 628.14 | 8,151.12 | | 297,644.41 | 297,644.41 |
| 2/1/2026 | 7,538.47 | 2.470% | 612.65 | 8,151.12 | | 290,105.94 | 290,105.94 |
| 3/1/2026 | 7,553.99 | 2.470% | 597.13 | 8,151.12 | | 282,551.95 | 282,551.95 |
| 4/1/2026 | 7,569.53 | 2.470% | 581.59 | 8,151.12 | | 274,982.42 | 274,982.42 |
| 5/1/2026 | 7,585.12 | 2.470% | 566.01 | 8,151.12 | | 267,397.30 | 267,397.30 |
| 6/1/2026 | 7,600.73 | 2.470% | 550.39 | 8,151.12 | | 259,796.58 | 259,796.58 |
| 6/30/2026 | | | | | 97,813.45 | 259,796.58 | 259,796.58 |
| 7/1/2026 | 7,616.37 | 2.470% | 534.75 | 8,151.12 | | 252,180.20 | 252,180.20 |
| 8/1/2026 | 7,632.05 | 2.470% | 519.07 | 8,151.12 | | 244,548.15 | 244,548.15 |
| 9/1/2026 | 7,647.76 | 2.470% | 503.36 | 8,151.12 | | 236,900.39 | 236,900.39 |
| 10/1/2026 | 7,663.50 | 2.470% | 487.62 | 8,151.12 | | 229,236.89 | 229,236.89 |
| 11/1/2026 | 7,679.27 | 2.470% | 471.85 | 8,151.12 | | 221,557.62 | 221,557.62 |
| 12/1/2026 | 7,695.08 | 2.470% | 456.04 | 8,151.12 | | 213,862.54 | 213,862.54 |
| 1/1/2027 | 7,710.92 | 2.470% | 440.20 | 8,151.12 | | 206,151.62 | 206,151.62 |
| 2/1/2027 | 7,726.79 | 2.470% | 424.33 | 8,151.12 | | 198,424.83 | 198,424.83 |
| 3/1/2027 | 7,742.70 | 2.470% | 408.42 | 8,151.12 | | 190,682.13 | 190,682.13 |
| 4/1/2027 | 7,758.63 | 2.470% | 392.49 | 8,151.12 | | 182,923.50 | 182,923.50 |
| 5/1/2027 | 7,774.60 | 2.470% | 376.52 | 8,151.12 | | 175,148.89 | 175,148.89 |
| 6/1/2027 | 7,790.61 | 2.470% | 360.51 | 8,151.12 | | 167,358.29 | 167,358.29 |
| 6/30/2027 | | | | | 97,813.45 | 167,358.29 | 167,358.29 |
| 7/1/2027 | 7,806.64 | 2.470% | 344.48 | 8,151.12 | | 159,551.65 | 159,551.65 |
| 8/1/2027 | 7,822.71 | 2.470% | 328.41 | 8,151.12 | | 151,728.94 | 151,728.94 |

Bond Debt Service

Northern Wayne County Public Service District, WV Customer No. 9948001389 NAICS: 221320

Revenue Bond(Sewerage Refunding Bond 2016) Contract No. 00001

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service | Bond Balance | Total Bond Value |
|---|---|---|---|---|---|---|---|
| 9/1/2027 | 7,838.81 | 2.470% | 312.31 | 8,151.12 | | 143,890.13 | 143,890.13 |
| 10/1/2027 | 7,854.95 | 2.470% | 296.17 | 8,151.12 | | 136,035.18 | 136,035.18 |
| 11/1/2027 | 7,871.11 | 2.470% | 280.01 | 8,151.12 | | 128,164.06 | 128,164.06 |
| 12/1/2027 | 7,887.32 | 2.470% | 263.80 | 8,151.12 | | 120,276.75 | 120,276.75 |
| 1/1/2028 | 7,903.55 | 2.470% | 247.57 | 8,151.12 | | 112,373.20 | 112,373.20 |
| 2/1/2028 | 7,919.82 | 2.470% | 231.30 | 8,151.12 | | 104,453.38 | 104,453.38 |
| 3/1/2028 | 7,936.12 | 2.470% | 215.00 | 8,151.12 | | 96,517.26 | 96,517.26 |
| 4/1/2028 | 7,952.46 | 2.470% | 198.66 | 8,151.12 | | 88,564.80 | 88,564.80 |
| 5/1/2028 | 7,968.82 | 2.470% | 182.30 | 8,151.12 | | 80,595.98 | 80,595.98 |
| 6/1/2028 | 7,985.23 | 2.470% | 165.89 | 8,151.12 | | 72,610.75 | 72,610.75 |
| 6/30/2028 | | | | | 97,813.45 | 72,610.75 | 72,610.75 |
| 7/1/2028 | 8,001.66 | 2.470% | 149.46 | 8,151.12 | | 64,609.09 | 64,609.09 |
| 8/1/2028 | 8,018.13 | 2.470% | 132.99 | 8,151.12 | | 56,590.95 | 56,590.95 |
| 9/1/2028 | 8,034.64 | 2.470% | 116.48 | 8,151.12 | | 48,556.32 | 48,556.32 |
| 10/1/2028 | 8,051.18 | 2.470% | 99.95 | 8,151.12 | | 40,505.14 | 40,505.14 |
| 11/1/2028 | 8,067.75 | 2.470% | 83.37 | 8,151.12 | | 32,437.39 | 32,437.39 |
| 12/1/2028 | 8,084.35 | 2.470% | 66.77 | 8,151.12 | | 24,353.04 | 24,353.04 |
| 1/1/2029 | 8,100.99 | 2.470% | 50.13 | 8,151.12 | | 16,252.05 | 16,252.05 |
| 2/1/2029 | 8,117.67 | 2.470% | 33.45 | 8,151.12 | | 8,134.38 | 8,134.38 |
| 3/1/2029 | 8,134.38 | 2.470% | 16.74 | 8,151.12 | | | |
| 6/30/2029 | | | | | 73,360.08 | | |
| | 1,067,000.00 | | 180,121.44 | 1,247,121.44 | 1,247,121.44 | | |

[Form of Assignment]

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

Dated: _____, 20___.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
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Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
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Writer's Contact Information

May 5, 2016

Northern Wayne County Public Service District
Sewer Refunding Revenue Bonds, Series 2016 A

Northern Wayne County Public Service District
Lavalette, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Branch Banking and Trust Company
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Northern Wayne County Public Service District (the "Issuer") of its $1,067,000 Sewer Refunding Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds"), dated the date hereof.

The Series 2016 A 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 Bond Resolution duly adopted by the Issuer on March 31, 2016, as supplemented by a Supplemental Resolution duly adopted by the Issuer on March 31, 2016 (collectively, the "Bond Resolution"), and are subject to all the terms and conditions of the Bond Resolution. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Resolution when used herein.

The Series 2016 A Bonds are originally issued in the form of one bond, numbered AR-1, in fully registered form and bear interest on the principal amount thereof at the rate of 2.47% per annum, payable in monthly installments of principal and interest as set forth therein.

The Series 2016 A Bond shall be subject to prepayment of the principal balance in whole on a scheduled payment date with a 1.0% prepayment premium.

The Series 2016 A Bonds are issued for the purposes of: (i) currently refunding the Issuer's Sewer Refunding Revenue Bonds, Series 2002 A; (ii) funding the Series 2016 A Bonds Reserve Account; and (iii) paying costs of issuance and related costs thereof.

The Series 2016 A Bonds have been sold to Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), pursuant to a commitment letter dated March 24, 2016.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Bond Resolution and in the certified proceedings and other certifications of certain public officials furnished to us without undertaking to verify the same by independent investigation.

In connection with the issuance of the Series 2016 A Bonds, the Issuer has executed a Tax Certificate as to Arbitrage, dated as of the date hereof (the "Tax & Non-Arbitrage Certificate"), which, among other things, sets forth restrictions on the investment and expenditure of the Bond proceeds and earnings thereon, to ensure that the arbitrage requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Series 2016 A Bonds from gross income for federal income tax purposes, are and will continue to be met.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer set forth in the Bond Resolution and in certain certificates delivered in connection with the issuance of the Series 2016 A Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created 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 Resolution and to issue and sell the Series 2016 A Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Bond Resolution has been duly adopted by the Issuer, is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

3. The Series 2016 A Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Purchaser and are valid, legally enforceable and binding special obligations of the Issuer, payable only from and secured by a lien on the Net Revenues of the System, on a parity with the Issuer's: (i) Sewerage System Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated March 16, 1989, issued in the original principal amount of $2,354,914 (the "Series 1989 A Bonds"); (ii) Sewerage System Design Revenue Bonds, Series 2001 A (West Virginia SRF Program), dated January 30, 2001, issued in the original aggregate principal amount of $497,857 (the "Series 2001 A Bonds"); and (iii) Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), dated October 4, 2005, issued in the original aggregate principal amount of $4,536,000 (the "Series 2005 A Bonds") (hereinafter collectively, the "First Lien Bonds").

There are outstanding obligations of the Issuer which will rank junior and subordinate to the Series 2016 A Bonds as to liens, pledge of and security for payment, being the Issuer's Subordinate Sewerage System Revenue Bonds, Series 1989 C (West Virginia Water Development Authority), dated March 16, 1989, issued in the original aggregate principal amount of $349,086 (the "Series 1989 C Bonds" or the "Second Lien Bonds" and collectively with the First Lien Bonds, the "Prior Bonds").

The Issuer has also issued its Sewerage System Design Bond Anticipation Notes, Series 2015 A (The Ohio Valley Bank Company), dated June 29, 2015, issued in the original aggreate principal amount of $136,750 (the "Series 2015 A Notes"), which are payable from and secured by the Surplus Revenues.

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2016 A Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code") and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Series 2016 A Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Series 2016 A Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2016 A Bonds set forth in the Bond Resolution, and in certain certificates delivered in connection with the issuance of the Series 2016 A Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Series 2016 A Bonds to be includable in gross income retroactive to the date of issuance of the Series 2016 A Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2016 A Bonds except as expressly set forth in paragraphs 4 and 6.

5. Under the Act, the Series 2016 A Bonds are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof and the interest on the Series 2016 A Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

6. The Issuer has designated the Series 2016 A Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2016. Therefore, the Series 2016 A Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

7. The Series 2002 A Bonds have been defeased within the meaning and with the effect expressed in the resolutions authorizing the issuance of the Series 2002 A Bonds, and the covenants, agreements and other obligations of the Issuer to the Holders and Owners of the Series 2002 A Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the Receipt and Release of the West Virginia Municipal Bond Commission to the sufficiency of the monies on deposit to provide for the payment of the principal of, interest on, and premium, if any, of the Series 2002 A Bonds.

It is to be understood that the rights of the Holders of the Series 2016 A Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Series 2016 A Bonds and the Bond Resolution may be subject to and 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 exercise of judicial discretion in appropriate cases.

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

Very truly yours,

STEPTOE & JOHNSON PLLC

664320.00006

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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Writer's Contact Information

May 5, 2016

Northern Wayne County Public Service District
Sewer Refunding Revenue Bonds, Series 2016 A

Northern Wayne County Public Service District
Lavalette, West Virginia

Branch Banking and Trust Company
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to Northern Wayne County Public Service District, in Wayne County, West Virginia (the "Issuer"), in connection with the issuance and sale of the above-captioned bonds (the "Series 2016 A Bonds"). As such counsel, we have reviewed copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, the commitment letter dated March 24, 2016, from Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), the Series 2016 A Bonds Resolution of the Issuer duly adopted March 31, 2016, as supplemented by the Supplemental Resolution of the Issuer duly adopted March 31, 2016 (collectively, the "Resolution"), and other documents relating to the Series 2016 A Bonds. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Resolution when used herein.

We are of the opinion that:

1. The Issuer has been duly created and is validly existing as a public service district and political subdivision of the State of West Virginia.

2. The Chairman, Secretary, and members of the Board of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

3. The Resolution has been duly adopted and enacted by the Issuer, is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

4. The execution and delivery of the Series 2016 A Bonds and the consummation of the transactions contemplated by the Series 2016 A Bonds and the Resolution, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to

which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. It is to be understood that the rights of the holders of the Series 2016 A Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Series 2016 A Bonds and the Resolution are subject to 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 exercise of judicial discretion in appropriate cases.

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders, certificates and approvals from The County Commission of Wayne County and the Commission Order of the Public Service Commission of West Virginia dated January 31, 2012, in Case No. 11-1582-PSD-30B among other things, approving rates and charges for the System. The Order remains in full force and effect.

7. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Series 2016 A Bonds and the Resolution, the operation of the System, the validity of the Series 2016 A Bonds or pledge of the funds set forth in the Resolution.

Very truly yours,

STEPTOE & JOHNSON PLLC

664320.00006

**WV MUNICIPAL BOND COMMISSION**
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25301
(304) 558-3971

**NEW ISSUE REPORT FORM**

Date of Report: 5/5/2016

ISSUE: Northern Wayne County Public Service District
Sewer Refunding Revenue Bonds, Series 2016 A

ADDRESS: PO Box 775, Lavalette, WV 25535 COUNTY: Wayne

PURPOSE OF ISSUE:
New Money: ____
Refunding: x

Refunding the Series 2002 A Bonds
REFUNDS ISSUE(S) DATED: 12/1/2002

ISSUE DATE: 5/5/2016
CLOSING DATE: 5/5/2016
ISSUE AMOUNT: $1,067,000
RATE: 2.470%
1ST DEBT SERVICE DUE: 7/1/2016
1ST PRINCIPAL DUE: 7/1/2016
1ST DEBT SERVICE AMOUNT $8,151.12
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: 304.353.8196

UNDERWRITERS COUNSEL
Firm:
Contact:
Phone:

CLOSING BANK:
Bank: Branch Banking & Trust Company
Contact: Rusty A. Akers
Phone: 304.353.1635

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Blaine Cyrus
Position: General Manager
Phone: 304.523.1070

OTHER:
Agency: Branch Banking & Trust Company
Contact: Rusty A. Akers
Position: Vice President
Phone: 304.353.1635

DEPOSITS TO MBC AT CLOSE
By: x Wire
____ Check

| | | |
|---|---|---|
| x | MBC Fees | $ 1,705.62 |
| ____ | Accrued Interest: | $ |
| ____ | Capitalized Interest: | $ |
| x | Reserve Account: 2016 A | $ 97,814.00 |
| x | Other: **pay 2002 A** | $ 932,286.10 |

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire
____ Check
x IGT

| | | |
|---|---|---|
| ____ | To Escrow Trustee | $ |
| ____ | To Issuer | $ |
| ____ | To Cons. Invest. Fund | $ |
| x | Pay 2002 A | $ 124,964.24 (2002 A Sinking Fund) |
| | | $ 144,462.30 (2002 A Reserve Account) |

NOTES: Series 2016 A Bonds Reserve Account fully funded at Closing
The Reserve Requirement is $97,814

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

# SWEEP RESOLUTION

**WHEREAS**, Northern Wayne County Public Service District (the "Issuer") is a governmental body and political subdivision of West Virginia;

**WHEREAS**, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

**WHEREAS**, the Issuer makes monthly debt service payments on the Bonds to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

**WHEREAS**, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

**WHEREAS**, Pursuant to Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the "MBC Fee");

**WHEREAS**, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

**NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Chairman and Secretary are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 31st day of March, 2016.

Donald Hampton
Chairman

Chastity Ballard
Secretary

BB&T

BB&T Governmental Finance

352 State Route 34
Hurricane, WV 25526
(304) 353-1635
Fax (304) 757-2768

March 24, 2016

Blaine Cyrus
Manager
Northern Wayne County Public Service District
PO Box 775
Lavallette, WV 25535

Dear Mr. Cyrus:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the Northern Wayne County Public Service District, West Virginia ("District").

**(1) Project:** Sewer Revenue Refunding Bond, Series 2016A

**(2) Amount To Be Financed:** up to $1,070,000.00

**(3) Interest Rates, Financing Terms and Corresponding Payments:**

| Maturity | Rate |
|---|---|
| March 1, 2029 | 2.47% |

The payment of principal and interest shall be monthly, as requested. See the attached draft amortization schedule for information on payments. A final amortization schedule will be agreed upon by the District and BB&T prior to funding.

The interest rates stated above are valid for a closing not later than 45 days from today. Closing of the financing is contingent upon completing documentation acceptable to BB&T.

The District shall pay lender counsel on behalf of BB&T. All costs of lawyers for the District and any other costs shall be the District's responsibility and separately payable by the District. The financing documents shall allow prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium. Or, the principal shall be non-callable until March 1, 2023, then after the principal may be prepaid in whole on a scheduled payment date without a prepayment premium through maturity.

The stated interest rates assume that the District expects to borrow less than $10,000,000 in the calendar year 2016 and that the District shall comply with IRS Code Sections 141, 148 and 149. BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not qualified tax-exempt financing for the purpose of IRS Code Section 265(b)(3).

**(4) Financing Documents:**

It shall be the responsibility of the District to retain and compensate counsel to appropriately structure the sewer revenue bond according to Federal and West Virginia Statutes. BB&T shall also require the District's Bond Counsel to provide an unqualified legal opinion. BB&T reserves the right to review the bond and it must be mutually accepted by BB&T and the District.

**(5) Security:**

This financing shall be secured by a first lien pledge of the net revenues of the sewer system, on a parity basis with the District's outstanding sewer revenue bonds. There shall be a rate covenant in place for no less than 115% debt service coverage while the 2016A bond is outstanding. Additionally, there shall be a fully funded debt service reserve for the 2016A bond and it shall be held by the West Virginia Municipal Bond Commission.

* * * * * *

BB&T appreciates the opportunity to make this financing proposal and requests to be notified within five days of this proposal should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the District of its election to do so (whether or not this offer has previously been accepted by the District) if at any time prior to the closing there is a material adverse change in the District's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the District or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Please call me at (304) 353-1635 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY

Russell R. Akers, II
Vice President

Enclosure

Northern Wayne County Public Service District of West Virginia
(DRAFT)
Series 2016A Sewer Revenue Refunding Bonds

Compound Period ..... : Monthly

Nominal Annual Rate .... : 2.470 %

CASH FLOW DATA

| | Event | Date | Amount | Number | Period | End Date |
|---|---|---|---|---|---|---|
| 1 | Loan | 04/29/2016 | 1,070,000.00 | 1 | | |
| 2 | Payment | 06/01/2016 | 8,115.54 | 154 | Monthly | 03/01/2029 |

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

| | Date | Payment | Interest | Principal | Balance |
|---|---|---|---|---|---|
| Loan | 04/29/2016 | | | | 1,070,000.00 |
| 1 | 06/01/2016 | 8,115.54 | 2,349.55 | 5,765.99 | 1,064,234.01 |
| 2 | 07/01/2016 | 8,115.54 | 2,190.55 | 5,924.99 | 1,058,309.02 |
| 3 | 08/01/2016 | 8,115.54 | 2,178.35 | 5,937.19 | 1,052,371.83 |
| 4 | 09/01/2016 | 8,115.54 | 2,166.13 | 5,949.41 | 1,046,422.42 |
| 5 | 10/01/2016 | 8,115.54 | 2,153.89 | 5,961.65 | 1,040,460.77 |
| 6 | 11/01/2016 | 8,115.54 | 2,141.62 | 5,973.92 | 1,034,486.85 |
| 7 | 12/01/2016 | 8,115.54 | 2,129.32 | 5,986.22 | 1,028,500.63 |
| 2016 Totals | | 56,808.78 | 15,309.41 | 41,499.37 | |
| 8 | 01/01/2017 | 8,115.54 | 2,117.00 | 5,998.54 | 1,022,502.09 |
| 9 | 02/01/2017 | 8,115.54 | 2,104.65 | 6,010.89 | 1,016,491.20 |
| 10 | 03/01/2017 | 8,115.54 | 2,092.28 | 6,023.26 | 1,010,467.94 |
| 11 | 04/01/2017 | 8,115.54 | 2,079.88 | 6,035.66 | 1,004,432.28 |
| 12 | 05/01/2017 | 8,115.54 | 2,067.46 | 6,048.08 | 998,384.20 |
| 13 | 06/01/2017 | 8,115.54 | 2,055.01 | 6,060.53 | 992,323.67 |
| 14 | 07/01/2017 | 8,115.54 | 2,042.53 | 6,073.01 | 986,250.66 |
| 15 | 08/01/2017 | 8,115.54 | 2,030.03 | 6,085.51 | 980,165.15 |
| 16 | 09/01/2017 | 8,115.54 | 2,017.51 | 6,098.03 | 974,067.12 |
| 17 | 10/01/2017 | 8,115.54 | 2,004.95 | 6,110.59 | 967,956.53 |
| 18 | 11/01/2017 | 8,115.54 | 1,992.38 | 6,123.16 | 961,833.37 |
| 19 | 12/01/2017 | 8,115.54 | 1,979.77 | 6,135.77 | 955,697.60 |
| 2017 Totals | | 97,386.48 | 24,583.45 | 72,803.03 | |
| 20 | 01/01/2018 | 8,115.54 | 1,967.14 | 6,148.40 | 949,549.20 |
| 21 | 02/01/2018 | 8,115.54 | 1,954.49 | 6,161.05 | 943,388.15 |
| 22 | 03/01/2018 | 8,115.54 | 1,941.81 | 6,173.73 | 937,214.42 |
| 23 | 04/01/2018 | 8,115.54 | 1,929.10 | 6,186.44 | 931,027.98 |
| 24 | 05/01/2018 | 8,115.54 | 1,916.37 | 6,199.17 | 924,828.81 |
| 25 | 06/01/2018 | 8,115.54 | 1,903.61 | 6,211.93 | 918,616.88 |
| 26 | 07/01/2018 | 8,115.54 | 1,890.82 | 6,224.72 | 912,392.16 |
| 27 | 08/01/2018 | 8,115.54 | 1,878.01 | 6,237.53 | 906,154.63 |
| 28 | 09/01/2018 | 8,115.54 | 1,865.17 | 6,250.37 | 899,904.26 |
| 29 | 10/01/2018 | 8,115.54 | 1,852.30 | 6,263.24 | 893,641.02 |

Northern Wayne County Public Service District of West Virginia
(DRAFT)
Series 2016A Sewer Revenue Refunding Bonds

| | Date | Payment | Interest | Principal | Balance |
|---|---|---|---|---|---|
| 30 | 11/01/2018 | 8,115.54 | 1,839.41 | 6,276.13 | 887,364.89 |
| 31 | 12/01/2018 | 8,115.54 | 1,826.49 | 6,289.05 | 881,075.84 |
| 2018 Totals | | 97,386.48 | 22,764.72 | 74,621.76 | |
| 32 | 01/01/2019 | 8,115.54 | 1,813.55 | 6,301.99 | 874,773.85 |
| 33 | 02/01/2019 | 8,115.54 | 1,800.58 | 6,314.96 | 868,458.89 |
| 34 | 03/01/2019 | 8,115.54 | 1,787.58 | 6,327.96 | 862,130.93 |
| 35 | 04/01/2019 | 8,115.54 | 1,774.55 | 6,340.99 | 855,789.94 |
| 36 | 05/01/2019 | 8,115.54 | 1,761.50 | 6,354.04 | 849,435.90 |
| 37 | 06/01/2019 | 8,115.54 | 1,748.42 | 6,367.12 | 843,068.78 |
| 38 | 07/01/2019 | 8,115.54 | 1,735.32 | 6,380.22 | 836,688.56 |
| 39 | 08/01/2019 | 8,115.54 | 1,722.18 | 6,393.36 | 830,295.20 |
| 40 | 09/01/2019 | 8,115.54 | 1,709.02 | 6,406.52 | 823,888.68 |
| 41 | 10/01/2019 | 8,115.54 | 1,695.84 | 6,419.70 | 817,468.98 |
| 42 | 11/01/2019 | 8,115.54 | 1,682.62 | 6,432.92 | 811,036.06 |
| 43 | 12/01/2019 | 8,115.54 | 1,669.38 | 6,446.16 | 804,589.90 |
| 2019 Totals | | 97,386.48 | 20,900.54 | 76,485.94 | |
| 44 | 01/01/2020 | 8,115.54 | 1,656.11 | 6,459.43 | 798,130.47 |
| 45 | 02/01/2020 | 8,115.54 | 1,642.82 | 6,472.72 | 791,657.75 |
| 46 | 03/01/2020 | 8,115.54 | 1,629.50 | 6,486.04 | 785,171.71 |
| 47 | 04/01/2020 | 8,115.54 | 1,616.15 | 6,499.39 | 778,672.32 |
| 48 | 05/01/2020 | 8,115.54 | 1,602.77 | 6,512.77 | 772,159.55 |
| 49 | 06/01/2020 | 8,115.54 | 1,589.36 | 6,526.18 | 765,633.37 |
| 50 | 07/01/2020 | 8,115.54 | 1,575.93 | 6,539.61 | 759,093.76 |
| 51 | 08/01/2020 | 8,115.54 | 1,562.47 | 6,553.07 | 752,540.69 |
| 52 | 09/01/2020 | 8,115.54 | 1,548.98 | 6,566.56 | 745,974.13 |
| 53 | 10/01/2020 | 8,115.54 | 1,535.46 | 6,580.08 | 739,394.05 |
| 54 | 11/01/2020 | 8,115.54 | 1,521.92 | 6,593.62 | 732,800.43 |
| 55 | 12/01/2020 | 8,115.54 | 1,508.35 | 6,607.19 | 726,193.24 |
| 2020 Totals | | 97,386.48 | 18,989.82 | 78,396.66 | |
| 56 | 01/01/2021 | 8,115.54 | 1,494.75 | 6,620.79 | 719,572.45 |
| 57 | 02/01/2021 | 8,115.54 | 1,481.12 | 6,634.42 | 712,938.03 |
| 58 | 03/01/2021 | 8,115.54 | 1,467.46 | 6,648.08 | 706,289.95 |
| 59 | 04/01/2021 | 8,115.54 | 1,453.78 | 6,661.76 | 699,628.19 |
| 60 | 05/01/2021 | 8,115.54 | 1,440.07 | 6,675.47 | 692,952.72 |
| 61 | 06/01/2021 | 8,115.54 | 1,426.33 | 6,689.21 | 686,263.51 |
| 62 | 07/01/2021 | 8,115.54 | 1,412.56 | 6,702.98 | 679,560.53 |
| 63 | 08/01/2021 | 8,115.54 | 1,398.76 | 6,716.78 | 672,843.75 |
| 64 | 09/01/2021 | 8,115.54 | 1,384.94 | 6,730.60 | 666,113.15 |
| 65 | 10/01/2021 | 8,115.54 | 1,371.08 | 6,744.46 | 659,368.69 |
| 66 | 11/01/2021 | 8,115.54 | 1,357.20 | 6,758.34 | 652,610.35 |
| 67 | 12/01/2021 | 8,115.54 | 1,343.29 | 6,772.25 | 645,838.10 |
| 2021 Totals | | 97,386.48 | 17,031.34 | 80,355.14 | |
| 68 | 01/01/2022 | 8,115.54 | 1,329.35 | 6,786.19 | 639,051.91 |

Northern Wayne County Public Service District of West Virginia
(DRAFT)
Series 2016A Sewer Revenue Refunding Bonds

| | Date | Payment | Interest | Principal | Balance |
|---|---|---|---|---|---|
| 69 | 02/01/2022 | 8,115.54 | 1,315.38 | 6,800.16 | 632,251.75 |
| 70 | 03/01/2022 | 8,115.54 | 1,301.38 | 6,814.16 | 625,437.59 |
| 71 | 04/01/2022 | 8,115.54 | 1,287.36 | 6,828.18 | 618,609.41 |
| 72 | 05/01/2022 | 8,115.54 | 1,273.30 | 6,842.24 | 611,767.17 |
| 73 | 06/01/2022 | 8,115.54 | 1,259.22 | 6,856.32 | 604,910.85 |
| 74 | 07/01/2022 | 8,115.54 | 1,245.11 | 6,870.43 | 598,040.42 |
| 75 | 08/01/2022 | 8,115.54 | 1,230.97 | 6,884.57 | 591,155.85 |
| 76 | 09/01/2022 | 8,115.54 | 1,216.80 | 6,898.74 | 584,257.11 |
| 77 | 10/01/2022 | 8,115.54 | 1,202.60 | 6,912.94 | 577,344.17 |
| 78 | 11/01/2022 | 8,115.54 | 1,188.37 | 6,927.17 | 570,417.00 |
| 79 | 12/01/2022 | 8,115.54 | 1,174.11 | 6,941.43 | 563,475.57 |
| 2022 Totals | | 97,386.48 | 15,023.95 | 82,362.53 | |
| 80 | 01/01/2023 | 8,115.54 | 1,159.82 | 6,955.72 | 556,519.85 |
| 81 | 02/01/2023 | 8,115.54 | 1,145.50 | 6,970.04 | 549,549.81 |
| 82 | 03/01/2023 | 8,115.54 | 1,131.16 | 6,984.38 | 542,565.43 |
| 83 | 04/01/2023 | 8,115.54 | 1,116.78 | 6,998.76 | 535,566.67 |
| 84 | 05/01/2023 | 8,115.54 | 1,102.37 | 7,013.17 | 528,553.50 |
| 85 | 06/01/2023 | 8,115.54 | 1,087.94 | 7,027.60 | 521,525.90 |
| 86 | 07/01/2023 | 8,115.54 | 1,073.47 | 7,042.07 | 514,483.83 |
| 87 | 08/01/2023 | 8,115.54 | 1,058.98 | 7,056.56 | 507,427.27 |
| 88 | 09/01/2023 | 8,115.54 | 1,044.45 | 7,071.09 | 500,356.18 |
| 89 | 10/01/2023 | 8,115.54 | 1,029.90 | 7,085.64 | 493,270.54 |
| 90 | 11/01/2023 | 8,115.54 | 1,015.32 | 7,100.22 | 486,170.32 |
| 91 | 12/01/2023 | 8,115.54 | 1,000.70 | 7,114.84 | 479,055.48 |
| 2023 Totals | | 97,386.48 | 12,966.39 | 84,420.09 | |
| 92 | 01/01/2024 | 8,115.54 | 986.06 | 7,129.48 | 471,926.00 |
| 93 | 02/01/2024 | 8,115.54 | 971.38 | 7,144.16 | 464,781.84 |
| 94 | 03/01/2024 | 8,115.54 | 956.68 | 7,158.86 | 457,622.98 |
| 95 | 04/01/2024 | 8,115.54 | 941.94 | 7,173.60 | 450,449.38 |
| 96 | 05/01/2024 | 8,115.54 | 927.17 | 7,188.37 | 443,261.01 |
| 97 | 06/01/2024 | 8,115.54 | 912.38 | 7,203.16 | 436,057.85 |
| 98 | 07/01/2024 | 8,115.54 | 897.55 | 7,217.99 | 428,839.86 |
| 99 | 08/01/2024 | 8,115.54 | 882.70 | 7,232.84 | 421,607.02 |
| 100 | 09/01/2024 | 8,115.54 | 867.81 | 7,247.73 | 414,359.29 |
| 101 | 10/01/2024 | 8,115.54 | 852.89 | 7,262.65 | 407,096.64 |
| 102 | 11/01/2024 | 8,115.54 | 837.94 | 7,277.60 | 399,819.04 |
| 103 | 12/01/2024 | 8,115.54 | 822.96 | 7,292.58 | 392,526.46 |
| 2024 Totals | | 97,386.48 | 10,857.46 | 86,529.02 | |
| 104 | 01/01/2025 | 8,115.54 | 807.95 | 7,307.59 | 385,218.87 |
| 105 | 02/01/2025 | 8,115.54 | 792.91 | 7,322.63 | 377,896.24 |
| 106 | 03/01/2025 | 8,115.54 | 777.84 | 7,337.70 | 370,558.54 |
| 107 | 04/01/2025 | 8,115.54 | 762.73 | 7,352.81 | 363,205.73 |
| 108 | 05/01/2025 | 8,115.54 | 747.60 | 7,367.94 | 355,837.79 |
| 109 | 06/01/2025 | 8,115.54 | 732.43 | 7,383.11 | 348,454.68 |

Northern Wayne County Public Service District of West Virginia
(DRAFT)
Series 2016A Sewer Revenue Refunding Bonds

| | Date | Payment | Interest | Principal | Balance |
|---|---|---|---|---|---|
| 110 | 07/01/2025 | 8,115.54 | 717.24 | 7,398.30 | 341,056.38 |
| 111 | 08/01/2025 | 8,115.54 | 702.01 | 7,413.53 | 333,642.85 |
| 112 | 09/01/2025 | 8,115.54 | 686.75 | 7,428.79 | 326,214.06 |
| 113 | 10/01/2025 | 8,115.54 | 671.46 | 7,444.08 | 318,769.98 |
| 114 | 11/01/2025 | 8,115.54 | 656.13 | 7,459.41 | 311,310.57 |
| 115 | 12/01/2025 | 8,115.54 | 640.78 | 7,474.76 | 303,835.81 |
| 2025 Totals | | 97,386.48 | 8,695.83 | 88,690.65 | |
| 116 | 01/01/2026 | 8,115.54 | 625.40 | 7,490.14 | 296,345.67 |
| 117 | 02/01/2026 | 8,115.54 | 609.98 | 7,505.56 | 288,840.11 |
| 118 | 03/01/2026 | 8,115.54 | 594.53 | 7,521.01 | 281,319.10 |
| 119 | 04/01/2026 | 8,115.54 | 579.05 | 7,536.49 | 273,782.61 |
| 120 | 05/01/2026 | 8,115.54 | 563.54 | 7,552.00 | 266,230.61 |
| 121 | 06/01/2026 | 8,115.54 | 547.99 | 7,567.55 | 258,663.06 |
| 122 | 07/01/2026 | 8,115.54 | 532.41 | 7,583.13 | 251,079.93 |
| 123 | 08/01/2026 | 8,115.54 | 516.81 | 7,598.73 | 243,481.20 |
| 124 | 09/01/2026 | 8,115.54 | 501.17 | 7,614.37 | 235,866.83 |
| 125 | 10/01/2026 | 8,115.54 | 485.49 | 7,630.05 | 228,236.78 |
| 126 | 11/01/2026 | 8,115.54 | 469.79 | 7,645.75 | 220,591.03 |
| 127 | 12/01/2026 | 8,115.54 | 454.05 | 7,661.49 | 212,929.54 |
| 2026 Totals | | 97,386.48 | 6,480.21 | 90,906.27 | |
| 128 | 01/01/2027 | 8,115.54 | 438.28 | 7,677.26 | 205,252.28 |
| 129 | 02/01/2027 | 8,115.54 | 422.48 | 7,693.06 | 197,559.22 |
| 130 | 03/01/2027 | 8,115.54 | 406.64 | 7,708.90 | 189,850.32 |
| 131 | 04/01/2027 | 8,115.54 | 390.78 | 7,724.76 | 182,125.56 |
| 132 | 05/01/2027 | 8,115.54 | 374.88 | 7,740.66 | 174,384.90 |
| 133 | 06/01/2027 | 8,115.54 | 358.94 | 7,756.60 | 166,628.30 |
| 134 | 07/01/2027 | 8,115.54 | 342.98 | 7,772.56 | 158,855.74 |
| 135 | 08/01/2027 | 8,115.54 | 326.98 | 7,788.56 | 151,067.18 |
| 136 | 09/01/2027 | 8,115.54 | 310.95 | 7,804.59 | 143,262.59 |
| 137 | 10/01/2027 | 8,115.54 | 294.88 | 7,820.66 | 135,441.93 |
| 138 | 11/01/2027 | 8,115.54 | 278.78 | 7,836.76 | 127,605.17 |
| 139 | 12/01/2027 | 8,115.54 | 262.65 | 7,852.89 | 119,752.28 |
| 2027 Totals | | 97,386.48 | 4,209.22 | 93,177.26 | |
| 140 | 01/01/2028 | 8,115.54 | 246.49 | 7,869.05 | 111,883.23 |
| 141 | 02/01/2028 | 8,115.54 | 230.29 | 7,885.25 | 103,997.98 |
| 142 | 03/01/2028 | 8,115.54 | 214.06 | 7,901.48 | 96,096.50 |
| 143 | 04/01/2028 | 8,115.54 | 197.80 | 7,917.74 | 88,178.76 |
| 144 | 05/01/2028 | 8,115.54 | 181.50 | 7,934.04 | 80,244.72 |
| 145 | 06/01/2028 | 8,115.54 | 165.17 | 7,950.37 | 72,294.35 |
| 146 | 07/01/2028 | 8,115.54 | 148.81 | 7,966.73 | 64,327.62 |
| 147 | 08/01/2028 | 8,115.54 | 132.41 | 7,983.13 | 56,344.49 |
| 148 | 09/01/2028 | 8,115.54 | 115.98 | 7,999.56 | 48,344.93 |
| 149 | 10/01/2028 | 8,115.54 | 99.51 | 8,016.03 | 40,328.90 |
| 150 | 11/01/2028 | 8,115.54 | 83.01 | 8,032.53 | 32,296.37 |

Northern Wayne County Public Service District of West Virginia
(DRAFT)
Series 2016A Sewer Revenue Refunding Bonds

| | Date | Payment | Interest | Principal | Balance |
|---|---|---|---|---|---|
| 151 | 12/01/2028 | 8,115.54 | 66.48 | 8,049.06 | 24,247.31 |
| 2028 Totals | | 97,386.48 | 1,881.51 | 95,504.97 | |
| 152 | 01/01/2029 | 8,115.54 | 49.91 | 8,065.63 | 16,181.68 |
| 153 | 02/01/2029 | 8,115.54 | 33.31 | 8,082.23 | 8,099.45 |
| 154 | 03/01/2029 | 8,115.54 | 16.09 | 8,099.45 | 0.00 |
| 2029 Totals | | 24,346.62 | 99.31 | 24,247.31 | |
| Grand Totals | | 1,249,793.16 | 179,793.16 | 1,070,000.00 | |

BB&T

BB&T Governmental Finance

352 State Route 34
Hurricane, WV 25526
(304) 353-1635
Fax (304) 757-2768

May 5, 2016

Northern Wayne County Public Service District
Sewer Refunding Revenue Bonds, Series 2016 A

Northern Wayne County Public Service District
Lavalette, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

The undersigned Russell A. Akers, Vice President of Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), on behalf of the Purchaser in connection with its purchase of $1,067,000 aggregate principal amount of the Sewer Refunding Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds"), issued by the Northern Wayne County Public Service District (the "Issuer") on the date hereof, hereby makes the following representations and warranties to you that:

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal revenue obligations, to be able to evaluate the risks and merits of the investment represented by our purchase of the Series 2016 A Bonds, and our net worth and available assets are such that we are able to bear the economic risk of our purchase of the Series 2016 A Bonds.

2. We understand that the entire principal of and interest on the Series 2016 A Bonds are payable by the Issuer solely from the Net Revenues of the System (as defined in the Bond Resolution of the Issuer adopted March 31, 2016 (the "Bond Resolution")), on a parity with the Issuer's: (i) Sewerage System Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated March 16, 1989, issued in the original principal amount of $2,354,914 (the "Series 1989 A Bonds"); (ii) Sewerage System Design Revenue Bonds, Series 2001 A (West Virginia SRF Program), dated January 30, 2001, issued in the original aggregate principal amount of $497,857 (the "Series 2001 A Bonds"); and (iii) Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), dated October 4, 2005, issued in the original aggregate principal amount of $4,536,000 (the "Series 2005 A Bonds") (hereinafter collectively, the "First Lien Bonds"); and senior and prior to the Issuer's: (i) Subordinate Sewerage System Revenue Bonds, Series 1989 C (West Virginia Water Development Authority), dated March 16, 1989, issued in the original aggregate principal amount of $349,086 (the "Series 1989 C Bonds") (hereinafter, the "Second Lien Bonds" and collectively with the First Lien Bonds, the "Prior Bonds"). The Series 2016 A Bonds are special and limited obligations of the Issuer and are not general obligations or secured by any obligation or pledge of any monies received or to be received by the Issuer other than the Net Revenues described above; that the Series 2016 A Bonds do not now and shall never constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, all as set forth in the Resolution. The Issuer has also issued its Sewerage System Design Bond Anticipation Notes, Series 2015 A (The Ohio Valley Bank Company), dated June 29, 2015, issued in the

original aggreate principal amount of $136,750 (the "Series 2015 A Notes"), which are payable from and secured by the Surplus Revenues.

3. We understand that no official statement, prospectus, offering circular or other offering statement containing material information with respect to the Issuer or the Series 2016 A Bonds is being issued, that the Series 2016 A Bonds are unrated, and that in due diligence, we have made our own inquiry and analysis with respect to the Issuer, the Series 2016 A Bonds and the security therefor, and other material factors affecting the security for and payment of the Series 2016 A Bonds, and are relying solely on such inquiry and analysis in our purchase of the Series 2016 A Bonds.

4. We acknowledge that during the course of the transaction and prior to the sale of the Series 2016 A Bonds, we have requested or have had access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Series 2016 A Bonds and the security therefor, so that as a reasonable investor, we have been able to make our decision to purchase the Series 2016 A Bonds. No such information requested by us has been denied to us.

5. Because of our experience in financial and business matters, we believe that we are qualified to make the inquiry and analysis described in paragraph 3 and to understand fully the documents and information described in paragraph 4.

6. We understand that the Series 2016 A Bonds (a) are not being registered under the Securities Act of 1933, as amended, and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) may be resold only to purchasers who meet the criteria set forth herein and who, as a condition to such purchase, deliver an executed letter substantially in the form hereof to Steptoe & Johnson PLLC, Charleston, West Virginia.

7. We have been informed by Steptoe & Johnson PLLC, bond counsel to the Issuer, that the Internal Revenue Code of 1986, as amended (the "Code"), prescribes satisfaction of several requirements in order that interest on the Series 2016 A Bonds be and remain excludable from gross income for federal income tax purposes, some of which apply after issuance of the Series 2016 A Bonds, and that noncompliance by the Issuer with certain of such requirements could cause interest on the Series 2016 A Bonds to be includable in gross income for federal income tax purposes and thus, subject to federal income taxation retroactively to the date hereof. We have also been informed by Steptoe & Johnson that under the Code, interest on obligations, such as the Series 2016 A Bonds, which are not "private activity bonds," are not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations by Section 55 of the Code, but that a provision of the Code which is applicable to corporations (as defined for federal income tax purposes), and which would impose an alternative minimum tax on a portion of the excess of adjusted net book income over pre-book alternative minimum taxable income, could subject part of the interest on the Series 2016 A Bonds received by corporations to such corporate alternative minimum tax.

8. We are purchasing the Series 2016 A Bonds for investment in our own account and do not intend to divide the Series 2016 A Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Series 2016 A Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Series 2016 A Bonds and subject to applicable securities laws and regulations thereunder.

9. The Series 2016 A Bonds and the other certificates, opinions and documents delivered in connection with the Series 2016 A Bonds contain such terms and are in such form that are acceptable to the Purchaser.

10. We have had the opportunity to consult with and be advised by legal counsel as to the significance of this letter and we have satisfied ourselves that the Series 2016 A Bonds are a lawful investment for us under all applicable laws.

Very truly yours,

BRANCH BANKING AND TRUST COMPANY

By: Russell L Ober II
Authorized Officer

664320.00006

Northern Wayne County Public Service District
Sewer Refunding Revenue Bonds, Series 2016 A

CERTIFICATE OF REGISTRAR

Branch Banking and Trust Company, Charleston West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Series 2016 A Bonds"), hereby certifies this 5th day of May, 2016 as follows, all capitalized terms used herein to have the same meanings set forth in the Bond Resolution of the Northern Wayne County Public Service District (the "Issuer") adopted March 31, 2016, as supplemented by Supplemental Resolution duly adopted by the Issuer on March 31, 2016 (collectively, the "Bond Legislation"):

1. The Bank is a state banking corporation duly organized, validly existing, and in good standing under the laws of the State of West Virginia, may lawfully conduct business in West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Bond Legislation and to serve in the capacity of Registrar under the Bond Legislation.

2. The Bank has duly authorized, by all necessary action, the authentication of the Series 2016 A Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Bond Legislation, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Series 2016 A Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his or her official capacity, was and is authorized to authenticate the Series 2016 A Bonds for and on behalf of the Bank.

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

| Name | Title | Signature |
|---|---|---|
| Russell R. Akers II | Vice President | Russell R. Akers II |

5. The Series 2016 A Bonds have been duly authenticated, registered and delivered to the Purchaser, and the advance of the principal of the Series 2016 A Bonds have been deposited as required by the Bond Legislation.

IN WITNESS WHEREOF, Branch Banking and Trust Company has caused this Certificate to be executed by its duly authorized officer, the day and year first written above.

BRANCH BANKING AND TRUST COMPANY

By: _____
Its: Authorized Officer

664320.00006

Northern Wayne County Public Service District
Sewer Refunding Revenue Bonds, Series 2016 A

CERTIFICATE OF PURCHASER

Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), as original purchaser from the Northern Wayne County Public Service District (the "Issuer") of the above-captioned Bonds (the "Series 2016 A Bonds"), hereby certifies that we are purchasing the Series 2016 A Bonds for our own portfolio and none of the Series 2016 A Bonds have been the subject of an initial offering to the public. We do not intend to divide the Series 2016 A Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Series 2016 A Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Series 2016 A Bonds and subject to applicable securities laws and regulations thereunder.

1. The interest rate on the Series 2016 A Bonds is 2.47%.

2. The yield on the Series 2016 A Bonds is 2.4827 %.

3. The Weighted Average Maturity of the Series 2016 A Bonds is 6.8345 years.

4. This certificate may be relied upon by the Issuer with respect to its Tax Certificate relating to the Series 2016 A Bonds, and by Steptoe & Johnson PLLC in rendering their tax opinion with respect to the Series 2016 A Bonds.

IN WITNESS WHEREOF, Branch Banking and Trust Company has caused this Certificate to be executed by its duly authorized officer this 5th day of May, 2016.

BRANCH BANKING AND TRUST COMPANY

By: Russell R. Akers III
Its: Authorized Officer

664320.00006

Northern Wayne County Public Service District
Sewer Refunding Revenue Bonds, Series 2016 A

GENERAL CERTIFICATE OF
NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. SALE, DELIVERY AND PAYMENT OF BONDS; SIGNATURES
5. CERTIFICATION OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME, ETC
7. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
8. DESIGNATION OF REGISTRAR, DEPOSITORY BANK AND PAYING AGENT
9. SPECIMEN BONDS
10. CONFLICT OF INTEREST
11. RATES

We, the undersigned CHAIRMAN and SECRETARY of the Northern Wayne County Public Service District (the "Issuer"), hereby certify this 5th day of May, 2016 in connection with the Sewer Refunding Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds"), dated the date hereof, as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings set forth in the Bond Resolution of the Issuer duly adopted on March 31, 2016, as supplemented by a Supplemental Resolution duly adopted on March 31, 2016 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining, or affecting in any manner the issuance, sale and delivery of the Series 2016 A Bonds, nor in any way questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2016 A Bonds nor in any manner affecting the validity or enforceability of the Series 2016 A Bonds or the Bond Legislation; nor in any manner questioning the valid existence of the Issuer or the authority or titles of the Chairman, Secretary or members of the Board of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the Series 2016 A Bonds.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, licenses, orders, exemptions, consents, authorizations, registrations and certificates required by law for the issuance of the Series 2016 A Bonds, the refunding of the Series 2002 A Bonds and the operation of the System have been duly and timely obtained and remain in full force and effect.

4. SALE, DELIVERY AND PAYMENT OF SERIES 2016 A BONDS; SIGNATURES: On the date hereof, the Series 2016 A Bonds were sold and delivered to Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), pursuant to a commitment letter dated March 24, 2016, at the price of $1,067,000 (100% of par value), there being no interest accrued thereon. On the date hereof, the Series 2016 A Bonds were duly signed by the manual signature of the Chairman, and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed or imprinted thereon and attested by the manual signature of the Secretary, and the Registrar did officially authenticate, register and deliver the Series 2016 A Bonds to the Purchaser. At the time of delivery of the Series 2016 A Bonds, the Issuer received $1,067,000 from the Purchaser being the entire principal amount of the Series 2016 A Bonds, $144,462.30 from the Series 2002 A Bonds Reserve Account and $124,964.24 from the Series 2002 A Bonds Sinking Fund for a total of $1,336,426.54. The sources and uses of the funds are shown below:

| | |
|---|---|
| Sources | |
| Series 2016 A Bond Proceeds | $1,067,000.00 |
| Series 2002 A Bonds Sinking Fund | $ 124,964.24 |
| Series 2002 A BondsReserve Account | $ 144,462.30 |
| Total | $1,336,426.54 |
| | |
| Uses | |
| Pay Series 2002 A Bonds | $1,201,712.64 |
| Fund Series 2016 A Bonds Reserve Account | $ 97,814.00 |
| Paying Agent Fee | $ 1,705.62 |
| Costs of Issuance | $ 35,194.28 |
| Total | $1,336,426.54 |

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

Bond Resolution

Supplemental Resolution

Prior Bond Resolutions

Consent of WDA to Issuance of Parity Bonds

Bank Commitment Letter

County Commission Orders Regarding Creation of the District

County Commission Orders of Appointment of Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution

6. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Northern Wayne County Public Service District" and its principal office and place of business are in Wayne County, West Virginia. The Issuer is a public service district and public corporation and political subdivision of the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of three duly appointed, qualified and acting members, whose names and dates of commencement and termination of current terms of office are as follows:

| Name | Date of Commencement of Office | Date of Termination of Office |
|---|---|---|
| Dale Stewart | 08/01/2012 | 07/31/2017 |
| Wes Leake | 10/19/2015 | 06/30/2021 |
| Donald Hampton | 08/01/2014 | 07/31/2020 |

The names of the duly elected, appointed, qualified and acting officers of said Public Service Board of said Issuer for the calendar year 2016 are as follows:

Chairman - Donald Hampton
Secretary - Chasity Ballard

The duly appointed and acting Attorney for the Issuer is Steptoe & Johnson PLLC, Charleston, West Virginia.

7. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the Purchaser offered to purchase the Series 2016 A Bonds. The Series 2016 A Bonds shall be payable only from and secured by a lien on the Net Revenues of the System (as defined in the Bond Legislation), on a parity with the Issuer's:

(i) Sewerage System Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated March 16, 1989, issued in the original principal amount of $2,354,914 (the "Series 1989 A Bonds");

(ii) Sewerage System Design Revenue Bonds, Series 2001 A (West Virginia SRF Program), dated January 30, 2001, issued in the original aggregate principal amount of $497,857 (the "Series 2001 A Bonds"); and

(iii) Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), dated October 4, 2005, issued in the original aggregate principal amount of $4,536,000 (the "Series 2005 A Bonds") (hereinafter collectively, the "First Lien Bonds").

There are outstanding obligations of the Issuer which will rank junior and subordinate to the Series 2016 A Bonds as to liens, pledge of and security for payment, being the Issuer's:

(iv) Subordinate Sewerage System Revenue Bonds, Series 1989 C (West Virginia Water Development Authority), dated March 16, 1989, issued in the original aggregate principal amount of $349,086 (the "Series 1989 C Bonds" or the "Second Lien Bonds" and collectively with the First Lien Bonds, the "Prior Bonds").

The Issuer has also issued its Sewerage System Design Bond Anticipation Notes, Series 2015 A (The Ohio Valley Bank Company), dated June 29, 2015, issued in the original aggreate principal amount of $136,750 (the "Series 2015 A Notes"), which are payable from and secured by the Surplus Revenues.

8. DESIGNATION OF REGISTRAR, DEPOSITORY BANK AND PAYING AGENT: The Issuer hereby confirms the appointment of the Branch Banking and Trust Company, Charleston, West Virginia, as Registrar and the West Virginia Municipal Bond Commission as Paying Agent.

9. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2016 A Bonds.

10. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2016 A Bonds and/or the Bond Legislation, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

11. RATES: The Issuer has received the Commission Order entered January 31, 2012 in Case No. 11-1582-PSD-30B of the Public Service Commission of West Virginia, approving the rates and charges. The Order is in full force and effect.

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WITNESS our signatures and the official corporate seal of the NORTHERN WAYNE COUNTY PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

| Signature | Official Title |
| --- | --- |
| Donald Tompkins | Chairman |
| Chastity Ballard | Secretary |

664320.00006

May 5, 2016

Northern Wayne County Public Service District
Sewer Refunding Revenue Bonds, Series 2016 A

Northern Wayne County Public Service District
Lavalette, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Commission Order entered January 31, 2012 in Case No. 11-1582-PSD-30B of the Public Service Commission of West Virginia, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Northern Wayne County Public Service District, it is our opinion that such rates and charges will always provide Gross Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 115% of the annual debt service on the Sewer Refunding Revenue Bonds, Series 2016 A, dated May 5, 2016, issued in the aggregate principal amount of $1,067,000 (the "Series 2016 A Bonds"), and all other obligations secured by or payable from the revenues of the System on a parity with the Series 2016 A Bonds, including the Issuer's:

(i) Sewerage System Revenue Bonds, Series 1989 A (West Virginia Water Development Authority), dated March 16, 1989, issued in the original principal amount of $2,354,914 (the "Series 1989 A Bonds");

(ii) Sewerage System Design Revenue Bonds, Series 2001 A (West Virginia SRF Program), dated January 30, 2001, issued in the original aggregate principal amount of $497,857 (the "Series 2001 A Bonds");

(iii) Sewer Revenue Bonds, Series 2005 A (West Virginia SRF Program), dated October 4, 2005, issued in the original aggregate principal amount of $4,536,000 (the "Series 2005 A Bonds"); and

(iv) Subordinate Sewerage System Revenue Bonds, Series 1989 C (West Virginia Water Development Authority), dated March 16, 1989, issued in the original aggregate principal amount of $349,086 (the "Series 1989 C Bonds") (collectively, the "Prior Bonds").

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2016 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2016 A Bonds, if any, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2016 A Bonds and the Prior Bonds.

Very truly yours,

*Michael D. Griffith, CPA*

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/dk

*Michael D. Griffith, CPA, AFI*
*mgriffith@gcorpwv.com*
*950 Little Coal River Road Alum Creek, WV 25003*
*Phone: (304) 756.3600 Facsimile: (304) 756.2911*

Northern Wayne County Public Service District
Sewer Refunding Revenue Bonds, Series 2016 A

Dated: May 5, 2016

# TAX CERTIFICATE

The undersigned Chairman of the Northern Wayne County Public Service District (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $1,067,000 aggregate principal amount of its Sewer Refunding Revenue Bonds, Series 2016 A (the "Series 2016 A Bonds") hereby certifies as set forth in this Tax Certificate, on May 5, 2016 (the "Tax Certificate"). The Series 2016 A Bonds are being issued and delivered on May 5, 2016, pursuant to Article 16 of Chapter 13A of the Code of West Virginia of 1931, as amended, and the Bond Resolution adopted by the Issuer on March 31, 2016, as supplemented by the Supplemental Resolution, adopted by the Issuer on March 31, 2016 (collectively, the "Bond Legislation").

## A. DEFINITIONS

Any capitalized word or term used herein shall have the meanings set forth in Exhibit C, but if not defined in Exhibit C shall have the meaning set forth in the Bond Legislation.

## B. GENERAL

1. This certificate is being executed and delivered pursuant to Section 148 of the Code. I am an officer of the Issuer charged with the responsibility for issuing the Series 2016 A Bonds. I am familiar with the facts, circumstances, and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer.

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

3. This Tax Certificate sets forth various facts regarding the Series 2016 A Bonds and establishes the expectations of the Issuer as to future events regarding the Series 2016 A Bonds and the use of the proceeds thereof. The certifications and representations made herein are intended, and may be relied upon, as a certification described in Regulations §1.148-2(b)(2). This Tax Certificate also sets forth certain terms and conditions relating to the restrictions on the use and investment of the proceeds of the Series 2016 A Bonds in order that interest thereon will be excluded from gross income for Federal income tax purposes.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on the date hereof, the date on which the Series 2016 A Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Issuer has covenanted in the Bond Legislation that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2016 A Bonds which would cause the Series 2016 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without limitation, the timely filing of a federal information return with respect to the Series 2016 A Bonds), so

that the interest on the Series 2016 A Bonds will be and remain excluded from gross income for federal income tax purposes, and that it will not take any actions which would adversely affect such exclusion.

6. The Series 2016 A Bonds were sold on May 5, 2016, to Branch Banking and Trust Company (the "Purchaser") for a purchase price of $1,067,000. No other obligations are (i) being sold at substantially the same time (within 15 days) as the Series 2016 A Bonds, (ii) being sold pursuant to the same plan of financing, and (iii) are reasonably expected to be paid from substantially the same source of funds as the Series 2016 A Bonds, determined without regard to guarantees from unrelated parties.

7. The Series 2016 A Bonds are being delivered simultaneously with the delivery of this Tax Certificate and are issued (i) to provide funds to currently refund the Issuer's outstanding Sewer Refunding Revenue Bonds, Series 2002 A dated December 1, 2002, issued in the original aggregate principal amount of $1,860,000 (the "Series 2002 A Bonds"); (ii) to fund the Series 2016 A Bonds Reserve Account; and (iii) to pay certain costs of issuance of the Series 2016 A Bonds and related costs.

8. The sources of proceeds of the Series 2016 A Bonds are as follows:

SOURCES

| | |
|---|---|
| Par Amount of the Series 2016 A Bonds | $1,067,000.00 |
| Series 2002 A Bonds Reserve Account | 144,462.30 |
| Series 2002 A Bonds Sinking Fund | 124,964.24 |
| Total | $1,336,426.54 |

9. The proceeds of the Series 2016 A Bonds will be applied as follows:

USES

| | |
|---|---|
| Refund the Series 2002 A Bonds | $1,201,712.64 |
| Refund the Series 2016 A Reserve Account | 97,814.00 |
| Costs of Issuance for 2016 A Bonds | 35,899.90 |
| Total | $1,336,426.54 |

10. The yield on the Series 2016 A Bonds, as so computed and certified by the Purchaser, has been determined to be 2.4827% (the "Bond Yield").

11. For purposes of determining whether the Series 2016 A Bonds are private activity bonds, the Issuer makes the following representations. For this purpose, the proceeds of the Series 2016 A Bonds used for refunding purposes are treated in the same manner as the Series 2002 A Bonds.

(i) Not more than ten percent (10%) of the proceeds of the Series 2016 A Bonds will be used, directly or indirectly, to replace funds which were used in any business carried on by any person other than a state or local governmental unit.

(ii) Not more than ten percent (10%) of the payment of principal of or interest on the Series 2016 A Bonds and the Series 2002 A Bonds will, during the Combined Measurement Period, be, directly or indirectly, (A) secured by any interest in (1) property used or to be used for a private business use by any person other than a state

or local governmental unit, or (2) payments in respect of such property, or (B) 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 by any person other than a state or local governmental unit.

(iii) Not more than five percent (5%) of the proceeds of the Series 2016 A Bonds will be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(iv) The Project will not over the Combined Measurement Period be used in such a manner that more than ten percent (10%) of the proceeds of the Series 2016 A Bonds will be used in the trade or business of a nongovernmental person. No user of the Project other than a state or local governmental unit has or will during the Combined Measurement Period use more than ten percent (10%) of such facilities on any basis other than the same basis as the general public, and no person other than a state or local governmental unit will be a user of more than ten percent (10%) of such facilities as a result of (A) ownership, (B) actual or beneficial use pursuant to a lease or a management or incentive payment contract, or (C) any other similar arrangement.

C. THE SERIES 2016 A Bonds

1. A Sinking Fund for the Series 2016 A Bonds is created under the Bond Legislation. Monies deposited in the Series 2016 A Bonds Sinking Fund, including subsequent deposits thereto, will be spent within a 13-month period beginning on the date of deposit and will be depleted at least once a year, except for a reasonable carryover amount not in excess of one twelfth (1/12th) of the annual debt service on the Series 2016 A Bonds. The Series 2016 A Bonds Sinking Fund is designed to achieve a proper matching of the Issuer's revenues and debt service on the Series 2016 A Bonds within each Bond Year. All monies held in the Series 2016 A Bonds Sinking Fund will be used to pay debt service on the Series 2016 A Bonds. The Series 2016 A Bonds Sinking Fund qualifies as a Bona Fide Debt Service Fund and all monies in the Series 2016 A Bonds Sinking Fund will be invested without restriction as to yield and are not subject to rebate.

2. A Series 2016 A Bonds Reserve Account is created under the Bond Legislation for the Series 2016 A Bonds in an aggregate amount equal to the least of (i) 10% of the original principal amount of the Series 2016 A Bonds ($106,700), (ii) Maximum Annual Debt Service on the Series 2016 A Bonds ($97,814), or (iii) 125% of average annual Debt Service on the Series 2016 A Bonds ($122,268), (the "Series 2016 A Reserve Account Requirement").

3. The Costs of Issuance Fund to be funded from proceeds of the Series 2016 A Bonds is in the amount of $33,899.90. The Costs of Issuance include only those amounts directly related to the costs of issuance, sale and delivery of the Series 2016 A Bonds. All such amounts shall be fully expended within 6 months from the date hereof. Pending such disbursement, such monies will be invested without restriction as to yield and are not subject to rebate.

4. Other than the funds and accounts described above, there are no other funds or accounts of the Issuer which (i) are reasonably expected to be used to pay Debt Service on the Series 2016 A Bonds or which are pledged as collateral to secure repayment of Debt Service thereon and (ii) for which there is a reasonable assurance that amounts therein will be available to pay Debt Service on the Series 2016 A Bonds.

5. Accrued interest, if any, with respect to the Series 2016 A Bonds in an amount less than 6 month's interest on the Series 2016 A Bonds may be applied within one year from the date hereof toward the payment of interest first due on the Series 2016 A Bonds, as detailed in the Schedules. There is no pre-issuance accrued interest on the Series 2016 A Bonds.

6. No portion of the Series 2016 A Bonds is being issued solely for the purpose of investing the proceeds at a yield higher than the yield on the Series 2016 A Bonds or to replace funds which were used, directly or indirectly, to acquire investments with a yield higher than the yield on the Series 2016 A Bonds.

7. The Issuer certifies, warrants and covenants that the Series 2016 A Bonds are not and will not be part of a transaction or series of transactions that (i) attempts to circumvent the provisions of Section 148 of the Code and the related Regulations, thereby enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage; and (ii) overburdens the tax-exempt bond market in any manner, including, without limitation, issuing more bonds, issuing bonds earlier, or allowing them to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the Series 2016 A Bonds.

D. REBATE

1. Application of 6 Month Expenditure Exception from Rebate. The Issuer expects to expend all of the gross proceeds of the Series 2016 A Bonds within 6 months of the issue date of the Series 2016 A Bonds and for the issue to be exempt from rebate pursuant to the "6 month rebate exception" set forth in Section 148(f)(4)(B) of the Code. Should the Issuer fail to expend all of such gross proceeds within such 6 month then the Issuer shall comply with the rebate computation and payment requirements set forth in the remainder of this Section D.

2. Rebate Fund; Calculation of Rebate Amount.

(a) Section 148(f) of the Code requires the payment to the United States of the excess of the amount earned on the investment of Gross Proceeds in Nonpurpose Investments over the amount that would have been earned on such investments had the amount so invested been invested at a rate equal to the Bond Yield, together with any income attributable to such excess. Except as provided below, and as previously set forth as excepted in Section C hereof, all other funds or accounts treated as containing Gross Proceeds are subject to this requirement.

(b) Pursuant to the Bond Legislation, the Issuer has created the Rebate Fund. On or before 45 days following each Computation Date, an amount shall be deposited into the Rebate Fund by the Issuer so that the balance held in the Rebate Fund shall equal the aggregate Rebate Amount due as of the Rebate Payment Date following such Computation Date. Monies so deposited shall be derived from the Issuer's own funds.

(c) On each Valuation Date, the Issuer agrees to value the Nonpurpose Investments allocable to the Series 2016 A Bonds thereunder in accordance with the Regulations. Notwithstanding anything herein to the contrary, the failure to perform the determination of Nonpurpose Investments allocable to the Series 2016 A Bonds as of a Valuation Date shall not be considered a violation of this provision if the application of the Universal Cap would not result in a reduction or reallocation of Gross Proceeds of an issue.

(d) To meet the rebate requirements of Section 148(f) of the Code, the Issuer (or the Rebate Analyst described in Section D.3. hereof) agrees and covenants to take the following actions:

(i) For each investment of (*x*) amounts held in the Reserve Account, and (*y*) any other monies held by the Issuer which constitute Gross Proceeds, the Issuer shall record the purchase date of such investment, its purchase price, accrued interest due on its purchase date, its face amount, its coupon rate, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date.

(ii) For each Installment Computation Date with respect to Rebate Amounts specified in paragraph (iii) below, the Issuer shall compute the Yield on the Series 2016 A Bonds as required by the Code and Regulations. If any of the Series 2016 A Bonds are redeemed prior to their scheduled maturity, the Issuer agrees to seek the advice of Bond Counsel or other rebate expert to recompute the Yield on the Series 2016 A Bonds as required by the Regulations.

(iii) For each Computation Date, the Issuer shall determine the amount of earnings received on all Nonpurpose Investments described in paragraph (i) above that are allocable to Gross Proceeds of the Series 2016 A Bonds. In addition, where Nonpurpose Investments are retained by the Bond Commission after retirement of the Series 2016 A Bonds, any unrealized gains or losses as of the date of retirement of the Series 2016 A Bonds must be taken into account in calculating the earnings on such Nonpurpose Investments to the extent required by the Regulations.

(iv) In determining the Nonpurpose Investments that are allocable to Gross Proceeds of the Series 2016 A Bonds, the Issuer shall consider the allocation rules set forth in the Regulations, including the rules relating to the Universal Cap, as set forth in Regulations §1.148-6(b)(2). In general, the Universal Cap represents the maximum value of Nonpurpose Investments that may be allocated to an issue of bonds and is determined by reference to the Value of all the outstanding bonds of the issue.

(v) For each Computation Date, the Issuer shall calculate for each Nonpurpose Investment described in paragraph (iii) above, an amount equal to the earnings which would have been received on such Nonpurpose Investment at an interest rate equal to the Yield on the Series 2016 A Bonds as described in paragraph (ii) above. The method of calculation shall follow that set forth in the Regulations.

(vi) In determining the amount of any rebate computed pursuant to this section, all earnings on any Bona Fide Debt Service Fund to the extent such earnings do not exceed $100,000 in any Bond year shall not be taken into account.

(vii) For each Computation Date, the Issuer shall calculate the Rebate Amount (computed from the Issue Date of the Series 2016 A Bonds to each such Computation Date) by any appropriate method

provided in the Code and Regulations that is applicable to the Series 2016 A Bonds, taking into account any computation credit allowed thereunder. In determining the Rebate Amount, the Issuer shall account for the amounts determined under paragraphs (iii), (iv), and (v) above.

(viii) If the Rebate Amount exceeds the amount on deposit in the Rebate Account, the Issuer shall immediately pay that amount, or cause that amount to be paid, into the Rebate Account.

3. Payment to United States. (a) Installment Computation Dates. Unless the Series 2016 A Bonds are redeemed prior to such time, the Issuer shall pay to the United States, not later than sixty (60) days after each Installment Computation Date, an amount which, when added to all previous rebate payments made with respect to the Series 2016 A Bonds, is equal to not less than ninety percent (90%) of the Rebate Amount (computed from the date of issuance of the Series 2016 A Bonds to each such Installment Computation Date).

(b) Final Computation Date. The Issuer shall pay to the United States, not later than sixty (60) days after the last outstanding Series 2016 A Bonds are paid or redeemed, one hundred percent (100%) of the Rebate Amount for the Final Computation Date (computed from the date of issuance of the Series 2016 A Bonds to the Final Computation Date).

(c) Mailing of Rebate Payment. Each Payment of an installment shall be mailed to the Internal Revenue Service Center, Internal Revenue Service Center, Ogden, Utah 84201-0027, or such other address for such purpose published by the Internal Revenue Service. Each payment shall be accompanied by a copy of IRS Form 8038-T.

(d) Excess Balance in Rebate Fund; Excess Rebate Payments. If on the Rebate Payment Date the balance on deposit in the Rebate Fund is in excess of the Rebate Amount attributable to the Series 2016 A Bonds, such excess may be withdrawn by the Issuer from the Rebate Fund. The Issuer may direct that any overpayment of rebate may be recovered from any rebate payment previously made to the United States under any procedure that may be permitted by the Code or the Regulations.

(e) Recordkeeping. In connection with the rebate requirement, the Issuer shall maintain (or cause to be maintained) the following records:

(i) The Issuer shall record all amounts paid to the United States pursuant to Section E(2) hereof.

(ii) The Issuer shall retain records of the rebate calculations until three years after the Final Computation Date.

(iii) The Issuer shall keep and record the data described in section E(1)(c) hereof pertaining to the investment of the proceeds of the Series 2016 A Bonds until six years after the Final Computation Date.

4. Rebate Analyst. (a) A Rebate Analyst shall be appointed to perform the rebate calculations, as required herein.

(b) The Issuer may rely conclusively upon the opinions, calculations, determinations, directions and advice of the Rebate Analyst. The charges and fees for such Rebate Analyst shall be paid by the Issuer upon presentation of an invoice for services rendered in connection therewith.

5. Failure to Pay Rebate Amounts. In the event the Issuer fails to pay at the proper time and in the proper amounts, any Rebate Amount, it will pay the rebate amount plus interest within 180 days after discovery of such failure as set forth in Section 1.148-3(h)(3) of the Regulations. Notwithstanding the foregoing, in the event the Issuer fails to pay at the proper time and in the proper amount any Rebate Payment or correction amount, it hereby covenants and agrees to pay any penalty required by Internal Revenue Service in lieu of a declaration of taxability on the Series 2016 A Bonds.

6. No Transferred Proceeds. Other than transfers from the debt service funds and debt service reserve funds for the Series 2002 A Bonds which will be used on May 6, 2016 to pay a portion of the costs of redeeming the Series 2002 A Bonds, there are no remaining unspent proceeds of the Series 2002 A Bonds that will become transferred proceeds of the Series 2016 A Bonds.

E. MISCELLANEOUS

1. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah. For purposes of filing the Form 8038-G with the Internal Revenue Service, the Issuer's EIN is 55-0687753. The Form 8038-G attached hereto as EXHIBIT A is, to the best of my knowledge, true and correct, and may be relied upon by Bond Counsel.

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

2. The Issuer agrees to continue to monitor the use of the facilities and the expenditure of proceeds of the Series 2016 A Bonds in order to ensure compliance with the relevant tax rules and regulations required so that the interest on the Series 2016 A Bonds will be excluded from gross income for federal income tax purposes. The Issuer will use the compliance policies attached hereto as EXHIBIT B. The Issuer further agrees and understands that if the Tax Exempt Rules are not complied with, the Issuer, in consultation with Bond Counsel, may use (i) the remedial actions set forth in Regulations §1.141-12, or (ii) the voluntary closing agreement process of the Internal Revenue Service in order to bring the Series 2016 A Bonds into compliance with the Tax-Exempt Rules.

3. None of the proceeds of the Series 2016 A Bonds will be used (directly or indirectly) in any trade or business carried on by, or will be used to make or finance loans to, any person who is not a governmental unit.

4. The original proceeds of the Series 2016 A Bonds will not exceed the amount necessary for the governmental purposes thereof.

5. The Issuer shall not permit at any time or times any of the proceeds of the Series 2016 A Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 2016 A Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Series 2016 A Bonds as "private activity bonds" within the meaning of the Code.

6. The Series 2016 A Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

7. The Issuer has not entered and will not enter into any transaction to reduce the Yield on an investment of the Gross Proceeds of the Series 2016 A Bonds so as to cause the amount to be rebated to the United States Treasury to be less than it would have been had the transaction been at arm's length and the Yield on the Series 2016 A Bonds not been relevant to either party to the transaction, and that all investments of Gross Proceeds will be made on an arm's length, Fair Market Value basis.

8. No portion of the proceeds of the Series 2016 A Bonds will be used directly or indirectly to replace funds of the Issuer or other related governmental agency that have been used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date hereof, to produce a yield materially higher than the Yield on the Series 2016 A Bonds.

9. In connection with the Series 2016 A Bonds, there has not been created or established, and the Issuer does not expect that there will be created or established, any sinking fund, pledged fund or similar fund (other than as specifically identified in this Tax Certificate), including without limitation any arrangement under which money, securities, or obligations are pledged directly or indirectly to secure the Series 2016 A Bonds or any contract securing the Series 2016 A Bonds or any arrangement providing for compensating, or minimum balances to be maintained by the Issuer or related governmental agencies with, any registered owner of the Series 2016 A Bonds.

10. The Series 2016 A Bonds are not and will not be part of a transaction or series of transactions that (i) attempt to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the Regulations promulgated thereunder which enable the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage; or (ii) increase the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling obligations that would not otherwise be sold or selling a larger amount of obligations, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

11. The Issuer will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take all other actions required of it in order to maintain the exclusion of interest on the Series 2016 A Bonds from gross income for federal income tax purposes.

12. The Issuer has retained the right to amend the Bond Legislation authorizing the issuance of the Series 2016 A Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Series 2016 A Bonds from the gross income of the holders thereof. In addition, and notwithstanding any other provision hereof, any provision of this Tax Certificate shall be amended at any time and such amendment shall be complied with, upon receipt by the Issuer of an opinion of Bond Counsel that such amendment is necessary or permissible under the then current Code and Regulations and is either necessary to or will not adversely affect the excludability of interest on the Series 2016 A Bonds from gross income of the recipients thereof for federal income tax purposes.

8. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exemption of the interest on the Series 2016 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series

2016 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code. The Issuer 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 the Bond Legislation.

9. The Issuer has designated the Series 2016 A Bonds as "qualified tax-exempt obligations" for purposes of paragraph (3) of Section 265(b) of the Code and as determined in accordance with Section 265(b)(3) of the Code, and 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), including the Series 2016 A Bonds, have been or shall be issued by the Issuer during the calendar year 2016, all as determined in accordance with the Code. None of the Series 2016 A Bonds are part of a direct or indirect composite issue.

10. At the time of issuance of the Prior Bonds, the Issuer reasonably expected to spend at least 85% of the spendable proceeds of the Prior Bonds to carry out the exempt purposes for which the Bonds are being issued within three years after the date of issuance of the Prior Bonds. Not more than 50% of the proceeds of the Prior Bonds were expected to be invested in investments having a substantially guaranteed yield for four years or more.

11. For purposes of complying with Regulations §1.148-2(b), an officer of the Issuer must certify the issuer's expectations as of the issue date. In accordance therewith, the undersigned Chairman of the Issuer hereby in good faith certifies that the representations and covenants set forth in this Certificate constitute the reasonable expectations of the Issuer as of the Issue Date. Accordingly, the representations and covenants set forth herein are intended and may be relied upon as the certification described in Regulations §1.148-2(b) and are being delivered as part of the record of proceedings in connection with the issuance of the Series 2016 A Bonds.

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

13. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions with respect to the issuance, sale and delivery of the Series 2016 A Bonds, including its opinions regarding the exclusion of interest on the Series 2016 A Bonds from gross income for federal income tax purposes.

[Remainder of Page Intentionally Left Blank]

DATED as of the day and year first written above.

NORTHERN WAYNE COUNTY RUN PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

EXHIBIT A

IRS FORM 8038-G

[Included in Transcript as Document No. 24]

EXHIBIT B

TAX COMPLIANCE POLICIES

[Included in Transcript as Document No. 16]

EXHIBIT C

DEFINITIONS

The following words and phrases shall have the following meanings or such other meanings as may be required under the Code or the Regulations.

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

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

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

(i) the earnings on the fund for the immediately preceding Bond Year; or

(ii) one-twelfth ($1/12^{th}$) of the principal and interest payments on the Series 2016 A Bonds for the immediately preceding Bond Year.

"**Bond Counsel**" means the law firm or firms delivering its or their approving opinion or opinions with respect to the issuance of the Series 2016 A Bonds and the exclusion of interest on the Series 2016 A Bonds from gross income for the purposes of federal income taxation.

"**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.

"**Bond Yield**" means the yield of the Series 2016 A Bonds, calculated in accordance with the provisions of Regulations §1.148-4. (*See* Sections B.11. and B.12. hereof.)

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

**"Combined Measurement Period"** means the period beginning on December 20, 2002 (the date of issuance of the Series 2002 C Bonds) and ending on December 1, 2032 (the maturity date of the Series 2016 A Bonds).

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

"**Costs of Issuance**" means all costs incurred in connection with the issuance of the Series 2016 A Bonds within the meaning of Section 147(g) of the Code. Examples of costs of issuance include (but are not limited to):

(a) underwriter's spread (whether realized directly or derived through purchase of the Series 2016 A Bonds at a discount below

the price at which a substantial number of Series 2016 A Bonds are sold to the public);

(b) counsel fees (including Bond Counsel, Purchasers' Counsel, Issuer's Counsel, and any other specialized counsel fees incurred in connection with the issuance of the Series 2016 A Bonds);

(c) financial advisor fees incurred in connection with the issuance of the Series 2016 A Bonds;

(d) trustee fees and registrar fees;

(e) paying agent, disbursement agent, and certifying and authenticating agent fees related to issuance of the Series 2016 A Bonds;

(f) accountant fees related to issuance of the Series 2016 A Bonds;

(g) printing costs (for the Series 2016 A Bonds and of preliminary and final offering materials); and

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

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

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

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

(b) Safe Harbor for Establishing Fair Market Value for Guaranteed Investment Contracts and Investments Purchased for a Yield Restricted Defeasance Escrow. The purchase price of a guaranteed investment contract is treated as its Fair Market Value on the purchase date if -

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

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

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

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

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

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

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

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

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

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

where:

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

PV = The future value of the nonpurpose receipt or payment at the beginning of the interval, or the amount thereof if the computation is for the first interval. The first interval begins on the date the nonpurpose receipt or payment is actually or constructively received or paid (or otherwise is taken into account). The amount of every nonpurpose receipt and payment with respect to an issue that is taken into account at

the beginning of the first interval may be rounded to the nearest whole dollar.

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

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

"**Gross Proceeds**" means Proceeds and Replacement Proceeds of the Series 2016 A Bonds within the meaning of the Regulations.

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

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

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

"**Issue Date**" means May 5, 2016.

"**Issue Price**" means $1,067,000 being the Issue Price of the Series 2016 A Bonds. (*See* Section B.10. hereof.)

The Issue Price is the initial offering price to the public at which price a substantial amount of the Series 2016 A Bonds is sold. For this purpose, ten percent (10%) is a substantial amount, and the term "the public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. The Issue Price generally is the first price at which the Series 2016 A Bonds are sold to the public, and the issue price will not change if part of the issue is subsequently sold at a different price. The Issue Price of Series 2016 A Bonds that are not substantially identical is determined separately. The Issue Price of a bond issue for which a bona fide public offering is made is determined as of the sale date based on reasonable expectations regarding the initial public offering price. The Issue Price of the Series 2016 A Bonds may not exceed their fair market value as of the sale date.

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

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

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

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

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

$(1+i)^n$

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

"**Present Value of an Investment**" means the value of an investment computed under the economic accrual method; using the same compounding interval and financial conventions used to compute the yield on the Series 2016 A Bonds. On any valuation date, the Present Value of an Investment is equal to the Present Value of all unconditionally payable receipts to be received from the payments to be paid for the investment after that date, using the Yield on the Investment as the discount rate.

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

**"Project"** means collectively the improvements financed with the proceeds of the Series 2002 A Bonds.

**"Purchaser"** means Branch Banking and Trust Company, Charleston, West Virginia.

"**Rebate Amount**" means, in respect of the Series 2016 A Bonds, the amount determined pursuant to the Code and Regulations in accordance with Section E.1. hereof. Generally, under the Regulations, the rebate amount, as of any date, equals the excess of the Future Value of all Receipts with respect to Nonpurpose Investments allocated to the Gross Proceeds of the Series 2016 A Bonds over the Future Value of all the Payments with respect to such Nonpurpose Investments computed in accordance with the Regulations.

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

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

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

"**Regulation**" or "**Regulations**" means the temporary, proposed or final Income Tax Regulations promulgated pursuant to Sections 103 and 141 through 150 of the Code, including those Income Tax Regulations promulgated under Section 103(c) of the Internal Revenue Code of 1954, as amended, that are applicable pursuant to the Code.

"**Replacement Proceeds**" means amounts that are treated as replacement proceeds of an issue of bonds under Regulations §1.148-1(c). Generally, amounts are Replacement Proceeds of an issue

if the amounts have a sufficiently direct nexus to the governmental purpose of the issue to conclude that the amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose. Replacement Proceeds include, but are not limited to, sinking funds or pledged funds to the extent that those funds are held by or derived from a substantial beneficiary of the issue (which, for this purpose includes the issuer and any related party to the issuer).

"**Sale Proceeds**" means amounts actually or constructively received from the sale of an issue of bonds. Sale Proceeds also include, but are not limited to, amounts derived from the sale of a right that is associated with a Series 2016 A Bond and that is described in Regulations §1.148-4(b)(4).

**"Series 2002 A Bonds"** means the Issuer's Sewer Refundung Revenue Bonds, Series 2002 A, dated December 1, 2002, issued in the original aggregate principal amount of $1,860,000.

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

"**Valuation Date**" means the date on which the value of the Nonpurpose Investments allocable to the Series 2016 A Bonds thereunder must be determined under Regulations §1.148-6. In general, beginning with the first Bond Year beginning after second year anniversary of the Issue Date, the first day of each Bond Year constitutes a Valuation Date.

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

> (a) In the case of a plain par bond (within the meaning of Regulations §1.148-1(b)), its outstanding stated principal amount, plus accrued unpaid interest or in the case of a plain par bond actually redeemed, or that is treated as redeemed, its stated redemption price on the redemption date plus accrued unpaid interest; and
>
> (b) In the case of a bond other than a plain par bond, the value on a date of such a bond is generally its Present Value on that date, using the yield on the issue of which the bond is a part as the discount factor. In determining the Present Value of a variable rate bond, the initial interest rate on the bond established by the index or other rate setting mechanism is used to determine the interest payments on that bond.

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

"**Yield**" or "**yield**" means the yield computed under Regulations §1.148-4 of the Regulations for the Series 2016 A Bonds, and the yield computed under Regulations §1.148-5 for an Investment.

"**Yield Restricted Investments**" means any Investments which either (1) bear a yield that is not materially higher than the Bond Yield, or (2) are investments in one or more Tax-Exempt Bonds.

# TAX COMPLIANCE POLICIES

## Northern Wayne County Public Service District

### Purpose

Issuers of tax-exempt bonds must comply with federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by the Northern Wayne County Public Service District (the *"Issuer"*) with these rules in connection with the issuance of the Issuer's Sewer Refunding Revenue Bonds, Series 2016 A (Bank Qualified) (the "*Tax-Exempt Bonds*").

### Tax Requirements Associated with Sale and Issuance of Bonds

Review and retention of tax documents related to the sale and issuance of Bonds will be supervised by the Chairman of the Issuer or his/her designee (the "*Oversight Officer*").

- Form 8038-G (tax exempt bonds) will be reviewed and filed not later than the 15th day of the 2nd calendar month following the quarter in which the bonds were issued. Filing of appropriate version or versions of Form 8038-G will be confirmed with bond counsel.

### Expenditure of Proceeds for Qualified Costs

Expenditure of bond proceeds will be reviewed by the Oversight Officer.

- Bond proceeds will be disbursed pursuant to an approved form of requisition stating the date, amount and purpose of the disbursement.

- Requisitions must identify the financed property and certify as to the character and average economic life of the bond-financed property.

- Requisitions for costs that were paid prior to the issuance of the bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by the Issuer. If proceeds are used for reimbursement, a copy of the declaration will be obtained and included in the records for the Tax-Exempt Bonds, if not already part of the bond transcript.

- Requisitions will be summarized in a "final allocation" of proceeds to uses not later than 18 months after the in-service date of the financed property (and in any event not later than 5 years and 60 days after the issuance of the Tax-Exempt Bonds).

- Expenditure of proceeds will be monitored against the expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds. Expected expenditure schedules, project timelines, and plans and specifications will be maintained to support expectations. Reasons for failure to meet the expected schedule will be documented and retained in the records for the Tax-Exempt Bonds.

- If the 18-month spending exception to rebate applies, expenditure of gross proceeds will be monitored against the following schedule for the arbitrage rebate exception for the issue, if applicable:

  15% within 6 months
  60% within 12 months
  100% within 18 months

- If the 2-year spending exception to rebate applies, expenditure of "available proceeds" will be monitored against the following schedule for the arbitrage rebate exception for construction issues if applicable:

  10% within 6 months
  45% within 12 months
  75% within 18 months
  100% within 24 months

**Expenditure of Proceeds**

In addition to the general review of expenditures described above, expenditure of proceeds of the Tax-Exempt Bonds will be reviewed by the Oversight Officer.

- Only a small portion (5%) of the proceeds of Tax-Exempt Bonds can be used for operating expenses or other "working capital" costs. Requisitions for costs of the Project will accordingly be monitored to confirm that they are for capital costs of the Project.

- Investment earnings on sale proceeds of the Tax-Exempt Bonds will be tracked and will be requisitioned only for appropriate expenditures.

**Use of Bond-Financed Property**

Use of bond-financed property when completed and placed in service will be reviewed by the Oversight Officer.

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.

- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other

potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property is bond-financed.

- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit.

- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a "remedial action" under the applicable Income Tax Regulations.

**Investments and IRS Filings**

Investment of bond proceeds in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Oversight Officer.

- Guaranteed investment contracts ("*GIC*") will be purchased only using the three-bid "safe harbor" of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.

- Other investments will be purchased only in market transactions.

- Calculations of rebate liability will be performed annually by outside consultants.

- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee and the issuer.

- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

**Records**

Management and retention of records related to tax-exempt bond issues will be supervised by the Oversight Officer.

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

- Retainable records pertaining to the Tax-Exempt Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, and Form 8038-G) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.

- Retainable records pertaining to expenditures of bond proceeds include requisitions, trustee statements and final allocation of proceeds.

- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use.

- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

**Overall Responsibility**

Overall administration and coordination of this policy is the responsibility of the Oversight Officer.

ISSUER

By: _____

Title: Chairman

Date: March 31, 2016