

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

WATER REVENUE BOND ANTICIPATION NOTES, SERIES 2020 (BANK QUALIFIED)

NOTE RESOLUTION

TABLE OF CONTENTS

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

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

**ARTICLE II
AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF THE PROJECT**

Section 2.01	Authorization of Acquisition and Construction of the Project
--------------	--

**ARTICLE III
THE NOTES**

Section 3.01	Form and Payment of Notes
Section 3.02	Execution of Notes
Section 3.03	Authentication and Registration
Section 3.04	Negotiability and Registration
Section 3.05	Notes Mutilated, Destroyed, Stolen or Lost
Section 3.06	Persons Treated as Owners
Section 3.07	Authorization Notes
Section 3.08	Certificate for Series 2020 Note
Section 3.09	Delivery of Series 2020 Note
Section 3.10	Form of Series 2020 Note
Section 3.11	Disposition of Proceeds of Series 2020 Note

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

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

ARTICLE V
INVESTMENTS; NON-ARBITRAGE
REBATES AND CONTINUING DISCLOSURE CERTIFICATE

Section 5.01	Investments
Section 5.02	Arbitrage
Section 5.03	Tax Certificate, Rebates and Rebate

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01	Covenants Binding and Irrevocable
Section 6.02	Notes not to be Indebtedness of the Issuer
Section 6.03	Series 2020 Note Secured by Pledge of Future Revenue Bonds and Surplus Revenues
Section 6.04	Rates
Section 6.05	Operation and Maintenance
Section 6.06	Sale of the System
Section 6.07	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 6.08	RESERVED
Section 6.09	Insurance and Bonds
Section 6.10	Connections
Section 6.11	No Free Services
Section 6.12	Enforcement of Collections
Section 6.13	No Competing Franchise
Section 6.14	Books and Records
Section 6.15	Operating Budget
Section 6.16	Tax Covenants

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01	Events of Default
Section 7.02	Enforcement
Section 7.03	Appointment of Receiver
Section 7.04	Restoration of Issuer and Registered Owner

ARTICLE VIII
REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

Section 8.01	Appointment of Registrar, Paying Agent and Depository Bank
Section 8.02	Responsibilities of Registrar, Paying Agent and Depository Bank
Section 8.03	Evidence on Which Registrar, Paying Agent and Depository Bank May Act
Section 8.04	Compensation and Expenses
Section 8.05	Resignation of Registrar
Section 8.06	Removal
Section 8.07	Appointment of Successor

- Section 8.08 Transfer of Rights and Property to Successor
- Section 8.09 Merger or Consolidation
- Section 8.10 Adoption of Authentication

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

- Section 9.01 Defeasance; Discharge of Pledge of Resolution

**ARTICLE X
MISCELLANEOUS**

- Section 10.01 Amendment of Resolution
- Section 10.02 Evidence of Signatures of Registered Owner and Ownership of Series 2020 Note
- Section 10.03 Preservation and Inspection of Documents
- Section 10.04 Cancellation of Series 2020 Note
- Section 10.05 Failure to Present Series 2020 Note
- Section 10.06 Notices, Demands and Requests
- Section 10.07 No Personal Liability
- Section 10.08 Law Applicable
- Section 10.09 Parties Interested Herein
- Section 10.10 Severability of Invalid Provisions
- Section 10.11 Table of Contents and Headings
- Section 10.12 Conflicting Provisions Repealed
- Section 10.13 Covenant of Due Procedure, Etc.
- Section 10.14 Effective Date

SIGNATURES

CERTIFICATION

EXHIBIT A – FORM OF SERIES 2020 NOTE

Note Resolution

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

A RESOLUTION AUTHORIZING THE ACQUISITION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATER SYSTEM AND TEMPORARILY FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF THE WATER REVENUE BOND ANTICIPATION NOTE, SERIES 2020 (BANK QUALIFIED) OF THE BERKELEY COUNTY PUBLIC SERVICE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$10,000,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNER OF SUCH NOTE; AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX CERTIFICATE, A TAX COMPLIANCE POLICY AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTE AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I
DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act") and other applicable provisions of law.

Section 1.02. Findings. The Board hereby finds and determines as follows:

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

B. The Issuer presently owns and operates a public water system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that the acquisition and construction of certain additions, improvements and betterments to the existing public water system of the Issuer, consisting of design, acquisition, construction and equipping of various additions, betterments and improvements to the System specifically including, but not limited to, (i) installation of water mains on Kelly Island Road from Route 9 to the Grubbs Tank, on Paynes Ford Road from Route 11 to Grubs Tank and from Pikes side booster station to Paynes Ford Road; and (ii) a new water treatment plant to replace the existing Bunker Hill treatment plant, including a raw water line from Springdale and groundwater development and replacement and/or renovation of water treatment plants 1 and 2 serving the area in and around The Woods development, together with all appurtenant facilities

(collectively, the "Project"), (the existing public water system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System").

C. The Issuer intends to permanently finance the costs of acquisition of the Project through the issuance of its Notes pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bond Anticipation Note, Series 2020, in the aggregate principal amount of not more than \$10,000,000 (the "Series 2020 Note"), to finance the costs of acquisition of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2020 Note prior to and during acquisition of the Project and for a period not exceeding 6 months after completion of acquisition of the Project; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2020 Note and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2020 Note or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

F. The period of usefulness of the System after completion of the Project is not less than 30 years.

E. It is in the best interest of the Issuer that the Series 2020 Note be sold to the Lender pursuant to the terms and provisions as shall be approved by Certificate of Determinations of the Issuer.

F. There are outstanding obligations of the Issuer secured by the Net Revenues, being the Issuer's:

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

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

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

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

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

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

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

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

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

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

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

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

(13) Water Refunding Revenue Bonds, Series 2015 E (Bank-Qualified), dated December 1, 2015, issued in the original aggregate principal amount of \$5,460,000 (the "Series 2015 E Bonds");

(14) Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated July 20, 2016, issued in the original aggregate principal amount of \$5,213,278 (the "Series 2016 A Bonds");

(15) Water Refunding Revenue Bonds, Series 2020 A (Bank-Qualified), dated May 27, 2020, issued in the original aggregate principal amount of \$9,950,000 (the "Series 2020 A Bonds");

(16) Water Refunding Revenue Bonds, Series 2020 B (Taxable), dated May 27, 2020, issued in the original aggregate principal amount of \$300,000 (the "Series 2020 B Bonds"); and

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

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, the Series 2013 B Bonds, the Series 2015 A Bonds, the Series 2015 C Bonds, the Series 2015 D Bonds, the Series 2015 E Bonds, the Series 2016 A Bonds, the Series 2020 A Bonds and the Series 2020 B Bonds, are hereinafter collectively called the “First Lien Bonds.” The Series 1993 C Bonds are hereinafter called the “Second Lien Bonds.” The First Lien Bonds are secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with each other, which lien and pledge are senior and prior to the lien on the Net Revenues of the System of the Second Lien Bonds. The First Lien Bonds and Second Lien Bonds are collectively referred to as the “Prior Bonds”.

The Series 2020 Notes shall be junior and subordinate to the Prior Bonds with respect to liens, pledge and source of and security for payment in all respects. The Series 2020 Notes shall be payable solely from and secured by the proceeds of revenue bonds or other obligations issued subsequent to the Series 2020 Notes and secured by a first lien on Surplus Revenues.

G. The Issuer derives Net Revenues from the System which are pledged for payment of the Prior Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said Net Revenues are not pledged or encumbered in any manner.

H. The estimated Gross Revenues to be derived in each year after the date hereof from the operation of the System will be sufficient to provide for Operating Expenses of the System, for the payment of interest on the Series 2020 Note and the Prior Bonds, and to pay the principal on the Series 2020 Note and the Prior Bonds as and when it becomes due, and reasonable reserves therefore, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Resolution.

I. It is in the best interests of the Issuer and the customers thereof, and the citizens of the County, that Series 2020 Note be issued, and the Series 2020 Note secured by a pledge of revenue bonds or other obligations of the Issuer, issued subsequent to the Series 2020 Notes and Surplus Revenues, if any, of the System.

J. The Series 2020 Note and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2020 NOTE, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Resolution or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2020 Note, when authenticated by the Registrar and issued as in this Resolution provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2020 Note will be timely done and duly performed.

L. The adoption of this Resolution, and the execution and issuance of the Series 2020 Note, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. The Issuer has complied with all requirements of West Virginia law relating to the operation of the System, the issuance of the Series 2020 Note and the acquisition and construction of the Project or will have so complied prior to issuance of any thereof.

Section 1.03. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2020 Note by those who shall own or hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Registered Owner of any and all of such Series 2020 Note, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2020 Note and any other Series 2020 Note, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. All capitalized terms used in this Resolution and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2020 Note.

"Additional Parity Bonds" means additional Bonds issued subsequent to the Series 2020 Note payable from the Net Revenues of the System on a parity with the Series 2020 Note and the First Lien Bonds.

"Authorized Officer" means the Chairman of the Issuer or any other officer or employee of the Issuer specifically designated by resolution of the public service board of the Issuer.

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

"Bonds" means, collectively, the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Capitalized Interest" means monies whether from the proceeds of notes or any other source deposited in the Series 2020 Note Sinking Fund and pledged to the payment of interest on such bonds.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2020 Note, substantially in the form set forth in EXHIBIT A - FORM OF SERIES 2020 NOTE, attached hereto.

"Certificate of Determinations" means the Certificate of Determinations for the Series 2020 Note.

"Chairman" means the Chairman of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2020 Note for the proceeds representing the original purchase price thereof.

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

"Code of West Virginia" means the Code of West Virginia, 1931, as amended.

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

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

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, those costs described in Section 1.03D.

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

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

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

"First Lien Bonds" means the Issuer's Series 1993 B Bonds, Series 1993 D Bonds, Series 1996 Bonds, Series 2001 A Bonds, Series 2003 C Bonds, Series 2012 A Bonds, Series 2012 B Bonds, Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 A Bonds, Series 2020 A Bonds and Series 2020 B Bonds.

"First Lien State Bonds" means the Issuer's Series 1993 B Bonds, Series 1993 D Bonds, Series 1996 Bonds, Series 2001 A Bonds, Series 2003 C Bonds and Series 2016 A Bonds.

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

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

"Government Obligations" means certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

"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, and includes Capitalized Interest (as herein defined), any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments). Gross Revenues does not include the proceeds of grants or contributions in aid of construction received by the Issuer, or bonds or notes issued by the Issuer, which proceeds are required by the terms of such grant, contribution in aid of construction, bond or note to be used to finance capital improvements, betterments and/or additions for the System or are pledged or obligated for any purpose other than the payment of Operating Expenses (as herein defined) of the System or principal of or interest on the Bonds.

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Lender" means the commercial lending institution, is determined by the Issuer, in its sole discretion, to be most advantageous to the District, as determined by a resolution supplemental hereto.

"Net Proceeds" means the face amount of the Series 2020 Note, plus accrued interest and premium, if any, 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 investment of proceeds of the Series 2020 Note, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2020 Note and is not acquired in order to carry out the governmental purpose of the Series 2020 Note.

"Noteholder," "Holder," "Holder of the Notes," "Owner of the Notes," "Registered Owner," or any similar term means any person who shall be the registered owner of any outstanding Note.

"Note Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Notes.

"Operating Expenses," unless qualified, means the current expenses, paid or accrued, of repair, operation, management and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, accounting, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition, equipping or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current repairs, operations or maintenance, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, payments with respect to other post employment benefits, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles.

"Paying Agent" means the Commission and any other paying agent for the Notes which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.11 hereof.

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

"Prior Resolutions" means the respective resolutions of the Issuer, as amended, modified or supplemented, authorizing the issuance of the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Project Fund" means the Project Fund created by Section 4.01 hereof.

"Qualified Investments" means and includes any investment permitted to be made by a municipality, public service district or public corporation of the State pursuant to State Law, specifically including but not limited to Chapter 8, Article 13, Section 22 of the Code of West Virginia and the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia.

"Rebate Fund" means the Rebate Fund, if necessary, described in Section 4.01 hereof.

"Record Date" means the day of the month which shall be so stated in the Series 2020 Note, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Registered Owner," "Noteholder," "Holder," "Owner" or any similar term means any person who shall be the registered owner of any outstanding Note.

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Series 2020 Note, and any successor thereto appointed in accordance with Section 8.07 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1986 as amended.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by the Prior Resolutions and continued by Section 4.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts created for the Prior Bonds and any hereinafter issued Additional Parity Bonds.

"Reserve Account Requirement" means the amount required to be on deposit in the respective Reserve Accounts for the Prior Bonds and any hereinafter issued Additional Parity Bonds.

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

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

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

"Secretary" means the Secretary of the Issuer.

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

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

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

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

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

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

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

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

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

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

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

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

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

"Series 2015 E Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified), dated December 1, 2015, issued in the aggregate principal amount of \$5,460,000.

"Series 2016 A Bonds" means the Issuer's Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated July 20, 2016 issued in the aggregate principal amount of \$5,213,278.

"Series 2020 A Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2020 A (Bank-Qualified), dated May 27, 2020, issued in the original aggregate principal amount of \$9,950,000.

"Series 2020 B Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2020 B (Taxable), dated May 27, 2020, issued in the original aggregate principal amount of \$300,000.

"Series 2020 Note" means the Water Revenue Bond Anticipation Note, Series 2020 B, of the Issuer, originally authorized to be issued pursuant to this Resolution and the Supplemental Resolution.

"Series 2020 Note Sinking Fund" means the Series 2020 Note Sinking Fund established by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2020 Note and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following adoption of this Resolution, and any Certificate of Determinations provided for by such Supplemental Resolution, setting forth the final amounts, maturities, interest rates and other terms of the Series 2020 Note and authorizing the sale of the Series 2020 Note to the Lender; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

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

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

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

ARTICLE II **AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT**

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition of the Project, at an estimated cost of not to exceed \$10,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Notes shall be applied as provided in Section 3.11 hereof. The Issuer has or will enter into contracts for the acquisition of the Project.

The cost of the Project is estimated not to exceed \$10,000,000 which will be obtained from proceeds of the Series 2020 Notes.

ARTICLE III **THE NOTES**

Section 3.01. Form and Payment of Notes. No Series 2020 Note shall be issued pursuant to this Resolution except as provided in this Article III. Any Series 2020 Note issued pursuant to this Resolution may be issued only as a fully registered Series 2020 Note without coupons, in the entire principal amount thereof (or such other denominations as may be set forth in a Supplemental Resolution). The Series 2020 Note shall be dated as of the date provided in a Supplemental Resolution. The Series 2020 Note shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2020 Note has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2020 Note shall be in default, any Series 2020 Note issued in exchange for the Series 2020 Note surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2020 Note surrendered.

The principal of and the premium, if any, on the Series 2020 Note shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2020 Note shall be paid by wire transfer to the Registered Owner thereof at his address as it appears in the Note Register at the close of business on the Record Date.

In the event the Series 2020 Note is redeemed in part, the note shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Registered Owner thereof, another Series 2020 Note in the principal amount of the Series 2020 Note then outstanding.

Section 3.02. Execution of Series 2020 Note. The Series 2020 Note shall be executed in the name of the Issuer by the Chairman, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary by his or her manual or facsimile signature; provided that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed the Series 2020 Note shall cease to be such officer of the Issuer before the Note so signed and sealed has been actually sold and delivered, such Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Note had not ceased to hold such office. The Series 2020 Note may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Note shall hold the proper office in the Issuer, although at the date of such Note such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2020 Note shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Note, substantially in the form set forth in EXHIBIT A - FORM OF SERIES 2020 NOTE attached hereto and incorporated herein by reference with respect to such Series 2020 Note, shall have been duly manually executed by the Registrar. Any such

manually executed Certificate of Authentication and Registration upon the Series 2020 Note shall be conclusive evidence that such Series 2020 Note has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration on the Series 2020 Note shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on the Series 2020 Note.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2020 Note shall be, and have all of the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting the Series 2020 Note, shall be conclusively deemed to have agreed that such Series 2020 Note shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Series 2020 Note shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2020 Note remains outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2020 Note. The Series 2020 Note shall be transferable only by transfer of registration upon the Note Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of the Series 2020 Note, there shall be issued at the option of the Holder or the transferee another Note or Notes of the aggregate principal amount equal to the unpaid amount of the transferred Note and of the same series, interest rate and maturity of said transferred Note.

In all cases in which the privilege of transferring or exchanging the Series 2020 Note is exercised, the Series 2020 Note shall be delivered in accordance with the provisions of this Resolution. All Series 2020 Note surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2020 Note, the initial exchange of Series 2020 Note and exchanges of the Series 2020 Note in the event of partial redemption of the Series 2020 Note shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For any other exchange of the Series 2020 Note, the Registrar may impose a service charge. For every such transfer or exchange of the Series 2020 Note, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange.

Section 3.05. Series 2020 Note Mutilated, Destroyed, Stolen or Lost. In case the Series 2020 Note shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver a new Series 2020 Note in exchange and upon surrender and cancellation of, the mutilated Series 2020 Note, or in lieu of and substitution for the Series 2020 Note destroyed, stolen or lost, and upon the Registered Owner furnishing the Issuer and the Registrar proof of his ownership thereof and that the Series 2020 Note has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Registered Owner listed in the Note Register shall constitute proof of ownership. The Series 2020 Note so surrendered shall be submitted to and canceled by the Registrar, and evidence of such

cancellation shall be given to the Issuer. If the Series 2020 Note shall have matured or be about to mature, instead of issuing a substitute Series 2020 Note the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if the Series 2020 Note be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2020 Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2020 Note be at any time found by anyone.

Section 3.06. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name the Series 2020 Note is registered as the owner of the Series 2020 Note for the purpose of receiving payment of the principal of, and interest on, the Series 2020 Note for all other purposes, whether or not the Series 2020 Note is overdue.

Section 3.07. Authorization of Notes. For the purposes of temporarily paying costs of acquisition and construction of the Project and paying costs of issuance of the Series 2020 Note and related costs, there shall be issued the Series 2020 Note of the Issuer, in an aggregate principal amount of not more than \$10,000,000. The Series 2020 Note shall be issued as a single note and designated "Berkeley County Public Service District, Water Revenue Bond Anticipation Note, Series 2020 Note (Bank Qualified)" and shall be issued in fully registered form, in such denomination as set forth in a Supplemental Resolution, not exceeding the aggregate principal amount of Series 2020 Note authorized herein. The Series 2020 Note shall be numbered R-1. The Series 2020 Note shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate, not exceeding the then legally permissible rate, payable on such dates; shall mature on such dates and in such amounts; shall be subject to such redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.08. Certificate for Series 2020 Note. The Series 2020 Note (if purchased by the Lender) shall initially be issued in the form of a single fully-registered note in the aggregate principal amount of the Series 2020 Note, and shall be registered in the name of the Lender.

Notwithstanding any other provision of this Resolution to the contrary, the Issuer and the Paying Agent shall be entitled to treat and consider the Person in whose name the Series 2020 Note is registered in the records of the Registrar as the absolute owner of the Series 2020 Note for the purpose of payment of principal, premium, if any, and interest with respect to the Series 2020 Note, for the purpose of giving notices of redemption, sale, purchase or any event which would or could give rise to a sale or purchase right or option with respect to the Series 2020 Note for the purpose of making payment of any purchase price of the Series 2020 Note, for the purpose of registering transfers with respect to the Series 2020 Note, and for all other purposes whatsoever. The Issuer and Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2020 Note and the purchase price of the Series 2020 Note only to or upon the order of the respective Registered Owner, as shown in the records of the Registrar as provided in this Resolution, or its attorneys or legal representatives duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2020 Note to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the records of the Registrar, shall receive a Note certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Resolution.

Section 3.09. Delivery of Series 2020 Note. The Issuer shall execute and deliver the Series 2020 Note to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2020 Note to the Lender upon receipt of the documents set forth below:

- (1) The name in which the Series 2020 Note are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;
- (2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2020 Note to the Lender;
- (3) Copies of this Resolution and the Supplemental Resolution certified by the Secretary;
- (4) The unqualified approving opinion of Bond Counsel regarding the Series 2020 Note; and
- (5) A copy of such other documents and certificates as the Lender may reasonably require.

Section 3.10. Form of Series 2020 Note. The definitive Series 2020 Note shall be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2020 NOTE attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2020 Note on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2020 Note shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.11. Disposition of Proceeds of Series 2020 Note. Upon the issuance and delivery of the Series 2020 Note, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. From the proceeds of the Series 2020 Note, there shall first be deposited with the Commission in the Series 2020 Notes Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2020 Notes, such monies shall be deposited with the Depository Bank in the Project Fund and applied solely to payment of Costs of the Project in the manner set forth herein.

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

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

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Renewal and Replacement Fund (established by the Prior Resolutions);
- (3) Project Fund; and
- (4) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. Pursuant to this Article IV, the following special funds and accounts are hereby established (or continued if previously established by the Prior Resolutions) with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other and used solely for the purposes provided herein:

- (1) Series 1993 B Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (2) Series 1993 B Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (3) Series 1993 C Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (4) Series 1993 C Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (5) Series 1993 D Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (6) Series 1993 D Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (7) Series 1996 Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (8) Series 1996 Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (9) Series 2001 A Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (10) Series 2001 A Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (11) Series 2003 C Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);

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

- (28) Series 2015 E Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (29) Series 2016 A Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (30) Series 2016 A Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (31) Series 2020 A Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (32) Series 2020 A Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (33) Series 2020 B Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (34) Series 2020 B Bonds Reserve Account (established by the Prior Resolutions and hereby continued); and
- (35) Series 2020 Note Sinking Fund.

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2020 Note shall be outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

- (1) The Issuer shall first, each month, pay from the Revenue Fund the Operating Expenses of the System.
- (2) The Issuer shall next, each month simultaneously, transfer from the Revenue Fund and remit to the Commission the amounts required by Prior Resolutions to pay interest on the First Lien Bonds.
- (3) The Issuer shall next, each month simultaneously, transfer from the Revenue Fund and remit to the Commission the amounts required by Prior Resolutions to pay principal on the First Lien Bonds.
- (4) The Issuer shall next, on the first day of each month simultaneously, transfer from the Revenue Fund and remit to the Commission the amounts required by Prior Resolutions to be deposited in the respective reserve accounts for the First Lien Bonds.

(5) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account; and shall use the monies therein as provided by the Prior Resolutions. 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 First Lien Bonds Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

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

(8) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Sinking Fund for the Series 2020 Note the amount required by the this Note Legislation to pay interest on the Series 2020 Notes.

(9) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Sinking Fund for the Series 2020 Notes the amount required by this Note Legislation to pay principal of the Series 2020 Note.

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

Moneys in the Series 2020 Note Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2020 Note, whether by maturity or redemption prior to maturity. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2020 Note Sinking Fund when the aggregate amount of funds therein is at least equal to the aggregate principal amount of Series 2020 Note then outstanding, plus the amount of interest due or thereafter to become due on such Notes then outstanding.

The payments into the Series 2020 Note Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution.

B. The Commission is hereby designated as the fiscal agent for the administration of the Series 2020 Note Sinking Fund created or continued hereunder, and all amounts required for said Sinking Fund shall be remitted to the Commission from said Revenue Fund and from the proceeds of the sale of the Notes, by the Issuer at the times and as otherwise 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. Notwithstanding the foregoing, however, the Commission shall deposit all remittances in the fund or account in the priority established by this Resolution.

ARTICLE V **INVESTMENTS; ARBITRAGE; TAX CERTIFICATE AND REBATE**

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

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer may make any and all investments permitted by this section through the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Notwithstanding the foregoing, all moneys deposited in any Sinking Fund, including any reserve account therein, may be invested by the Commission in the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2020 Note in such manner and to such extent as may be necessary, so that such Series 2020 Note will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 2020 Note) so that the interest on the Series 2020 Note will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate and Rebate. The Issuer shall deliver 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 2020 Note. In

addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2020 Note as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Notes from gross income for federal income tax purposes.

ARTICLE VI **ADDITIONAL COVENANTS OF THE ISSUER**

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by the Holder of the Series 2020 Note, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holder of the Series 2020 Note as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2020 Note or the interest thereon, are outstanding and unpaid.

Section 6.02. Series 2020 Note Not to be Indebtedness of the Issuer. The Series 2020 Note shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional,

statutory or charter limitation of indebtedness. The Series 2020 Notes shall be payable solely from and secured by the proceeds of bonds proposed to be issued in the future to permanently finance the Project and a first lien on Surplus Revenues.

Section 6.03. Series 2020 Note Secured by Pledge of Future Revenue Bonds and Surplus Revenues; Lien Position with Respect to Prior Bonds. The Series 2020 Notes shall be junior and subordinate to the Prior Bonds with respect to liens, pledge and source of and security for payment in all respects. The Series 2020 Notes shall be payable solely from and secured by the proceeds of bonds proposed to be issued in the future to permanently finance the Project and a first lien on Surplus Revenues.

Section 6.04. Rates. Prior to the issuance of the Series 2020 Note, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Issuer, which copy will be open to inspection by all interested parties.

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

Section 6.06. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in the Prior Resolutions.

Section 6.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The Series 2020 Notes shall be payable solely from and secured by the proceeds of revenue bonds or other obligations issued subsequent to the Series 2020 Notes.

Section 6.08. [RESERVED]

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2020 Note remains outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

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

B. PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$500,000 per

occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

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

D. FLOOD INSURANCE, to extent available at reasonable cost to the Issuer.

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

F. FIDELITY BONDS will be provided to the extent required by State law.

Section 6.10. Connections. To the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 6.11. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System and, in the event the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia. The Issuer further covenants and agree that it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, including penalties and reconnect fees, have been fully paid, or a payment agreement in compliance with the West Virginia Public Service Commission regulations has been entered.

Section 6.13. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.14. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Note or Notes shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by an Independent Certified Public Accountant.

Section 6.15. Operating Budget. The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, or at such earlier date required by State law, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. The Issuer shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of Notes or anyone acting for and in behalf of such Holder who requests the same.

Section 6.16. 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 2020 Note 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 such Series 2020 Note during the term thereof is, under the terms of such Series 2020 Note or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2020 Note 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 2020 Note during the terms thereof is, under the terms of such Series 2020 Note 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 2020 Note 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 2020 Note are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2020 Note or \$5,000,000 are used, directly or indirectly, to make or finance a loan 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 2020 Note to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2020 Note 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 2020 Note will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

ARTICLE VII **DEFAULTS AND REMEDIES**

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2020 Note:

(A) If default by the Issuer occurs in the due and punctual payment of the principal of or interest on any Note;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Resolution or any Supplemental Resolution or in the Notes contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Registered Owner of any Note;

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

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Registered Owner of any Note may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights, provided, that all rights and remedies of the Registered Owner of the Series 2020 Note shall be junior and subordinate with those of the Registered Owner of the Prior Bonds, and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Registered Owner, including the right to require the Issuer to perform its duties under the Act and this Resolution;

(C) Bring suit upon the Notes;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owner of the Notes; and

(E) By action or bill in equity enjoin any acts in violation of this Resolution or the rights of the Registered Owner of the Notes; provided, that all rights and remedies of the Registered Owner of the Series 2020 Note shall be junior and subordinate to those of the Registered Owner of the Prior Bonds.

No remedy by the terms of this Resolution conferred upon or reserved to the Registered Owner 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 Registered Owner hereunder or now or hereafter existing at law or by statute.

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

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

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Registered Owner shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Notes, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution and the Act.

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

Whenever all that is due upon the Series 2020 Note issued pursuant to this Resolution and interest thereon and under any covenants of this Resolution for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any

Registered Owner shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

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

ARTICLE VIII **REGISTRAR, PAYING AGENT AND DEPOSITORY BANK**

Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank. The Registrar, Paying Agent and Depository Bank for the Series 2020 Note shall be appointed pursuant to the Supplemental Resolution.

Section 8.02. Responsibilities of Registrar, Paying Agent and Depository Bank. The recitals of fact in the Series 2020 Note shall be taken as statements of the Issuer, and the Registrar, Paying Agent and Depository Bank shall not be responsible for their accuracy. The Registrar, Paying Agent and Depository Bank shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of the Series 2020 Note by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2020 Note. The Registrar, Paying Agent and Depository Bank and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Resolution and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar, Paying Agent and Depository Bank May Act. Except as otherwise provided by Section 10.02, the Registrar, Paying Agent and Depository Bank shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or

other document believed by them to be genuine and to have been signed or presented by the proper party or parties. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion such Fiduciary may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar, Paying Agent and Depository Bank from time to time reasonable compensation for all services, including the transfer of registration of Series 2020 Note, the first exchange of the Series 2020 Note and the exchange of Series 2020 Note in the event of partial redemption, incurred in the performance of their duties hereunder.

Section 8.05. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Resolution by giving not less than 60 days' written notice to the Issuer. Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or noteholders, in which event such resignation shall take effect immediately.

Section 8.06. Removal. The Registrar may be removed at any time by the Issuer or by the Registered Owner of the Series 2020 Note by an instrument in writing signed and duly acknowledged by the Issuer or by such Registered Owner or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 8.07. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Registered Owner of a the Series 2020 Note by an instrument or concurrent instruments in writing signed by such Registered Owner or its attorney duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Registered Owner. Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Registered Owner. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Registered Owner may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, Trust Company or national banking association authorized to perform the duties imposed upon it by this Resolution.

In case at any time the Paying Agent shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Paying Agent or of its property shall be appointed, or if any public officer or court shall take charge or control of the Paying Agent or of its property or affairs, a successor may be appointed by the Registered Owner of a the Series 2020 Note by an instrument or concurrent instruments in writing signed by such Registered Owner or its attorney duly authorized in writing and delivered to the Issuer and such

successor Paying Agent, notification thereof being given to the predecessor Paying Agent. Pending such appointment, the Issuer shall forthwith appoint a Paying Agent to fill such vacancy until a successor Paying Agent shall be appointed by such Registered Owner. Any successor Paying Agent appointed by the Issuer shall, immediately and without further act, be superseded by a Paying Agent appointed by such Registered Owner. If in a proper case no appointment of a successor Paying Agent shall be made within 45 days after the Paying Agent shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Paying Agent or any Registered Owner may apply to any court of competent jurisdiction to appoint a successor. Any Paying Agent appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Resolution.

Section 8.08. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any moneys, books and records held by it and relating to the Series 2020 Note to its successor.

Section 8.09. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, Trust Company or national banking association meeting the requirements set forth in Section 8.07.

Section 8.10. Adoption of Authentication. In case of the Series 2020 Note shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver the Series 2020 Note so authenticated, and, in case the Series 2020 Note shall have been prepared but not authenticated, any successor Registrar may authenticate such Series 2020 Note in the name of the predecessor Registrar or in its own name.

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

Section 9.01. Defeasance; Discharge of Pledge of Resolution. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owner of the Series 2020 Note the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution and the pledges of the moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Registered Owner of the Series 2020 Note made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE X **MISCELLANEOUS**

Section 10.01. Amendment of Resolution. This Resolution and any Supplemental Resolution may be amended or modified without the consent of Registered Owner or any other person, solely for the purpose of maintaining the tax-exempt status of the Series 2020 Note. Otherwise, no materially adverse amendment or modification to this Resolution, or of any Supplemental Resolution, may be made without the written consent of the Registered Owner, or its authorized representative, of the

Series 2020 Note, before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, the Series 2020 Note without the express written consent of the Registered Owner of the Series 2020 Note.

Section 10.02. Evidence of Signatures of Registered Owner and Ownership of Series 2020 Note. Any request, consent, revocation of consent or other instrument which this Resolution may require or permit to be signed and executed by the Registered Owner of the Series 2020 Note shall be signed or executed by such Registered Owner in person, by his attorney duly authorized in writing or his authorized representative. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney or authorized representative, shall be sufficient for any purpose of this Resolution if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

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

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

Any request, consent or other instrument executed by the Registered Owner of the Series 2020 Note shall bind any future Registered Owner of the Series 2020 Note in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Resolution shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Registered Owner, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Resolution shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Series 2020 Note. Subject to the provision in the form of the Series 2020 Note that the Lender shall not be required to surrender the Series 2020 Note in order to receive payment of principal and interest during the term of the Series 2020 Note, including without limitation, upon maturity, if the Series 2020 Note is purchased or paid in full it shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it.

The Series 2020 Note shall not be deemed outstanding under this Resolution, nor shall a Series 2020 Note shall be issued in lieu thereof. The Series 2020 Note shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Series 2020 Note. Anything in this Resolution to the contrary notwithstanding, any moneys held by the Commission or a Paying Agent in trust for the payment and discharge of the Series 2020 Note which remains unclaimed for 1 year after the date on which the Series 2020 Note has become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Registered Owner of the Series 2020 Note shall look only to the Issuer for the payment of such Series 2020 Note; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Commission, or said Paying Agent shall send to the Registered Owner, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer.

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

ISSUER:

Berkeley County Public Service District
251 Caperton Blvd.
Martinsburg, WV 25403
Attention: Chairman

PAYING AGENT:

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

REGISTRAR:

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

DEPOSITORY BANK:

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

FINANCIAL ADVISOR

Compass Municipal Advisors, LLC
771 Corporate Dr. Suite 1050
Lexington, KY 40503

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

Section 10.07. No Personal Liability. No member of the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Series 2020 Note, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Resolution.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Resolution and of all Series 2020 Note issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent and the Registered Owner of the Series 2020 Note any right, remedy or claim under or by reason of this Resolution. All the covenants, stipulations, promises and agreements contained in this Resolution by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, and the Registered Owner of the Series 2020 Note.

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

Section 10.11. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All orders, resolutions or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided however, that the Prior Resolutions shall remain in full force and effect so long as any of the Prior Bonds are outstanding.

Section 10.13. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Board 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]

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

Adopted this 7th day of December, 2020.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT


Chairman

CERTIFICATION

Certified a true, correct and complete copy of a Resolution duly adopted by BERKELEY COUNTY PUBLIC SERVICE DISTRICT on December 7, 2020.

Dated: December 17, 2020.



W. Wayne Dunbar
Secretary

EXHIBIT A

FORM OF SERIES 2020 NOTE

No. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)
WATER REVENUE BOND ANTICIPATION NOTE, SERIES 2020 (BANK QUALIFIED)

INTEREST RATE

MATURITY DATE

NOTE DATE

_____, 20__

_____, 2020

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT, a public service district organized and existing under the laws of the State of West Virginia (the "Borrower"), for value received, hereby promises to pay, but only from the special funds provided therefore, as hereinafter set forth, to _____ (the "Registered Owner"), on _____, 20__, or upon issuance of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Notes, whichever shall occur earlier. The interest on this Note shall be at the rate of ___% per annum, payable semiannually on the 1st day of each _____ and _____, commencing _____ 1, 20__. The entire outstanding principal balance of this Note and all interest accrued hereon shall be payable in full on _____ 1, 20__, or upon the issuance of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Notes, whichever shall occur earlier.

Interest accruing on this Note and the principal thereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner or, at the option of the Registered Owner, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner, or by other mutually agreeable method. The Note shall be payable as to principal and interest in any coin or currency which on the date of payment of principal and/or interest is legal tender for the payment of public and private debts under the laws of the United States of America. The Registered Owner of this Note shall not be required to surrender the Note in order to receive payments of principal and interest during the term of the Note, including without limitation, upon maturity. This Note may be prepaid in whole, but not in part, at any time without penalty.

The proceeds of this “Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified)” (the “Note”) are to be used (i) to temporarily pay the costs of acquisition and construction of the Project as defined in the Resolution, and (ii) to pay certain costs of issuance of the Series 2020 Note and related costs.

This Note 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 Code of West Virginia, 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on _____, 2020, and supplemented by a Supplemental Parameters Resolution adopted by the Issuer on _____, 2020 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of said Resolution.

THIS NOTE IS ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL REPECTS TO THE ISSUER’S:

(1) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE “SERIES 1993 B BONDS”);

(2) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE “SERIES 1993 D BONDS”);

(3) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE “SERIES 1996 BONDS”);

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

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

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

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

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

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

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

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

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

(13) WATER REFUNDING REVENUE BONDS, SERIES 2015 E (BANK-QUALIFIED), DATED DECEMBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,460,000 (THE “SERIES 2015 E BONDS”);

(14) WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 20, 2016 ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$5,213,278 (THE “SERIES 2016 A BONDS”);

(15) WATER REFUNDING REVENUE BONDS, SERIES 2020 A (BANK-QUALIFIED), DATED MAY 27, 2020, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,950,000 (THE “SERIES 2020 A BONDS”);

(16) WATER REFUNDING REVENUE BONDS, SERIES 2020 B (TAXABLE), DATED MAY 27, 2020, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$300,000 (THE “SERIES 2020 B BONDS”); AND

(17) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE “SERIES 1993 C BONDS”).

THE PRINCIPAL OF AND INTEREST ON THIS NOTE ARE PAYABLE SOLEY FROM AND SECURED BY A FIRST LIEN ON (1) THE PROCEEDS OF ANY REVENUE BONDS OR OTHER OBLIGATIONS OF THE ISSUER ISSUED SUBSEQUENT TO THIS NOTE; AND (2) SURPLUS REVENUES, IF ANY, AS DEFINED IN THE RESOLUTION. THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, NOR SHALL THE ISSUER BE OBLIGATED TO PAY THE SAME OR THE INTEREST HEREON EXCEPT FROM THE SOURCES SET FORTH ABOVE.

This Note is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Note has been 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 Note have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

(Manual or Facsimile Signature)
Chairman

ATTEST:

(Manual or Facsimile Signature)
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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

Dated: _____, 2020.

United Bank
as Registrar

By _____
Its Authorized Officer

(Form of)

ASSIGNMENT TO SUCCESSOR CORPORATION

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby assigns and transfers unto its corporate successor,

_____ the within Note and
does hereby irrevocably constitute and appoint

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

Dated: _____, 20_____.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

Berkeley County Public Service District

Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE WATER REVENUE BOND ANTICIPATION NOTE, SERIES 2020 (BANK QUALIFIED) OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH NOTE TO TRUIST BANK; APPOINTING A REGISTRAR AND PAYING AGENT FOR SUCH NOTE; AND AMENDMENT AND/OR MODIFICATION OF THE RESOLUTION TO COMPLY THEREWITH; AND MAKING OTHER PROVISIONS AS TO THE NOTE.

WHEREAS, Berkeley County Public Service District (the “Issuer”) in the County of Berkeley, State of West Virginia, is a public service district and political subdivision of said State, the governing body of which is its public service board (the “Governing Body”);

WHEREAS, the Governing Body has duly adopted and officially adopted on December 7, 2020, a Resolution (the “Resolution”) entitled:

A RESOLUTION AUTHORIZING THE ACQUISITION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATER SYSTEM AND TEMPORARILY FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF THE WATER REVENUE BOND ANTICIPATION NOTE, SERIES 2020 (BANK QUALIFIED) OF THE BERKELEY COUNTY PUBLIC SERVICE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$10,000,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNER OF SUCH NOTE; AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX CERTIFICATE, A TAX COMPLIANCE POLICY AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTE AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance by the Issuer of its Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified) in an aggregate principal amount not to exceed \$10,000,000 (the “Series 2020 Note” or “Note”) in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the “Act”);

WHEREAS, the Resolution further provided that the exact date, amount, maturity, interest rate, redemption provisions, purchase price and other terms of the Series 2020 Note should be established by Supplemental Resolution, that a Registrar, Paying Agent and Depository Bank be designated, that a Registrar Agreement, and a Tax Compliance Policy be approved and that other matters pertaining to the Series 2020 Note be provided for by a Supplemental Resolution of the Governing Body, that additional covenants and provisions relating to the Series 2020 Note be provided therein;

WHEREAS, the Series 2020 A Note is proposed to be purchased by Truist Bank, Charlotte, North Carolina (the "Purchaser" or the "Bank"), pursuant to a commitment letter dated October 13, 2020;

WHEREAS, the Governing Body desires to adopt a tax compliance policy (the “Tax Compliance Policy”) with respect to the Series 2020 Note;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the “Supplemental Resolution”) be adopted, that the Tax Compliance Policy, and the Registrar Agreement hereinafter provided for be approved by the Issuer, and that other matters relating to the Note be herein provided for all in accordance with the Resolution;

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

Section 1. For the purposes of (i) temporarily financing the cost of acquisition and construction of the Project, and (ii) paying costs of issuance of the Series 2020 Note and related costs, the Governing Body of the Issuer hereby authorizes and orders the issuance of the Series 2020 Note in an aggregate principal amount not to exceed \$10,000,000.

Section 2. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified), of the Issuer, initially represented by a single Note, numbered R-1, in the aggregate principal amount of \$10,000,000. The Series 2020 Note shall be dated on or about December 17, 2020, and shall finally mature on December 1, 2023, at which time the principal amount is due. Interest shall commence on the date of closing on the outstanding principal amount and interest only payments shall be payable semiannually on the 1st day of each June and December, commencing June 1, 2021, at the rate of 1.26% per annum (the “Tax-Exempt Rate”); provided, that in the event that the interest on the Series 2020 Note is determined to be subject to federal income taxation by the Internal Revenue Service, such interest shall be at the rate of 1.60% per annum from the date of such determination of taxability. The entire outstanding principal balance of the Note and all interest accrued hereon shall be payable in full on December 1, 2023, or upon the issuance of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Notes. The Series 2020 Note shall be prepayable in whole at any time without penalty.

Section 3. The Series 2020 Note shall be sold to Truist Bank, Charlotte, North Carolina (the “Lender”), pursuant to the terms of Commitment Letter dated October 13, 2020 at an aggregate purchase price of \$10,000,000.

Section 4. Proceeds of the Note shall be expended solely for the purposes set forth in the Resolution.

Section 5. The Issuer shall supply the Lender with audited financial statements within 270 days after the conclusion of the fiscal year so long as the Series 2020 Note is outstanding.

Section 6. The Tax Certificate, to be dated the date of execution and delivery of the Note (the “Tax Certificate”), and executed and delivered by the Issuer, substantially in the form to be approved pursuant to the execution and delivery by the Chairman of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved and directed. The Chairman shall execute and deliver the Tax Certificate with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Tax Certificate by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 7. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form to be approved pursuant to the execution and delivery by the Chairman of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved and directed. The Chairman shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Registrar Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 8. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Note.

Section 9. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent for the Series 2020 Note.

Section 10. The Issuer also hereby appoints the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Depository Bank for the Note.

Section 11. The Issuer hereby appoints and designates United Bank, Charleston, West Virginia, as the Registrar.

Section 12. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Note to the end that the Note may be delivered on a timely basis to the Lender.

Section 13. The issuance of the Series 2020 Note is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Series 2020 Note or any other funds of the Issuer to be used directly or

indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2020 Note or Prior Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Chairman of the Issuer is authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the Issuer's compliance with this covenant.

Section 15. The Chairman and Secretary, and all other appropriate officers and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2020 Note to be duly and properly issued by the Issuer and delivered to the Lender as herein authorized and to otherwise facilitate the transaction contemplated by this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Blank]

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 7th day of December, 2020.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of BERKELEY COUNTY PUBLIC SERVICE DISTRICT on December 7, 2020, which Supplemental Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof.

Dated: December 17, 2020.



By: D. Wayne Dunbar
Secretary

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

Water Revenue Bond Anticipation Note, Series 2020

CROSS-RECEIPT FOR NOTE AND NOTE PROCEEDS

On this 17th day of December, 2020, the undersigned authorized representative of Truist Bank, Charlotte, North Carolina (the "Lender"), and the undersigned Chairman of the Berkeley County Public Service District (the "Issuer"), hereby certify as follows:

1. On December 17, 2020, at Martinsburg, West Virginia, the Lender received the Berkeley County Public Service District Water Revenue Bond Anticipation Note, Series 2020, No. R-1, issued in the principal amount of \$10,000,000 (the "Series 2020 Notes"), dated December 17, 2020. The Series 2020 Note represents the entire above-captioned issue.

2. At the time of such receipt, the Series 2020 Note had been executed and sealed by the designated officials of the Issuer.

3. The Issuer has received and hereby acknowledges receipt from the Lender of the sum of \$10,000,000, being the entire principal amount of the Series 2020 Note, there being no interest accrued thereon.

[Remainder of Page Intentionally Blank]

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

TRUIST BANK

By: Russell R. Oker
Its: Authorized Representative

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

By: [Signature]
Its: Chairman

Berkeley County Public Service District
Water Revenue Bond Anticipation Note, Series 2020 (Bank-Qualified)

DIRECTION TO AUTHENTICATE AND DELIVER SERIES 2020 NOTE

United Bank,
as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 17th day of December, 2020:

1. Note No. R-1, constituting the entire original issue of the Berkeley County Public Service District Water Revenue Bond Anticipation Note, Series 2020, dated December 17, 2020, in the principal amount of \$10,000,000 (the "Series 2020 Note") executed by the Chairman and the Secretary of the Berkeley County Public Service District (the "Issuer") and bearing the official seal of the Issuer. The Series 2020 Notes are authorized to be issued under and pursuant to a Resolution adopted by the Issuer on December 7, 2020 and a Supplemental Resolution adopted by the Issuer on December 7, 2020 (collectively, the "Note Legislation").

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

3. Signed, unqualified approving opinion of nationally recognized bond counsel designated by the Issuer and acceptable to the Lender.

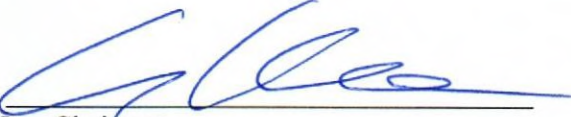
You are hereby requested and authorized to deliver the Series 2020 Note to Truist Bank (the "Lender") upon payment to the Issuer of the sum of \$10,000,000, representing the entire principal amount of the Series 2020 Note. Prior to such delivery of the Series 2020 Note, you will please cause the Series 2020 Note to be authenticated and registered by an authorized officer, as Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

[Remainder of Page Intentionally Blank]

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

BERKELEY COUNTY PUBLIC SERVICE
DISTRICT

By:


Its: Chairman

SPECIMEN

No. R-1

\$10,000,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)
WATER REVENUE BOND ANTICIPATION NOTE, SERIES 2020 (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>NOTE DATE</u>
1.26%	12/01/2023	12/17/2020
REGISTERED OWNER:	TRUIST BANK	
PRINCIPAL AMOUNT:	TEN MILLION DOLLARS	

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT, a public service district organized and existing under the laws of the State of West Virginia (the "Borrower"), for value received, hereby promises to pay, but only from the special funds provided therefore, as hereinafter set forth, to Truist Bank (the "Registered Owner"), on December 1, 2023, or upon issuance of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Notes, whichever shall occur earlier. The interest on this Note shall be at the rate of 1.26% per annum, payable semiannually on the 1st day of each June 1 and December 1, commencing June 1, 2021. The entire outstanding principal balance of this Note and all interest accrued hereon shall be payable in full on December 1, 2023, or upon the issuance of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Notes, whichever shall occur earlier. Interest on the Note shall be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each.

Interest accruing on this Note and the principal thereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner or, at the option of the Registered Owner, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner, or by other mutually agreeable method. The Note shall be payable as to principal and interest in any coin or currency which on the date of payment of principal and/or interest is legal tender for the payment of public and private debts under the laws of the United States of America. The Registered Owner of this Note shall not be required to surrender the Note in order to receive payments of principal and interest during the term of the Note, including without limitation, upon maturity. This Note may be prepaid in whole, but not in part, at any time without penalty.

The proceeds of this "Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified)" (the "Note") are to be used (i) to temporarily pay the costs of acquisition and construction of the Project as defined in the Resolution, and (ii) to pay certain costs of issuance of the Series 2020 Note and related costs.

This Note 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 Code of West Virginia, 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on December 7, 2020, and supplemented by a Supplemental Parameters Resolution adopted by the Issuer on December 7, 2020 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of said Resolution.

THIS NOTE IS ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL REPECTS TO THE ISSUER'S:

(1) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE "SERIES 1993 B BONDS");

(2) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE "SERIES 1993 D BONDS");

(3) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE "SERIES 1996 BONDS");

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

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

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

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

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

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

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

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

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

(13) WATER REFUNDING REVENUE BONDS, SERIES 2015 E (BANK-QUALIFIED), DATED DECEMBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,460,000 (THE "SERIES 2015 E BONDS");

(14) WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 20, 2016 ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$5,213,278 (THE "SERIES 2016 A BONDS");

(15) WATER REFUNDING REVENUE BONDS, SERIES 2020 A (BANK-QUALIFIED), DATED MAY 27, 2020, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,950,000 (THE "SERIES 2020 A BONDS");

(16) WATER REFUNDING REVENUE BONDS, SERIES 2020 B (TAXABLE), DATED MAY 27, 2020, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$300,000 (THE "SERIES 2020 B BONDS"); AND

(17) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE "SERIES 1993 C BONDS").

THE PRINCIPAL OF AND INTEREST ON THIS NOTE ARE PAYABLE SOLELY FROM AND SECURED BY A FIRST LIEN ON (1) THE PROCEEDS OF ANY REVENUE BONDS OR OTHER OBLIGATIONS OF THE ISSUER ISSUED SUBSEQUENT TO THIS NOTE; AND (2) SURPLUS REVENUES, IF ANY, AS DEFINED IN THE RESOLUTION. THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, NOR SHALL THE ISSUER BE OBLIGATED TO PAY THE SAME OR THE INTEREST HEREON EXCEPT FROM THE SOURCES SET FORTH ABOVE.

This Note is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Note has been 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 Note have existed,

have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]




Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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

Dated: December 17, 2020.

United Bank
as Registrar

By Thomas Browning
Its Authorized Officer

(Form of)

ASSIGNMENT TO SUCCESSOR CORPORATION

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby assigns and transfers unto its corporate successor,

_____ the within Note and
does hereby irrevocably constitute and appoint

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

Dated: _____, 20____.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

WEST VIRGINIA MUNICIPAL BOND COMMISSION**NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone:(304) 558-3971

FAX: (304) 558-1280

mbc.wv.govDate of Report: 12/17/2020ISSUE: Berkeley County Public Service District Water Revenue BAN, Series 2020 (BQ)ADDRESS: 251 Caperton Blvd, Martinsburg, WV 25403COUNTY: BerkeleyPURPOSE OF ISSUE: New Money Refunding

Refunding issue(s) dated: _____

ISSUE DATE: December 17, 2020RATE: 1.26% ADMIN FEE: _____ISSUE AMOUNT: \$10,000,0001st DEBT SERVICE DUE: 6/1/20211st PRINCIPAL DUE: 12/1/20231st DEBT SERVICE AMOUNT: \$ 57,400.00PAYING AGENT: MBCBOND COUNSEL: Steptoe & Johnson PLLC

UNDERWRITERS COUNSEL: _____

Contact Name: John Stump

Contact Name: _____

Phone: 304.353.8196

Phone: _____

Email: john.stump@steptoe-johnson.com

Email: _____

CLOSING BANK: _____

ESCROW TRUSTEE: _____

Contact Name: _____

Contact Name: _____

Phone: _____

Phone: _____

Email: _____

Email: _____

KNOWLEDGEABLE ISSUER CONTACT:

OTHER: Compass Municipal AdvisorsContact Name: Jim OuellettContact Name: Brian G. NurickTitle: Executive DirectorTitle: Senior Managing DirectorPhone: 304.267.4600Phone: 859.368.9616Email: jouellet@berkeleywater.orgEmail: brian.nurick@compassmuni.com

DEPOSITS TO MBC AT CLOSE: _____

Accrued Interest: _____

By: Wire

Capitalized Interest: _____

 Check

Reserve Account: _____

In-house Transfer Other: Project Acct \$9,975,500

REFUNDS & TRANSFERS BY MBC AT CLOSE:

To Escrow Trustee: _____

By: Wire

To Issuer: _____

 Check

To Cons.Invest Fund: _____

IGT

To Other: _____

ISSUER NUMBERS:

BANK ID NUMBER: _____

CUSIP: _____

ACCOUNT NUMBER: _____

PROGRAM NUMBER: _____

NOTES: Series 2020 A BANS do not require a reserve account.

FOR MUNIICIPAL BOND COMMISSION USE ONLY:

Documents Required: _____

Transfers Required: _____

Berkeley County Public Service District
Water Revenue Bond Anticipation Note, Series 2020 (Bank-Qualified)

REGISTRAR AGREEMENT

THIS AGREEMENT, dated as of the 17th day of December, 2020, by and between BERKELEY COUNTY PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia (the "Issuer"), and UNITED BANK, Charleston, West Virginia, a state banking corporation (the "Bank").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$10,000,000 aggregate principal amount of Water Revenue Bond Anticipation Note, Series 2020 (Bank-Qualified), (the "Series 2020 Note"), in fully registered form pursuant to a Resolution enacted December 7, 2020, as supplemented by a Supplemental Resolution adopted December 7, 2020 (collectively, the "Note Legislation");

WHEREAS, capitalized words and terms used in this Agreement and not otherwise defined herein shall have the respective meanings given them in the Note Legislation, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Note Legislation provides for an appointment by the Issuer of a Registrar for the Series 2020 Note; and

WHEREAS, the Issuer desires to appoint, and by the Note Legislation and this Agreement does appoint the Bank to act as Registrar under the Note Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Agreement by the Issuer and the Bank and during the term hereof, the Bank does accept and shall have and agrees to perform all of the powers and duties of Registrar, as set forth in the Note Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2020 Note upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the excludability from gross income of interest on the Series 2020 Note for purposes of federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Bank agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Bank's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Bank shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Agreement, the Issuer hereby agrees to pay to the Bank, the compensation for services rendered as provided in the annexed fee schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Agreement shall carry out and implement provisions of the Note Legislation with respect to the Registrar. In the event of any conflict between the terms of this Agreement and the Note Legislation, the terms of the Note Legislation shall govern.

6. The Issuer and the Bank each warrants and represents that it is duly authorized and empowered to execute and enter into this Agreement and that neither such execution nor the performance of its duties hereunder or under the Note Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:

Berkeley County Public Service District
251 Caperton Blvd.
Martinsburg, West Virginia 25403
Attention: Manager

REGISTRAR:

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

8. The Bank is hereby requested and authorized to authenticate and deliver the Series 2020 Note in accordance with the Note Legislation.

9. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of any of the parties hereto shall be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

10. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

UNITED BANK

By: 
Its: Authorized Officer

EXHIBIT A

Note Legislation

[See Transcript at Tab No. 1 and Tab No. 2]



Chase Tower, 17th Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.stepto-johnson.com

Writer's Contact Information

December 17, 2020

Berkeley County Public Service District
Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified)

Berkeley County Public Service District
Martinsburg, West Virginia

Truist Bank
Charlotte, North Carolina

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Berkeley County Public Service District (the "Issuer") of its \$10,000,000 Water Revenue Bond Anticipation Note, Series 2020 (the "Note"), dated the date hereof.

The Note 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 December 7, 2020, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 7, 2020 (collectively, the "Note Legislation"), and is subject to all the terms and conditions of the Note Legislation. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Note Legislation when used herein.

The Note is originally issued in the form of one note, numbered R-1, in fully registered form and bears interest on advances of the principal amount thereof from the date of each such advance at the rate of 1.26% per annum, subject to a higher rate in the event of a "Determination of Taxability" (as defined in the Note), payable at maturity or earlier prepayment thereof.

The Note may be prepaid in whole at any time without penalty.

The Note is issued for the purposes of (i) temporarily financing the cost of the Project; and (ii) paying the costs of issuance of the Note and related costs.

The Note has been sold to Truist Bank, Charlotte, North Carolina (the "Lender"), pursuant to a commitment letter dated October 13, 2020.

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 Note Legislation and in the certified proceedings and other certifications of certain public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer pertaining to tax matters set forth in the Note Legislation and in certain certificates delivered in connection with the issuance of the Note, 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 Note Legislation and to issue and sell the Note, all under the provisions of the Act and other applicable provisions of law.

2. The Note Legislation 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 Note has been duly authorized, issued, executed and delivered by the Issuer to the Lender and is a valid, legally enforceable and binding special obligation of the Issuer, payable only from and secured by a first lien on (i) the proceeds of revenue bonds or other obligations of the Issuer to be issued subsequent to the issuance of the Note; (ii) the proceeds of any grants received by the Issuer for the Project; and (iii) the Surplus Revenues, if any, of the System. The Note has no lien on Net or Gross Revenues of the System.

4. The Issuer has outstanding: (1) Water Revenue Bonds, Series 1993 B, dated March 8, 1993, issued in the original aggregate principal amount of \$528,871 and held by the West Virginia Water Development Authority (the "Series 1993 B Bonds"); (2) Water Revenue Bonds, Series 1993 D, dated July 29, 1993, issued in the original aggregate principal amount of \$10,257,957 and held by the West Virginia Water Development Authority (the "Series 1993 D Bonds"); (3) Water Revenue Bonds, Series 1996, dated August 6, 1996, issued in the original aggregate principal amount of \$677,158 and held by the West Virginia Water Development Authority (the "Series 1996 Bonds"); (4) Water Revenue Bonds, Series 2001 A (West Virginia Water Development Authority), dated October 25, 2001, issued in the original aggregate principal amount of \$2,010,000 (the "Series 2001 A Bonds"); (5) Water Revenue Bonds, Series 2003 C (West Virginia Water Development Authority), dated May 15, 2003, issued in the original aggregate principal amount of \$2,430,000 (the "Series 2003 C Bonds"); (6) Water Refunding Revenue Bonds, Series 2012 A (Bank Qualified), dated December 19, 2012, issued in the aggregate principal amount of \$7,425,000 (the "Series 2012 A Bonds"); (7) Water Revenue Bonds, Series 2012 B (Bank Qualified), dated December 20, 2012, issued in the aggregate principal amount of \$7,800,000 (the "Series 2012 B Bonds"); (8) Water Refunding Revenue Bonds, Series 2013 A (Bank Qualified), dated December 30, 2013, issued in the original aggregate principal amount of \$9,900,000 (the "Series 2013 A Bonds"); (9) Water Refunding Revenue Bonds, Series 2013 B (Taxable), dated December 30, 2013, issued in the original aggregate principal amount of \$2,875,000 (the "Series 2013 B Bonds"); (10) Water Refunding Revenue Bonds, Series 2015 A (Bank-Qualified), dated February 26, 2015, issued in the original aggregate principal amount of \$9,575,000 (the "Series 2015 A Bonds"); (11) Water Refunding Revenue Bonds, Series 2015 C (Bank-Qualified), dated October 1, 2015, issued in the original aggregate principal amount of \$9,910,000 (the "Series 2015 C Bonds"); (12) Water Refunding Revenue Bonds, Series 2015 D (Bank-Qualified), dated October 1, 2015, issued in the original aggregate principal amount of \$2,150,000 (the "Series 2015 D Bonds"); (13) Water Refunding Revenue Bonds, Series 2015 E (Bank-Qualified), dated December 1, 2015, issued in the original aggregate principal amount of \$5,460,000 (the "Series 2015 E Bonds"); (14) Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated July 20, 2016, issued in the original aggregate principal amount of \$5,213,278 (the "Series 2016 A Bonds"); (15) Water Refunding Revenue Bonds, Series 2020 A (Bank-

Qualified), dated May 27, 2020, issued in the original aggregate principal amount of \$9,950,000 (the "Series 2020 A Bonds"); (16) Water Refunding Revenue Bonds, Series 2020 B (Taxable), dated May 27, 2020, issued in the original aggregate principal amount of \$300,000 (the "Series 2020 B Bonds"); and (17) Water Revenue Bonds, Series 1993 C, dated March 8, 1993, issued in the original aggregate principal amount of \$17,629 and held by the West Virginia Water Development Authority (the "Series 1993 C Bonds"). (collectively, the "Prior Bonds"). The Prior Bonds are payable from and secured by the Net Revenues of the System. The Note has no lien on the Net Revenues of the System.

5. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Note (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 under the Code. 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 Note 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 Note set forth in the Note Legislation, and in certain certificates delivered in connection with the issuance of the Note. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Note to be includable in gross income retroactive to the date of issuance of the Note. We express no opinion regarding other federal tax consequences arising with respect to the Note except as expressly set forth in paragraph 7.

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

7. The Issuer has designated the Note 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 2020. Therefore, the Note is a "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

It is to be understood that the rights of the holders of the Note and the enforceability of liens, pledges, rights or remedies with respect to the Note and the Note Legislation 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 Note No. R-1 of said issue, and in our opinion, said Note is in proper form and has been duly executed and authenticated.

Very truly yours,



STEPTOE & JOHNSON PLLC

Law Offices of Hoy Shingleton, L.C.
115 Aikens Center, Suite 24
Martinsburg, WV 25404

304-262-4773 Telephone
304-262-4775 Fax

shinglet@comcast.net

December 17, 2020

Berkeley County Public Service District
Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified)

Berkeley County Public Service District
Martinsburg, West Virginia

Truist Bank
Charlotte, North Carolina

Step toe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the Berkeley County Public Service District (the "Issuer"), in connection with the issuance and sale of the above-captioned note (the "Note"). As such counsel, I have reviewed copies of the approving opinion of Step toe & Johnson PLLC, as bond counsel, the commitment letter dated October 13, 2020 from Truist Bank, Charlotte, North Carolina (the "Lender"), the Resolution of the Issuer duly adopted December 7, 2020, as supplemented by the Supplemental Resolution of the Issuer duly adopted December 7, 2020 (collectively, the "Note Legislation"), and other documents relating to the Note. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Note Legislation when used herein.

I am 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 members of the Board of the Issuer have been duly, lawfully and properly appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
3. The Note Legislation 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.

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



Signature

Official Title



Chairman



Secretary

Berkeley County Public Service District
Water Revenue Bond Anticipation Note, Series 2020 (Bank-Qualified)

CERTIFICATE OF REGISTRAR


The United Bank, Charleston, West Virginia (the "Registrar"), as Registrar for the above-captioned note (the "Series 2020 Note"), hereby certifies this 17th day of December, 2020 as follows, all capitalized terms used herein to have the same meanings set forth in the Resolution of the Berkeley County Public Service District (the "Issuer") adopted December 7, 2020, as supplemented by Supplemental Resolution duly adopted by the Issuer on December 7, 2020 (collectively, the "Note Legislation"):

1. The Registrar 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 Note Legislation and to serve in the capacity of Registrar under the Note Legislation.

2. The Registrar has duly authorized, by all necessary action, the authentication of the Series 2020 Note and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Note 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 2020 Note, 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 2020 Note 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.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
<u>Thomas J. Provenzano</u>	<u>Vice President</u>	

5. The Series 2020 Note have been duly authenticated, registered and delivered to the Registrar, and the advance of the principal of the Series 2020 Note have been deposited as required by the Note Legislation.

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

UNITED BANK

By:  Trust Advisor
Its: Authorized Officer

067780.00043

Berkeley County Public Service District
Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified)

CERTIFICATE OF MUNICIPAL ADVISOR

The undersigned Michael George, Senior Vice President of Compass Municipal Advisors, LLC (the “Municipal Advisor”), municipal advisor to the Berkeley County Public Service District (the “Issuer”) in connection with the issuance of its Water Revenue Bond Anticipation Note, Series 2020 (Bank-Qualified), in the aggregate principal amount of \$10,000,000, dated December 17, 2020 (the “Series 2020 Note”), hereby certifies the following on this 17th day of December, 2020:

1. The Municipal Advisor assisted the Issuer in arranging for a commercial bank to purchase the Series 2020 Note on December 17, 2020 (the “Commercial Loan”). Attached hereto as Exhibit A are the final financing schedules for the Series 2020 Note prepared by our firm.

2. The Municipal Advisor hereby confirms that the yield on the Series 2020 Note is 1.2600551%.

3. The Municipal Advisor hereby confirms that the weighted average maturity of the Series 2020 Note, based on the issue price of the Series 2020 Note on their date of issuance, is 2.956 years.

4. The Series 2020 Note is issued as fixed-rate bond.

5. The Municipal Advisor has not and will not receive any compensation from the proceeds of the sale of the Series 2020 Note, including investment earnings thereon, in excess of its fee in the amount of \$7,500.00.

6. This certificate may be relied upon by the Issuer with respect to its representations, warranties and certifications in the Tax Certificate relating to the Series 2020 Note and by Steptoe & Johnson PLLC in rendering its opinions with respect to the Series 2020 Note, including its opinion that the interest on the Series 2020 Note is excludable from gross income for Federal income tax purposes.

[Remainder of Page Intentionally Blank]

Dated the day and year first written above.

COMPASS MUNICIPAL ADVISORS, LLC

By: 
Name: Michael George
Title: Managing Director

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

Water Revenue Bond Anticipation Note, Series 2020

TAX CERTIFICATE

On this 17th day of December, 2020, the undersigned Chairman of Berkeley County Public Service District (the "Issuer"), being the official of the Issuer charged with the responsibility for issuing the above-referenced note (the "Note") of the Issuer, and acting for the Issuer and in its name, hereby certifies as follows with regard to the Note and use of the proceeds thereof, all capitalized terms used herein and not otherwise defined herein to have the same meanings set forth in the Resolution duly enacted by the Issuer on December 7, 2020, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 7, 2020 (collectively, the "Note Legislation"):

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the temporary and permanent regulations promulgated thereunder or any predecessor thereto (the "Regulations"). Along with other officers of the Issuer, I am the officer of the Issuer duly charged with the responsibility of issuing the Note. I am familiar with the facts, circumstances and estimates herein certified and are 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. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer that may not certify its obligations or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on December 28, 2020, the date on which the Note is to be physically delivered in exchange for the principal amount of the Note, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the Note Legislation, the Issuer has covenanted not to take, or permit or suffer to be taken, any action with respect to the gross proceeds of the Note which would cause the Note to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore, covenanted not to intentionally use any portion of the proceeds of the Note to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Section 148 of the Code. The Issuer, in the Note Legislation, has further

covenanted that it will take all actions that may be required of it so that the interest on the Note 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.

6. The Note was sold on December 17, 2020, to Truist Bank, Hurricane, West Virginia (the "Lender"), pursuant to a commitment letter dated October 13, 2020 for a purchase price of \$10,000,000, being the par value thereof (there being no interest accrued thereon) for the purposes of (i) temporarily financing the cost of the design, acquisition and construction of the Project and (ii) paying costs of issuance and related costs thereof. None of such monies will be deposited in a reserve or replacement fund, and all of such monies are necessary for such purposes.

7. On the date hereof, the Issuer received \$10,000,000 from the Lender, being the entire principal amount of the Note.

8. All proceeds from the sale of the Note, together with any investment earnings thereon, if any, will be expended for payment of such costs of the Project on or before December 1, 2023.

9. Sources and uses of the proceeds of the Note are as follows:

SOURCES

Gross Proceeds of the Note	\$10,000,000
Total Sources	<u>\$10,000,000</u>

USES

Design and Construction Costs	\$9,975,500
Costs of Issuance	24,500
Total Uses	<u>\$10,000,000</u>

The costs of paying the costs of the Project and the costs of issuance of the Note is estimated to at least equal the gross proceeds of the Note. Except for the proceeds of the Note, no other funds of the Issuer will be available to meet such costs. Therefore, there will be no amounts which would constitute "replacement proceeds" within the meaning of Regulations §1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Note is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Note does not exceed 120% of the average expected economic life of the betterments and improvements for the System, and (iii) there are no amounts that have a sufficiently direct nexus to the Note or to the governmental purpose of the Note to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Note were not used or to be used for that governmental purpose.

10. Pursuant to Article IV of the Note Legislation, the following special funds have been created:

- (1) Project Fund; and
- (2) Series 2020 Note Sinking Fund

11. Pursuant to Article IV of the Note Legislation, the proceeds of the Note as drawn down will be deposited in the Project Fund and applied solely to payment of the Project, including costs of issuance of the Note and related costs. The Issuer reasonably expects that (i) it will incur a binding obligation to a third party to expend at least 5% of the net sale proceeds of the Note within 6 months following the date of issuance of the Note, (ii) completion of the design of the betterments and improvements will proceed with due diligence, and (iii) it will expend at least 85% of the net sales proceeds for such costs within 3 years of the date of issuance of the Note.

The Issuer hereby covenants to continually monitor the use of proceeds of the Note and the investment of the proceeds thereof in accordance with the Tax Compliance Policies attached hereto as Exhibit A hereby adopted by the Issuer.

Amounts in the Project Fund, if invested, will be invested without yield limitation for a period necessary to pay operating and other expenses of the System, not to exceed 3 years, except as otherwise set forth herein. All of such monies are necessary for such purposes.

Except for "preliminary expenditures" as defined in Regulations §1.150-2(f)(2), none of the proceeds of the Note will be used to reimburse the Issuer for costs of operating and other expenses of the System previously incurred and paid by the Issuer with its own or other funds.

12. Monies held in the Series 2020 Note Sinking Fund will be used solely to pay the principal of and interest on the Note and will not be available to meet costs of operating and other expenses of the System.

13. Except for the Series 2020 Note Sinking Fund, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay the principal and interest on the Note, or which are pledged as collateral for the Note and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Note if the Issuer encounters financial difficulties. None of the monies received from the Note will be deposited in any reserve or replacement fund.

14. Except for a reasonable temporary period until such proceeds are needed for the purposes for which such Note was issued or as otherwise allowed, no portion of the proceeds of the Note will be used, directly or indirectly, to acquire higher yielding investments, or to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

15. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Note to the Lender.

16. All proceeds of the Note will be expended on payment of such costs of the Project and costs of issuance within 36 months from the date of issuance thereof.

17. The amount designated as cost of issuance of the Note consists only of costs which are directly related to and necessary for the issuance of the Note.

18. All property financed with the proceeds of the Note will be held for federal income tax purposes by (or on behalf of) a qualified governmental unit.

19. No more than 10% of the proceeds of the Note will be used (directly or indirectly) in any trade or business carried on by any person who is not a governmental unit. Less than 5% of the proceeds of the Note has been or will be used to make or finance loans to any person who is not a governmental unit. The covenants of the Issuer set forth above shall not, in any way, limit or restrict the ability of the Issuer to pay the costs of design and other preliminary costs of the Project, specifically including, but not limited to, engineering fees, from the proceeds of the Note.

20. The Issuer shall use the Note proceeds solely for such authorized costs of Project and costs of issuance and the System is and will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Issuer shall not permit at any time or times any of the proceeds of the Note or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Note from treatment afforded by Section 103(a) of the Code by reason of classification of the Note as "private activity bonds" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Note is excludable from gross income for federal income tax purposes.

22. The Note is not and will not be, in whole or in part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

23. The Issuer has retained the right to amend or supplement its authorizing documents if such amendment or supplement is necessary to preserve the exclusion from gross income for federal income tax purposes of the interest on the Note.

24. The Issuer shall comply with the yield restriction on the proceeds of the Note as set forth in the Code.

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

26. The transactions contemplated herein do not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Note is not occurring sooner than otherwise necessary, nor are

the Note in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

27. 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-exempt status of the Note.

28. The Issuer has designated the Note as a “qualified tax-exempt obligation” 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 2020. Therefore, the Note is a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3)(B) of the Code.

29. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service. For purposes of filing such form, the EIN of the Issuer is 55-6008864.

30. On the basis of the foregoing, it is not expected that the proceeds of any of the Note will be used in a manner that would cause any of the Note to be "arbitrage bonds" within the meaning of Section 148 of the Code.

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

32. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Note.

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

[Remainder of Page Intentionally Blank]

WITNESS my signature, dated as of the day and year first written above.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

A handwritten signature in blue ink, appearing to be "G. K. ...", written over a horizontal line.

Title: Chairman

EXHIBIT A

TAX COMPLIANCE POLICIES

[See Tab 21 of the Transcript for the Series 2020 Notes]

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

WATER REVENUE BOND ANTICIPATION NOTES, SERIES 2020 (BANK QUALIFIED)

NOTE RESOLUTION

TABLE OF CONTENTS

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

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

**ARTICLE II
AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF THE PROJECT**

Section 2.01	Authorization of Acquisition and Construction of the Project
--------------	--

**ARTICLE III
THE NOTES**

Section 3.01	Form and Payment of Notes
Section 3.02	Execution of Notes
Section 3.03	Authentication and Registration
Section 3.04	Negotiability and Registration
Section 3.05	Notes Mutilated, Destroyed, Stolen or Lost
Section 3.06	Persons Treated as Owners
Section 3.07	Authorization Notes
Section 3.08	Certificate for Series 2020 Note
Section 3.09	Delivery of Series 2020 Note
Section 3.10	Form of Series 2020 Note
Section 3.11	Disposition of Proceeds of Series 2020 Note

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

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

ARTICLE V
INVESTMENTS; NON-ARBITRAGE
REBATES AND CONTINUING DISCLOSURE CERTIFICATE

Section 5.01	Investments
Section 5.02	Arbitrage
Section 5.03	Tax Certificate, Rebates and Rebate

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01	Covenants Binding and Irrevocable
Section 6.02	Notes not to be Indebtedness of the Issuer
Section 6.03	Series 2020 Note Secured by Pledge of Future Revenue Bonds and Surplus Revenues
Section 6.04	Rates
Section 6.05	Operation and Maintenance
Section 6.06	Sale of the System
Section 6.07	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 6.08	RESERVED
Section 6.09	Insurance and Bonds
Section 6.10	Connections
Section 6.11	No Free Services
Section 6.12	Enforcement of Collections
Section 6.13	No Competing Franchise
Section 6.14	Books and Records
Section 6.15	Operating Budget
Section 6.16	Tax Covenants

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01	Events of Default
Section 7.02	Enforcement
Section 7.03	Appointment of Receiver
Section 7.04	Restoration of Issuer and Registered Owner

ARTICLE VIII
REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

Section 8.01	Appointment of Registrar, Paying Agent and Depository Bank
Section 8.02	Responsibilities of Registrar, Paying Agent and Depository Bank
Section 8.03	Evidence on Which Registrar, Paying Agent and Depository Bank May Act
Section 8.04	Compensation and Expenses
Section 8.05	Resignation of Registrar
Section 8.06	Removal
Section 8.07	Appointment of Successor

- Section 8.08 Transfer of Rights and Property to Successor
- Section 8.09 Merger or Consolidation
- Section 8.10 Adoption of Authentication

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

- Section 9.01 Defeasance; Discharge of Pledge of Resolution

**ARTICLE X
MISCELLANEOUS**

- Section 10.01 Amendment of Resolution
- Section 10.02 Evidence of Signatures of Registered Owner and Ownership of Series 2020 Note
- Section 10.03 Preservation and Inspection of Documents
- Section 10.04 Cancellation of Series 2020 Note
- Section 10.05 Failure to Present Series 2020 Note
- Section 10.06 Notices, Demands and Requests
- Section 10.07 No Personal Liability
- Section 10.08 Law Applicable
- Section 10.09 Parties Interested Herein
- Section 10.10 Severability of Invalid Provisions
- Section 10.11 Table of Contents and Headings
- Section 10.12 Conflicting Provisions Repealed
- Section 10.13 Covenant of Due Procedure, Etc.
- Section 10.14 Effective Date

SIGNATURES

CERTIFICATION

EXHIBIT A – FORM OF SERIES 2020 NOTE

Note Resolution

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

A RESOLUTION AUTHORIZING THE ACQUISITION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATER SYSTEM AND TEMPORARILY FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF THE WATER REVENUE BOND ANTICIPATION NOTE, SERIES 2020 (BANK QUALIFIED) OF THE BERKELEY COUNTY PUBLIC SERVICE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$10,000,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNER OF SUCH NOTE; AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX CERTIFICATE, A TAX COMPLIANCE POLICY AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTE AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I
DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the “Act”) and other applicable provisions of law.

Section 1.02. Findings. The Board hereby finds and determines as follows:

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

B. The Issuer presently owns and operates a public water system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that the acquisition and construction of certain additions, improvements and betterments to the existing public water system of the Issuer, consisting of design, acquisition, construction and equipping of various additions, betterments and improvements to the System specifically including, but not limited to, (i) installation of water mains on Kelly Island Road from Route 9 to the Grubbs Tank, on Paynes Ford Road from Route 11 to Grubs Tank and from Pikes side booster station to Paynes Ford Road; and (ii) a new water treatment plant to replace the existing Bunker Hill treatment plant, including a raw water line from Springdale and groundwater development and replacement and/or renovation of water treatment plants 1 and 2 serving the area in and around The Woods development, together with all appurtenant facilities

(collectively, the "Project"), (the existing public water system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System").

C. The Issuer intends to permanently finance the costs of acquisition of the Project through the issuance of its Notes pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bond Anticipation Note, Series 2020, in the aggregate principal amount of not more than \$10,000,000 (the "Series 2020 Note"), to finance the costs of acquisition of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2020 Note prior to and during acquisition of the Project and for a period not exceeding 6 months after completion of acquisition of the Project; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2020 Note and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2020 Note or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

F. The period of usefulness of the System after completion of the Project is not less than 30 years.

E. It is in the best interest of the Issuer that the Series 2020 Note be sold to the Lender pursuant to the terms and provisions as shall be approved by Certificate of Determinations of the Issuer.

F. There are outstanding obligations of the Issuer secured by the Net Revenues, being the Issuer's:

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

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

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

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

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

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

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

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

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

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

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

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

(13) Water Refunding Revenue Bonds, Series 2015 E (Bank-Qualified), dated December 1, 2015, issued in the original aggregate principal amount of \$5,460,000 (the "Series 2015 E Bonds");

(14) Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated July 20, 2016, issued in the original aggregate principal amount of \$5,213,278 (the "Series 2016 A Bonds");

(15) Water Refunding Revenue Bonds, Series 2020 A (Bank-Qualified), dated May 27, 2020, issued in the original aggregate principal amount of \$9,950,000 (the "Series 2020 A Bonds");

(16) Water Refunding Revenue Bonds, Series 2020 B (Taxable), dated May 27, 2020, issued in the original aggregate principal amount of \$300,000 (the "Series 2020 B Bonds"); and

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

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 2001 A Bonds, the Series 2003 C Bonds, the Series 2012 A Bonds, the Series 2012 B Bonds, the Series 2013 A Bonds, the Series 2013 B Bonds, the Series 2015 A Bonds, the Series 2015 C Bonds, the Series 2015 D Bonds, the Series 2015 E Bonds, the Series 2016 A Bonds, the Series 2020 A Bonds and the Series 2020 B Bonds, are hereinafter collectively called the “First Lien Bonds.” The Series 1993 C Bonds are hereinafter called the “Second Lien Bonds.” The First Lien Bonds are secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with each other, which lien and pledge are senior and prior to the lien on the Net Revenues of the System of the Second Lien Bonds. The First Lien Bonds and Second Lien Bonds are collectively referred to as the “Prior Bonds”.

The Series 2020 Notes shall be junior and subordinate to the Prior Bonds with respect to liens, pledge and source of and security for payment in all respects. The Series 2020 Notes shall be payable solely from and secured by the proceeds of revenue bonds or other obligations issued subsequent to the Series 2020 Notes and secured by a first lien on Surplus Revenues.

G. The Issuer derives Net Revenues from the System which are pledged for payment of the Prior Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said Net Revenues are not pledged or encumbered in any manner.

H. The estimated Gross Revenues to be derived in each year after the date hereof from the operation of the System will be sufficient to provide for Operating Expenses of the System, for the payment of interest on the Series 2020 Note and the Prior Bonds, and to pay the principal on the Series 2020 Note and the Prior Bonds as and when it becomes due, and reasonable reserves therefore, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Resolution.

I. It is in the best interests of the Issuer and the customers thereof, and the citizens of the County, that Series 2020 Note be issued, and the Series 2020 Note secured by a pledge of revenue bonds or other obligations of the Issuer, issued subsequent to the Series 2020 Notes and Surplus Revenues, if any, of the System.

J. The Series 2020 Note and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2020 NOTE, attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Resolution or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

K. All things necessary to make the Series 2020 Note, when authenticated by the Registrar and issued as in this Resolution provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2020 Note will be timely done and duly performed.

L. The adoption of this Resolution, and the execution and issuance of the Series 2020 Note, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. The Issuer has complied with all requirements of West Virginia law relating to the operation of the System, the issuance of the Series 2020 Note and the acquisition and construction of the Project or will have so complied prior to issuance of any thereof.

Section 1.03. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2020 Note by those who shall own or hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Registered Owner of any and all of such Series 2020 Note, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2020 Note and any other Series 2020 Note, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. All capitalized terms used in this Resolution and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2020 Note.

"Additional Parity Bonds" means additional Bonds issued subsequent to the Series 2020 Note payable from the Net Revenues of the System on a parity with the Series 2020 Note and the First Lien Bonds.

"Authorized Officer" means the Chairman of the Issuer or any other officer or employee of the Issuer specifically designated by resolution of the public service board of the Issuer.

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

"Bonds" means, collectively, the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Capitalized Interest" means monies whether from the proceeds of notes or any other source deposited in the Series 2020 Note Sinking Fund and pledged to the payment of interest on such bonds.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2020 Note, substantially in the form set forth in EXHIBIT A - FORM OF SERIES 2020 NOTE, attached hereto.

"Certificate of Determinations" means the Certificate of Determinations for the Series 2020 Note.

"Chairman" means the Chairman of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2020 Note for the proceeds representing the original purchase price thereof.

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

"Code of West Virginia" means the Code of West Virginia, 1931, as amended.

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

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

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, those costs described in Section 1.03D.

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

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

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

"First Lien Bonds" means the Issuer's Series 1993 B Bonds, Series 1993 D Bonds, Series 1996 Bonds, Series 2001 A Bonds, Series 2003 C Bonds, Series 2012 A Bonds, Series 2012 B Bonds, Series 2013 A Bonds, Series 2013 B Bonds, Series 2015 A Bonds, Series 2015 C Bonds, Series 2015 D Bonds, Series 2015 E Bonds, Series 2016 A Bonds, Series 2020 A Bonds and Series 2020 B Bonds.

"First Lien State Bonds" means the Issuer's Series 1993 B Bonds, Series 1993 D Bonds, Series 1996 Bonds, Series 2001 A Bonds, Series 2003 C Bonds and Series 2016 A Bonds.

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

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

"Government Obligations" means certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

"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, and includes Capitalized Interest (as herein defined), any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments). Gross Revenues does not include the proceeds of grants or contributions in aid of construction received by the Issuer, or bonds or notes issued by the Issuer, which proceeds are required by the terms of such grant, contribution in aid of construction, bond or note to be used to finance capital improvements, betterments and/or additions for the System or are pledged or obligated for any purpose other than the payment of Operating Expenses (as herein defined) of the System or principal of or interest on the Bonds.

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Lender" means the commercial lending institution, is determined by the Issuer, in its sole discretion, to be most advantageous to the District, as determined by a resolution supplemental hereto.

"Net Proceeds" means the face amount of the Series 2020 Note, plus accrued interest and premium, if any, 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 investment of proceeds of the Series 2020 Note, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2020 Note and is not acquired in order to carry out the governmental purpose of the Series 2020 Note.

"Noteholder," "Holder," "Holder of the Notes," "Owner of the Notes," "Registered Owner," or any similar term means any person who shall be the registered owner of any outstanding Note.

"Note Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Notes.

"Operating Expenses," unless qualified, means the current expenses, paid or accrued, of repair, operation, management and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, accounting, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition, equipping or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current repairs, operations or maintenance, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, payments with respect to other post employment benefits, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles.

"Paying Agent" means the Commission and any other paying agent for the Notes which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.11 hereof.

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

"Prior Resolutions" means the respective resolutions of the Issuer, as amended, modified or supplemented, authorizing the issuance of the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Project Fund" means the Project Fund created by Section 4.01 hereof.

"Qualified Investments" means and includes any investment permitted to be made by a municipality, public service district or public corporation of the State pursuant to State Law, specifically including but not limited to Chapter 8, Article 13, Section 22 of the Code of West Virginia and the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia.

"Rebate Fund" means the Rebate Fund, if necessary, described in Section 4.01 hereof.

"Record Date" means the day of the month which shall be so stated in the Series 2020 Note, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Registered Owner," "Noteholder," "Holder," "Owner" or any similar term means any person who shall be the registered owner of any outstanding Note.

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Series 2020 Note, and any successor thereto appointed in accordance with Section 8.07 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1986 as amended.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by the Prior Resolutions and continued by Section 4.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts created for the Prior Bonds and any hereinafter issued Additional Parity Bonds.

"Reserve Account Requirement" means the amount required to be on deposit in the respective Reserve Accounts for the Prior Bonds and any hereinafter issued Additional Parity Bonds.

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

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

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

"Secretary" means the Secretary of the Issuer.

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

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

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

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

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

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

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

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

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

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

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

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

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

"Series 2015 E Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2015 E (Bank Qualified), dated December 1, 2015, issued in the aggregate principal amount of \$5,460,000.

"Series 2016 A Bonds" means the Issuer's Water Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated July 20, 2016 issued in the aggregate principal amount of \$5,213,278.

"Series 2020 A Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2020 A (Bank-Qualified), dated May 27, 2020, issued in the original aggregate principal amount of \$9,950,000.

"Series 2020 B Bonds" means the Issuer's Water Refunding Revenue Bonds, Series 2020 B (Taxable), dated May 27, 2020, issued in the original aggregate principal amount of \$300,000.

"Series 2020 Note" means the Water Revenue Bond Anticipation Note, Series 2020 B, of the Issuer, originally authorized to be issued pursuant to this Resolution and the Supplemental Resolution.

"Series 2020 Note Sinking Fund" means the Series 2020 Note Sinking Fund established by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2020 Note and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following adoption of this Resolution, and any Certificate of Determinations provided for by such Supplemental Resolution, setting forth the final amounts, maturities, interest rates and other terms of the Series 2020 Note and authorizing the sale of the Series 2020 Note to the Lender; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

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

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

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

ARTICLE II **AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT**

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition of the Project, at an estimated cost of not to exceed \$10,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Notes shall be applied as provided in Section 3.11 hereof. The Issuer has or will enter into contracts for the acquisition of the Project.

The cost of the Project is estimated not to exceed \$10,000,000 which will be obtained from proceeds of the Series 2020 Notes.

ARTICLE III **THE NOTES**

Section 3.01. Form and Payment of Notes. No Series 2020 Note shall be issued pursuant to this Resolution except as provided in this Article III. Any Series 2020 Note issued pursuant to this Resolution may be issued only as a fully registered Series 2020 Note without coupons, in the entire principal amount thereof (or such other denominations as may be set forth in a Supplemental Resolution). The Series 2020 Note shall be dated as of the date provided in a Supplemental Resolution. The Series 2020 Note shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2020 Note has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2020 Note shall be in default, any Series 2020 Note issued in exchange for the Series 2020 Note surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2020 Note surrendered.

The principal of and the premium, if any, on the Series 2020 Note shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2020 Note shall be paid by wire transfer to the Registered Owner thereof at his address as it appears in the Note Register at the close of business on the Record Date.

In the event the Series 2020 Note is redeemed in part, the note shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Registered Owner thereof, another Series 2020 Note in the principal amount of the Series 2020 Note then outstanding.

Section 3.02. Execution of Series 2020 Note. The Series 2020 Note shall be executed in the name of the Issuer by the Chairman, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary by his or her manual or facsimile signature; provided that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed the Series 2020 Note shall cease to be such officer of the Issuer before the Note so signed and sealed has been actually sold and delivered, such Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Note had not ceased to hold such office. The Series 2020 Note may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Note shall hold the proper office in the Issuer, although at the date of such Note such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2020 Note shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Note, substantially in the form set forth in EXHIBIT A - FORM OF SERIES 2020 NOTE attached hereto and incorporated herein by reference with respect to such Series 2020 Note, shall have been duly manually executed by the Registrar. Any such

manually executed Certificate of Authentication and Registration upon the Series 2020 Note shall be conclusive evidence that such Series 2020 Note has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration on the Series 2020 Note shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on the Series 2020 Note.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2020 Note shall be, and have all of the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting the Series 2020 Note, shall be conclusively deemed to have agreed that such Series 2020 Note shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Series 2020 Note shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2020 Note remains outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2020 Note. The Series 2020 Note shall be transferable only by transfer of registration upon the Note Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of the Series 2020 Note, there shall be issued at the option of the Holder or the transferee another Note or Notes of the aggregate principal amount equal to the unpaid amount of the transferred Note and of the same series, interest rate and maturity of said transferred Note.

In all cases in which the privilege of transferring or exchanging the Series 2020 Note is exercised, the Series 2020 Note shall be delivered in accordance with the provisions of this Resolution. All Series 2020 Note surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2020 Note, the initial exchange of Series 2020 Note and exchanges of the Series 2020 Note in the event of partial redemption of the Series 2020 Note shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For any other exchange of the Series 2020 Note, the Registrar may impose a service charge. For every such transfer or exchange of the Series 2020 Note, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange.

Section 3.05. Series 2020 Note Mutilated, Destroyed, Stolen or Lost. In case the Series 2020 Note shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver a new Series 2020 Note in exchange and upon surrender and cancellation of, the mutilated Series 2020 Note, or in lieu of and substitution for the Series 2020 Note destroyed, stolen or lost, and upon the Registered Owner furnishing the Issuer and the Registrar proof of his ownership thereof and that the Series 2020 Note has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Registered Owner listed in the Note Register shall constitute proof of ownership. The Series 2020 Note so surrendered shall be submitted to and canceled by the Registrar, and evidence of such

cancellation shall be given to the Issuer. If the Series 2020 Note shall have matured or be about to mature, instead of issuing a substitute Series 2020 Note the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if the Series 2020 Note be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2020 Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2020 Note be at any time found by anyone.

Section 3.06. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name the Series 2020 Note is registered as the owner of the Series 2020 Note for the purpose of receiving payment of the principal of, and interest on, the Series 2020 Note for all other purposes, whether or not the Series 2020 Note is overdue.

Section 3.07. Authorization of Notes. For the purposes of temporarily paying costs of acquisition and construction of the Project and paying costs of issuance of the Series 2020 Note and related costs, there shall be issued the Series 2020 Note of the Issuer, in an aggregate principal amount of not more than \$10,000,000. The Series 2020 Note shall be issued as a single note and designated "Berkeley County Public Service District, Water Revenue Bond Anticipation Note, Series 2020 Note (Bank Qualified)" and shall be issued in fully registered form, in such denomination as set forth in a Supplemental Resolution, not exceeding the aggregate principal amount of Series 2020 Note authorized herein. The Series 2020 Note shall be numbered R-1. The Series 2020 Note shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate, not exceeding the then legally permissible rate, payable on such dates; shall mature on such dates and in such amounts; shall be subject to such redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.08. Certificate for Series 2020 Note. The Series 2020 Note (if purchased by the Lender) shall initially be issued in the form of a single fully-registered note in the aggregate principal amount of the Series 2020 Note, and shall be registered in the name of the Lender.

Notwithstanding any other provision of this Resolution to the contrary, the Issuer and the Paying Agent shall be entitled to treat and consider the Person in whose name the Series 2020 Note is registered in the records of the Registrar as the absolute owner of the Series 2020 Note for the purpose of payment of principal, premium, if any, and interest with respect to the Series 2020 Note, for the purpose of giving notices of redemption, sale, purchase or any event which would or could give rise to a sale or purchase right or option with respect to the Series 2020 Note for the purpose of making payment of any purchase price of the Series 2020 Note, for the purpose of registering transfers with respect to the Series 2020 Note, and for all other purposes whatsoever. The Issuer and Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2020 Note and the purchase price of the Series 2020 Note only to or upon the order of the respective Registered Owner, as shown in the records of the Registrar as provided in this Resolution, or its attorneys or legal representatives duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2020 Note to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the records of the Registrar, shall receive a Note certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Resolution.

Section 3.09. Delivery of Series 2020 Note. The Issuer shall execute and deliver the Series 2020 Note to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2020 Note to the Lender upon receipt of the documents set forth below:

- (1) The name in which the Series 2020 Note are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;
- (2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2020 Note to the Lender;
- (3) Copies of this Resolution and the Supplemental Resolution certified by the Secretary;
- (4) The unqualified approving opinion of Bond Counsel regarding the Series 2020 Note; and
- (5) A copy of such other documents and certificates as the Lender may reasonably require.

Section 3.10. Form of Series 2020 Note. The definitive Series 2020 Note shall be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2020 NOTE attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2020 Note on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2020 Note shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.11. Disposition of Proceeds of Series 2020 Note. Upon the issuance and delivery of the Series 2020 Note, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. From the proceeds of the Series 2020 Note, there shall first be deposited with the Commission in the Series 2020 Notes Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2020 Notes, such monies shall be deposited with the Depository Bank in the Project Fund and applied solely to payment of Costs of the Project in the manner set forth herein.

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

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

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Renewal and Replacement Fund (established by the Prior Resolutions);
- (3) Project Fund; and
- (4) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. Pursuant to this Article IV, the following special funds and accounts are hereby established (or continued if previously established by the Prior Resolutions) with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other and used solely for the purposes provided herein:

- (1) Series 1993 B Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (2) Series 1993 B Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (3) Series 1993 C Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (4) Series 1993 C Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (5) Series 1993 D Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (6) Series 1993 D Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (7) Series 1996 Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (8) Series 1996 Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (9) Series 2001 A Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (10) Series 2001 A Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (11) Series 2003 C Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);

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

- (28) Series 2015 E Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (29) Series 2016 A Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (30) Series 2016 A Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (31) Series 2020 A Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (32) Series 2020 A Bonds Reserve Account (established by the Prior Resolutions and hereby continued);
- (33) Series 2020 B Bonds Sinking Fund (established by the Prior Resolutions and hereby continued);
- (34) Series 2020 B Bonds Reserve Account (established by the Prior Resolutions and hereby continued); and
- (35) Series 2020 Note Sinking Fund.

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2020 Note shall be outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

- (1) The Issuer shall first, each month, pay from the Revenue Fund the Operating Expenses of the System.
- (2) The Issuer shall next, each month simultaneously, transfer from the Revenue Fund and remit to the Commission the amounts required by Prior Resolutions to pay interest on the First Lien Bonds.
- (3) The Issuer shall next, each month simultaneously, transfer from the Revenue Fund and remit to the Commission the amounts required by Prior Resolutions to pay principal on the First Lien Bonds.
- (4) The Issuer shall next, on the first day of each month simultaneously, transfer from the Revenue Fund and remit to the Commission the amounts required by Prior Resolutions to be deposited in the respective reserve accounts for the First Lien Bonds.

(5) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account; and shall use the monies therein as provided by the Prior Resolutions. 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 First Lien Bonds Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

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

(8) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Sinking Fund for the Series 2020 Note the amount required by the this Note Legislation to pay interest on the Series 2020 Notes.

(9) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Sinking Fund for the Series 2020 Notes the amount required by this Note Legislation to pay principal of the Series 2020 Note.

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

Moneys in the Series 2020 Note Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2020 Note, whether by maturity or redemption prior to maturity. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2020 Note Sinking Fund when the aggregate amount of funds therein is at least equal to the aggregate principal amount of Series 2020 Note then outstanding, plus the amount of interest due or thereafter to become due on such Notes then outstanding.

The payments into the Series 2020 Note Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution.

B. The Commission is hereby designated as the fiscal agent for the administration of the Series 2020 Note Sinking Fund created or continued hereunder, and all amounts required for said Sinking Fund shall be remitted to the Commission from said Revenue Fund and from the proceeds of the sale of the Notes, by the Issuer at the times and as otherwise 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. Notwithstanding the foregoing, however, the Commission shall deposit all remittances in the fund or account in the priority established by this Resolution.

ARTICLE V **INVESTMENTS; ARBITRAGE; TAX CERTIFICATE AND REBATE**

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

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer may make any and all investments permitted by this section through the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Notwithstanding the foregoing, all moneys deposited in any Sinking Fund, including any reserve account therein, may be invested by the Commission in the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2020 Note in such manner and to such extent as may be necessary, so that such Series 2020 Note will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 2020 Note) so that the interest on the Series 2020 Note will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate and Rebate. The Issuer shall deliver 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 2020 Note. In

addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2020 Note as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefore. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Notes from gross income for federal income tax purposes.

ARTICLE VI **ADDITIONAL COVENANTS OF THE ISSUER**

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by the Holder of the Series 2020 Note, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holder of the Series 2020 Note as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2020 Note or the interest thereon, are outstanding and unpaid.

Section 6.02. Series 2020 Note Not to be Indebtedness of the Issuer. The Series 2020 Note shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional,

statutory or charter limitation of indebtedness. The Series 2020 Notes shall be payable solely from and secured by the proceeds of bonds proposed to be issued in the future to permanently finance the Project and a first lien on Surplus Revenues.

Section 6.03. Series 2020 Note Secured by Pledge of Future Revenue Bonds and Surplus Revenues; Lien Position with Respect to Prior Bonds. The Series 2020 Notes shall be junior and subordinate to the Prior Bonds with respect to liens, pledge and source of and security for payment in all respects. The Series 2020 Notes shall be payable solely from and secured by the proceeds of bonds proposed to be issued in the future to permanently finance the Project and a first lien on Surplus Revenues.

Section 6.04. Rates. Prior to the issuance of the Series 2020 Note, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Issuer, which copy will be open to inspection by all interested parties.

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

Section 6.06. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in the Prior Resolutions.

Section 6.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The Series 2020 Notes shall be payable solely from and secured by the proceeds of revenue bonds or other obligations issued subsequent to the Series 2020 Notes.

Section 6.08. [RESERVED]

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2020 Note remains outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

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

B. PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$500,000 per

occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

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

D. FLOOD INSURANCE, to extent available at reasonable cost to the Issuer.

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

F. FIDELITY BONDS will be provided to the extent required by State law.

Section 6.10. Connections. To the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 6.11. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System and, in the event the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia. The Issuer further covenants and agree that it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, including penalties and reconnect fees, have been fully paid, or a payment agreement in compliance with the West Virginia Public Service Commission regulations has been entered.

Section 6.13. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.14. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Note or Notes shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by an Independent Certified Public Accountant.

Section 6.15. Operating Budget. The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, or at such earlier date required by State law, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. The Issuer shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of Notes or anyone acting for and in behalf of such Holder who requests the same.

Section 6.16. 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 2020 Note 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 such Series 2020 Note during the term thereof is, under the terms of such Series 2020 Note or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2020 Note 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 2020 Note during the terms thereof is, under the terms of such Series 2020 Note 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 2020 Note 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 2020 Note are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2020 Note or \$5,000,000 are used, directly or indirectly, to make or finance a loan 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 2020 Note to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2020 Note 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 2020 Note will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

ARTICLE VII **DEFAULTS AND REMEDIES**

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2020 Note:

(A) If default by the Issuer occurs in the due and punctual payment of the principal of or interest on any Note;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Resolution or any Supplemental Resolution or in the Notes contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Registered Owner of any Note;

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

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Registered Owner of any Note may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights, provided, that all rights and remedies of the Registered Owner of the Series 2020 Note shall be junior and subordinate with those of the Registered Owner of the Prior Bonds, and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Registered Owner, including the right to require the Issuer to perform its duties under the Act and this Resolution;

(C) Bring suit upon the Notes;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owner of the Notes; and

(E) By action or bill in equity enjoin any acts in violation of this Resolution or the rights of the Registered Owner of the Notes; provided, that all rights and remedies of the Registered Owner of the Series 2020 Note shall be junior and subordinate to those of the Registered Owner of the Prior Bonds.

No remedy by the terms of this Resolution conferred upon or reserved to the Registered Owner 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 Registered Owner hereunder or now or hereafter existing at law or by statute.

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

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

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Registered Owner shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Notes, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution and the Act.

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

Whenever all that is due upon the Series 2020 Note issued pursuant to this Resolution and interest thereon and under any covenants of this Resolution for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any

Registered Owner shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

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

ARTICLE VIII **REGISTRAR, PAYING AGENT AND DEPOSITORY BANK**

Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank. The Registrar, Paying Agent and Depository Bank for the Series 2020 Note shall be appointed pursuant to the Supplemental Resolution.

Section 8.02. Responsibilities of Registrar, Paying Agent and Depository Bank. The recitals of fact in the Series 2020 Note shall be taken as statements of the Issuer, and the Registrar, Paying Agent and Depository Bank shall not be responsible for their accuracy. The Registrar, Paying Agent and Depository Bank shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of the Series 2020 Note by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2020 Note. The Registrar, Paying Agent and Depository Bank and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Resolution and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar, Paying Agent and Depository Bank May Act. Except as otherwise provided by Section 10.02, the Registrar, Paying Agent and Depository Bank shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or

other document believed by them to be genuine and to have been signed or presented by the proper party or parties. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion such Fiduciary may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar, Paying Agent and Depository Bank from time to time reasonable compensation for all services, including the transfer of registration of Series 2020 Note, the first exchange of the Series 2020 Note and the exchange of Series 2020 Note in the event of partial redemption, incurred in the performance of their duties hereunder.

Section 8.05. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Resolution by giving not less than 60 days' written notice to the Issuer. Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or noteholders, in which event such resignation shall take effect immediately.

Section 8.06. Removal. The Registrar may be removed at any time by the Issuer or by the Registered Owner of the Series 2020 Note by an instrument in writing signed and duly acknowledged by the Issuer or by such Registered Owner or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 8.07. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Registered Owner of a the Series 2020 Note by an instrument or concurrent instruments in writing signed by such Registered Owner or its attorney duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Registered Owner. Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Registered Owner. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Registered Owner may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, Trust Company or national banking association authorized to perform the duties imposed upon it by this Resolution.

In case at any time the Paying Agent shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Paying Agent or of its property shall be appointed, or if any public officer or court shall take charge or control of the Paying Agent or of its property or affairs, a successor may be appointed by the Registered Owner of a the Series 2020 Note by an instrument or concurrent instruments in writing signed by such Registered Owner or its attorney duly authorized in writing and delivered to the Issuer and such

successor Paying Agent, notification thereof being given to the predecessor Paying Agent. Pending such appointment, the Issuer shall forthwith appoint a Paying Agent to fill such vacancy until a successor Paying Agent shall be appointed by such Registered Owner. Any successor Paying Agent appointed by the Issuer shall, immediately and without further act, be superseded by a Paying Agent appointed by such Registered Owner. If in a proper case no appointment of a successor Paying Agent shall be made within 45 days after the Paying Agent shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Paying Agent or any Registered Owner may apply to any court of competent jurisdiction to appoint a successor. Any Paying Agent appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Resolution.

Section 8.08. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any moneys, books and records held by it and relating to the Series 2020 Note to its successor.

Section 8.09. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, Trust Company or national banking association meeting the requirements set forth in Section 8.07.

Section 8.10. Adoption of Authentication. In case of the Series 2020 Note shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver the Series 2020 Note so authenticated, and, in case the Series 2020 Note shall have been prepared but not authenticated, any successor Registrar may authenticate such Series 2020 Note in the name of the predecessor Registrar or in its own name.

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

Section 9.01. Defeasance; Discharge of Pledge of Resolution. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owner of the Series 2020 Note the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution and the pledges of the moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Registered Owner of the Series 2020 Note made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE X **MISCELLANEOUS**

Section 10.01. Amendment of Resolution. This Resolution and any Supplemental Resolution may be amended or modified without the consent of Registered Owner or any other person, solely for the purpose of maintaining the tax-exempt status of the Series 2020 Note. Otherwise, no materially adverse amendment or modification to this Resolution, or of any Supplemental Resolution, may be made without the written consent of the Registered Owner, or its authorized representative, of the

Series 2020 Note, before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, the Series 2020 Note without the express written consent of the Registered Owner of the Series 2020 Note.

Section 10.02. Evidence of Signatures of Registered Owner and Ownership of Series 2020 Note. Any request, consent, revocation of consent or other instrument which this Resolution may require or permit to be signed and executed by the Registered Owner of the Series 2020 Note shall be signed or executed by such Registered Owner in person, by his attorney duly authorized in writing or his authorized representative. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney or authorized representative, shall be sufficient for any purpose of this Resolution if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

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

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

Any request, consent or other instrument executed by the Registered Owner of the Series 2020 Note shall bind any future Registered Owner of the Series 2020 Note in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Resolution shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Registered Owner, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Resolution shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Series 2020 Note. Subject to the provision in the form of the Series 2020 Note that the Lender shall not be required to surrender the Series 2020 Note in order to receive payment of principal and interest during the term of the Series 2020 Note, including without limitation, upon maturity, if the Series 2020 Note is purchased or paid in full it shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it.

The Series 2020 Note shall not be deemed outstanding under this Resolution, nor shall a Series 2020 Note shall be issued in lieu thereof. The Series 2020 Note shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Series 2020 Note. Anything in this Resolution to the contrary notwithstanding, any moneys held by the Commission or a Paying Agent in trust for the payment and discharge of the Series 2020 Note which remains unclaimed for 1 year after the date on which the Series 2020 Note has become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Registered Owner of the Series 2020 Note shall look only to the Issuer for the payment of such Series 2020 Note; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Commission, or said Paying Agent shall send to the Registered Owner, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer.

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

ISSUER:

Berkeley County Public Service District
251 Caperton Blvd.
Martinsburg, WV 25403
Attention: Chairman

PAYING AGENT:

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

REGISTRAR:

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

DEPOSITORY BANK:

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

FINANCIAL ADVISOR

Compass Municipal Advisors, LLC
771 Corporate Dr. Suite 1050
Lexington, KY 40503

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

Section 10.07. No Personal Liability. No member of the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Series 2020 Note, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Resolution.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Resolution and of all Series 2020 Note issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent and the Registered Owner of the Series 2020 Note any right, remedy or claim under or by reason of this Resolution. All the covenants, stipulations, promises and agreements contained in this Resolution by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, and the Registered Owner of the Series 2020 Note.

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

Section 10.11. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All orders, resolutions or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided however, that the Prior Resolutions shall remain in full force and effect so long as any of the Prior Bonds are outstanding.

Section 10.13. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Board 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]

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

Adopted this 7th day of December, 2020.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT


Chairman

CERTIFICATION

Certified a true, correct and complete copy of a Resolution duly adopted by BERKELEY COUNTY PUBLIC SERVICE DISTRICT on December 7, 2020.

Dated: December 17, 2020.



W. Wayne Dunbar
Secretary

EXHIBIT A

FORM OF SERIES 2020 NOTE

No. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)
WATER REVENUE BOND ANTICIPATION NOTE, SERIES 2020 (BANK QUALIFIED)

INTEREST RATE

MATURITY DATE

NOTE DATE

_____, 20__

_____, 2020

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT, a public service district organized and existing under the laws of the State of West Virginia (the "Borrower"), for value received, hereby promises to pay, but only from the special funds provided therefore, as hereinafter set forth, to _____ (the "Registered Owner"), on _____, 20__, or upon issuance of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Notes, whichever shall occur earlier. The interest on this Note shall be at the rate of ___% per annum, payable semiannually on the 1st day of each _____ and _____, commencing _____ 1, 20__. The entire outstanding principal balance of this Note and all interest accrued hereon shall be payable in full on _____ 1, 20__, or upon the issuance of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Notes, whichever shall occur earlier.

Interest accruing on this Note and the principal thereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner or, at the option of the Registered Owner, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner, or by other mutually agreeable method. The Note shall be payable as to principal and interest in any coin or currency which on the date of payment of principal and/or interest is legal tender for the payment of public and private debts under the laws of the United States of America. The Registered Owner of this Note shall not be required to surrender the Note in order to receive payments of principal and interest during the term of the Note, including without limitation, upon maturity. This Note may be prepaid in whole, but not in part, at any time without penalty.

The proceeds of this “Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified)” (the “Note”) are to be used (i) to temporarily pay the costs of acquisition and construction of the Project as defined in the Resolution, and (ii) to pay certain costs of issuance of the Series 2020 Note and related costs.

This Note 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 Code of West Virginia, 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on _____, 2020, and supplemented by a Supplemental Parameters Resolution adopted by the Issuer on _____, 2020 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of said Resolution.

THIS NOTE IS ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL REPECTS TO THE ISSUER’S:

(1) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE “SERIES 1993 B BONDS”);

(2) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE “SERIES 1993 D BONDS”);

(3) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE “SERIES 1996 BONDS”);

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

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

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

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

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

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

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

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

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

(13) WATER REFUNDING REVENUE BONDS, SERIES 2015 E (BANK-QUALIFIED), DATED DECEMBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,460,000 (THE “SERIES 2015 E BONDS”);

(14) WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 20, 2016 ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$5,213,278 (THE “SERIES 2016 A BONDS”);

(15) WATER REFUNDING REVENUE BONDS, SERIES 2020 A (BANK-QUALIFIED), DATED MAY 27, 2020, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,950,000 (THE “SERIES 2020 A BONDS”);

(16) WATER REFUNDING REVENUE BONDS, SERIES 2020 B (TAXABLE), DATED MAY 27, 2020, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$300,000 (THE “SERIES 2020 B BONDS”); AND

(17) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE “SERIES 1993 C BONDS”).

THE PRINCIPAL OF AND INTEREST ON THIS NOTE ARE PAYABLE SOLEY FROM AND SECURED BY A FIRST LIEN ON (1) THE PROCEEDS OF ANY REVENUE BONDS OR OTHER OBLIGATIONS OF THE ISSUER ISSUED SUBSEQUENT TO THIS NOTE; AND (2) SURPLUS REVENUES, IF ANY, AS DEFINED IN THE RESOLUTION. THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, NOR SHALL THE ISSUER BE OBLIGATED TO PAY THE SAME OR THE INTEREST HEREON EXCEPT FROM THE SOURCES SET FORTH ABOVE.

This Note is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Note has been 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 Note have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

(Manual or Facsimile Signature)
Chairman

ATTEST:

(Manual or Facsimile Signature)
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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

Dated: _____, 2020.

United Bank
as Registrar

By _____
Its Authorized Officer

(Form of)

ASSIGNMENT TO SUCCESSOR CORPORATION

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby assigns and transfers unto its corporate successor,

does hereby irrevocably constitute and appoint _____ the within Note and

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

Dated: _____, 20____.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

Berkeley County Public Service District

Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE WATER REVENUE BOND ANTICIPATION NOTE, SERIES 2020 (BANK QUALIFIED) OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH NOTE TO TRUIST BANK; APPOINTING A REGISTRAR AND PAYING AGENT FOR SUCH NOTE; AND AMENDMENT AND/OR MODIFICATION OF THE RESOLUTION TO COMPLY THEREWITH; AND MAKING OTHER PROVISIONS AS TO THE NOTE.

WHEREAS, Berkeley County Public Service District (the “Issuer”) in the County of Berkeley, State of West Virginia, is a public service district and political subdivision of said State, the governing body of which is its public service board (the “Governing Body”);

WHEREAS, the Governing Body has duly adopted and officially adopted on December 7, 2020, a Resolution (the “Resolution”) entitled:

A RESOLUTION AUTHORIZING THE ACQUISITION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATER SYSTEM AND TEMPORARILY FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF THE WATER REVENUE BOND ANTICIPATION NOTE, SERIES 2020 (BANK QUALIFIED) OF THE BERKELEY COUNTY PUBLIC SERVICE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$10,000,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNER OF SUCH NOTE; AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX CERTIFICATE, A TAX COMPLIANCE POLICY AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTE AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance by the Issuer of its Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified) in an aggregate principal amount not to exceed \$10,000,000 (the “Series 2020 Note” or “Note”) in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the “Act”);

WHEREAS, the Resolution further provided that the exact date, amount, maturity, interest rate, redemption provisions, purchase price and other terms of the Series 2020 Note should be established by Supplemental Resolution, that a Registrar, Paying Agent and Depository Bank be designated, that a Registrar Agreement, and a Tax Compliance Policy be approved and that other matters pertaining to the Series 2020 Note be provided for by a Supplemental Resolution of the Governing Body, that additional covenants and provisions relating to the Series 2020 Note be provided therein;

WHEREAS, the Series 2020 A Note is proposed to be purchased by Truist Bank, Charlotte, North Carolina (the "Purchaser" or the "Bank"), pursuant to a commitment letter dated October 13, 2020;

WHEREAS, the Governing Body desires to adopt a tax compliance policy (the “Tax Compliance Policy”) with respect to the Series 2020 Note;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the “Supplemental Resolution”) be adopted, that the Tax Compliance Policy, and the Registrar Agreement hereinafter provided for be approved by the Issuer, and that other matters relating to the Note be herein provided for all in accordance with the Resolution;

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

Section 1. For the purposes of (i) temporarily financing the cost of acquisition and construction of the Project, and (ii) paying costs of issuance of the Series 2020 Note and related costs, the Governing Body of the Issuer hereby authorizes and orders the issuance of the Series 2020 Note in an aggregate principal amount not to exceed \$10,000,000.

Section 2. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified), of the Issuer, initially represented by a single Note, numbered R-1, in the aggregate principal amount of \$10,000,000. The Series 2020 Note shall be dated on or about December 17, 2020, and shall finally mature on December 1, 2023, at which time the principal amount is due. Interest shall commence on the date of closing on the outstanding principal amount and interest only payments shall be payable semiannually on the 1st day of each June and December, commencing June 1, 2021, at the rate of 1.26% per annum (the “Tax-Exempt Rate”); provided, that in the event that the interest on the Series 2020 Note is determined to be subject to federal income taxation by the Internal Revenue Service, such interest shall be at the rate of 1.60% per annum from the date of such determination of taxability. The entire outstanding principal balance of the Note and all interest accrued hereon shall be payable in full on December 1, 2023, or upon the issuance of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Notes. The Series 2020 Note shall be prepayable in whole at any time without penalty.

Section 3. The Series 2020 Note shall be sold to Truist Bank, Charlotte, North Carolina (the “Lender”), pursuant to the terms of Commitment Letter dated October 13, 2020 at an aggregate purchase price of \$10,000,000.

Section 4. Proceeds of the Note shall be expended solely for the purposes set forth in the Resolution.

Section 5. The Issuer shall supply the Lender with audited financial statements within 270 days after the conclusion of the fiscal year so long as the Series 2020 Note is outstanding.

Section 6. The Tax Certificate, to be dated the date of execution and delivery of the Note (the “Tax Certificate”), and executed and delivered by the Issuer, substantially in the form to be approved pursuant to the execution and delivery by the Chairman of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved and directed. The Chairman shall execute and deliver the Tax Certificate with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Tax Certificate by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 7. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form to be approved pursuant to the execution and delivery by the Chairman of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved and directed. The Chairman shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Registrar Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 8. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Note.

Section 9. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent for the Series 2020 Note.

Section 10. The Issuer also hereby appoints the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Depository Bank for the Note.

Section 11. The Issuer hereby appoints and designates United Bank, Charleston, West Virginia, as the Registrar.

Section 12. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Note to the end that the Note may be delivered on a timely basis to the Lender.

Section 13. The issuance of the Series 2020 Note is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Series 2020 Note or any other funds of the Issuer to be used directly or

indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2020 Note or Prior Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Chairman of the Issuer is authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the Issuer's compliance with this covenant.

Section 15. The Chairman and Secretary, and all other appropriate officers and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2020 Note to be duly and properly issued by the Issuer and delivered to the Lender as herein authorized and to otherwise facilitate the transaction contemplated by this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Blank]

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 7th day of December, 2020.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of BERKELEY COUNTY PUBLIC SERVICE DISTRICT on December 7, 2020, which Supplemental Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof.

Dated: December 17, 2020.



By: D. Wayne Dunbar
Secretary

SPECIMEN

No. R-1

\$10,000,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)
WATER REVENUE BOND ANTICIPATION NOTE, SERIES 2020 (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>NOTE DATE</u>
1.26%	12/01/2023	12/17/2020
REGISTERED OWNER:	TRUIST BANK	
PRINCIPAL AMOUNT:	TEN MILLION DOLLARS	

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT, a public service district organized and existing under the laws of the State of West Virginia (the "Borrower"), for value received, hereby promises to pay, but only from the special funds provided therefore, as hereinafter set forth, to Truist Bank (the "Registered Owner"), on December 1, 2023, or upon issuance of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Notes, whichever shall occur earlier. The interest on this Note shall be at the rate of 1.26% per annum, payable semiannually on the 1st day of each June 1 and December 1, commencing June 1, 2021. The entire outstanding principal balance of this Note and all interest accrued hereon shall be payable in full on December 1, 2023, or upon the issuance of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Notes, whichever shall occur earlier. Interest on the Note shall be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each.

Interest accruing on this Note and the principal thereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner or, at the option of the Registered Owner, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner, or by other mutually agreeable method. The Note shall be payable as to principal and interest in any coin or currency which on the date of payment of principal and/or interest is legal tender for the payment of public and private debts under the laws of the United States of America. The Registered Owner of this Note shall not be required to surrender the Note in order to receive payments of principal and interest during the term of the Note, including without limitation, upon maturity. This Note may be prepaid in whole, but not in part, at any time without penalty.

The proceeds of this "Water Revenue Bond Anticipation Note, Series 2020 (Bank Qualified)" (the "Note") are to be used (i) to temporarily pay the costs of acquisition and construction of the Project as defined in the Resolution, and (ii) to pay certain costs of issuance of the Series 2020 Note and related costs.

This Note 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 Code of West Virginia, 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on December 7, 2020, and supplemented by a Supplemental Parameters Resolution adopted by the Issuer on December 7, 2020 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of said Resolution.

THIS NOTE IS ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL REPECTS TO THE ISSUER'S:

(1) WATER REVENUE BONDS, SERIES 1993 B, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$528,871 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE "SERIES 1993 B BONDS");

(2) WATER REVENUE BONDS, SERIES 1993 D, DATED JULY 29, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,257,957 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE "SERIES 1993 D BONDS");

(3) WATER REVENUE BONDS, SERIES 1996, DATED AUGUST 6, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$677,158 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE "SERIES 1996 BONDS");

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

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

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

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

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

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

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

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

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

(13) WATER REFUNDING REVENUE BONDS, SERIES 2015 E (BANK-QUALIFIED), DATED DECEMBER 1, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,460,000 (THE "SERIES 2015 E BONDS");

(14) WATER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 20, 2016 ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$5,213,278 (THE "SERIES 2016 A BONDS");

(15) WATER REFUNDING REVENUE BONDS, SERIES 2020 A (BANK-QUALIFIED), DATED MAY 27, 2020, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,950,000 (THE "SERIES 2020 A BONDS");

(16) WATER REFUNDING REVENUE BONDS, SERIES 2020 B (TAXABLE), DATED MAY 27, 2020, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$300,000 (THE "SERIES 2020 B BONDS"); AND

(17) WATER REVENUE BONDS, SERIES 1993 C, DATED MARCH 8, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,629 AND HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE "SERIES 1993 C BONDS").

THE PRINCIPAL OF AND INTEREST ON THIS NOTE ARE PAYABLE SOLEY FROM AND SECURED BY A FIRST LIEN ON (1) THE PROCEEDS OF ANY REVENUE BONDS OR OTHER OBLIGATIONS OF THE ISSUER ISSUED SUBSEQUENT TO THIS NOTE; AND (2) SURPLUS REVENUES, IF ANY, AS DEFINED IN THE RESOLUTION. THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, NOR SHALL THE ISSUER BE OBLIGATED TO PAY THE SAME OR THE INTEREST HEREON EXCEPT FROM THE SOURCES SET FORTH ABOVE.

This Note is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Note has been 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 Note have existed,

have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]




Chairman

ATTEST:


Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

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

Dated: December 17, 2020.

United Bank
as Registrar

By Thomas P. Roweng
Its Authorized Officer

(Form of)

ASSIGNMENT TO SUCCESSOR CORPORATION

Social Security or Other Identifying Number of Assignee _____

FOR VALUE RECEIVED, the undersigned hereby assigns and transfers unto its corporate successor,

_____ the within Note and
does hereby irrevocably constitute and appoint

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

Dated: _____, 20____.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

Southern System Improvements

Reimbursement Resolution

RESOLUTION STATING THE REASONABLE EXPECTATION OF THE PUBLIC SERVICE BOARD OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT TO REIMBURSE THE DISTRICT FOR CAPITAL EXPENDITURES IN CONNECTION WITH THE PLANNING, DESIGN, ACQUISITION, CONSTRUCTION AND EQUIPPING OF ADDITIONS, IMPROVEMENTS, BETTERMENTS, RENOVATIONS AND EXTENSIONS TO THE DISTRICT'S POTABLE WATER TREATMENT, STORAGE AND DISTRIBUTION SYSTEM MADE PRIOR TO THE ISSUANCE OF TAX-EXEMPT REVENUE BONDS

WHEREAS, the Public Service Board (the "Board") has determined that Berkeley County Public Service District (the "District") should plan, design, acquire, construct and equip certain additions, betterments, renovations, improvements and/or extensions to the District's potable water treatment, storage and distribution system (collectively, as presently existing and including any future additions, renovations, betterments, improvements and extensions thereto, the "System"), specifically including, but not limited to, development of new raw water sources, additions, betterments and improvements to the existing water treatment plant and/or acquisition construction and equipping of a new water treatment plant for the southern portion of the System, and water storage and transmission/distribution system additions, betterments and improvements set forth in EXHIBIT A – CAPITAL PROJECTS, attached hereto and incorporated herein by reference, all such additions, renovations, improvements and extensions herein collectively referred to as the "Project;"

WHEREAS, the cost of the Project is currently estimated not to exceed \$25,000,000, which the Board anticipates will be financed in part with the proceeds of tax-exempt water revenue bonds issued by the District, in one or more series, issued either simultaneously or at different times, in the aggregate principal amount of not more than \$25,000,000 (collectively, the "Project Bonds");

WHEREAS, the Board expects that the District will make certain preliminary expenditures necessary for, and related to, the Project, which may include, but are not limited to, engineering fees, drilling for test wells, real property acquisition, easement acquisition, permitting costs and acquisition, construction and/or equipping of capital improvements, equipment and other capital assets, prior to the issuance of the Project Bonds (collectively, the "Preliminary Expenditures");

WHEREAS, the Board anticipates that the cost of such Preliminary Expenditures will initially be paid from the District's Operating Fund and/or Renewal and Replacement Fund; and

WHEREAS, the Board reasonably expects that the District will reimburse the Operating Fund and/or Renewal and Replacement Fund, as appropriate, for such Preliminary Expenditures for the Project in an amount estimated not to exceed \$5,000,000, from the proceeds from the sale of the Project Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT, AS FOLLOWS:

Section 1. The Board of the District reasonably expects that the District will reimburse itself for certain Preliminary Expenditures made not more than 60 days prior to the date of adoption of this resolution (and after the date of such adoption, but prior to the issuance of the Project Bonds) in connection with and necessary for the Project, such Preliminary Expenditures to be undertaken or incurred prior to the execution and delivery of the Project Bonds, from the proceeds of the Project Bonds, which are reasonably expected to be executed and delivered within 36 months from the later of (i) the expenditure for payment of said costs or (ii) the placing of the Project in service.

Section 2. This Resolution is intended to constitute a "declaration of official intent" pursuant to Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended (the "Reimbursement Regulations").

Section 3. The initial source of payment for such Preliminary Expenditures will be the District's Operating Fund and/or Renewal and Replacement Fund, and upon issuance of the Project Bonds, proceeds thereof not to exceed the amount \$5,000,000 of such Preliminary Expenditures will be applied to reimbursement of the Operating Fund and/or Renewal and Replacement Fund, as appropriate.


Section 4. The maximum principal amount of Project Bonds to be issued for the Project (including costs of issuance and related costs) is \$25,000,000.

[Remainder of Page Intentionally Blank]

Section 5. This Resolution shall become effective on the date of its adoption.

Adopted this 7th day of December 2020.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

Berkeley County Public Service Water District
Water Revenue Bond Anticipation Note, Series 2020
(Final Schedules)

Bonding Schedules

Distribution of Funds Schedule	1
Flow of Funds Schedule	2
Bonding Schedules	3 - 8

Cumulative Debt Schedules

Debt Capsule Report	9
Debt Structure Graph	10
Net Debt Service Structure Report	11
Principal Payment Report	12
Interest Payment Report	13
DSRF and Capitalized Interest Report	14
Principal Payout Report	15



**Berkeley County Public Service Water District
Water Revenue Bond Anticipation Note, Series 2020**

(Distribution of Funds Schedule)

Pricing: October 12, 2020
Dated Date: December 17, 2020
Delivery Date: December 17, 2020

Sources of Funds:

Par Amount of Note		\$10,000,000.00	
Add Accrued Interest		\$0.00	
Net Bid Premium / (Discount)		\$0.00	
Total Due From Purchaser			\$10,000,000.00
Total Sources of Funds:			<u><u>\$10,000,000.00</u></u>

Uses of Funds:

West Virginia Municipal Bond Commission			\$9,975,500.00
Deposit to Project Fund	\$9,975,500.00		
Cost of Issuance			\$24,500.00
Remit to Compass Municipal Advisors, LLC their Financial Advisor Fee (Includes Out of Pocket)	\$7,500.00		
Remit to Steptoe & Johnson, PLLC their Bond Counsel Fee (Includes Out of Pocket)	\$12,500.00		
Retained by Truist Bank their Bank Counsel Fee	\$4,500.00		
Total Uses of Funds:			<u><u>\$10,000,000.00</u></u>

**Berkeley County Public Service Water District
Water Revenue Bond Anticipation Note, Series 2020**

(Flow of Funds Schedule)

Pricing: October 12, 2020
Dated Date: December 17, 2020
Delivery Date: December 17, 2020

From Purchaser

December 17, 2020	Wire to West Virginia Municipal Bond Commission	\$9,975,500.00
December 17, 2020	Wire to Berkeley County Public Service Water District	\$20,000.00
December 17, 2020	Retained Bank Counsel Fees	\$4,500.00
Totals:		\$10,000,000.00

From The West Virginia Municipal Bond Commission

December 17, 2020	Deposit to Project Fund	\$9,975,500.00
-------------------	-------------------------	----------------

From Berkeley County Public Service Water District

December 17, 2020	Remit Cost of Issuance (Less Retained Bank Counsel Fees)	\$20,000.00
-------------------	--	-------------

Wiring Instructions

<p><u>WV Municipal Bond Commission</u> Truist Bank ABA # 051503394 Acct # 5270517317 Contact: Sara Rogers 304-558-3971</p>	<p><u>Berkeley County Public Service Water District</u> Branch Banking & Trust ABA Routing # 051503394 Account # 005176586372 Account Name: Berkeley County Public Service Water District 251 Caperton Boulevard Martinsburg, WV 25403 Contact: Matt Drahos: 304-233-3232</p>
--	---

Berkeley County Public Service Water District

Water Revenue Bond Anticipation Note, Series 2020

FINAL: Sold to Truist on 10.12.20 - Delivery on 12.17.20

(Bank Qualified - Callable Anytime)

Sources & Uses

Dated 12/17/2020 | Delivered 12/17/2020

Sources Of Funds

Par Amount of Bonds	\$10,000,000.00
---------------------	-----------------

Total Sources

\$10,000,000.00

Uses Of Funds

Costs of Issuance	24,500.00
-------------------	-----------

Deposit to Project Fund	9,975,500.00
-------------------------	--------------

Total Uses

\$10,000,000.00

Berkeley County Public Service Water District

Water Revenue Bond Anticipation Note, Series 2020

FINAL: Sold to Truist on 10.12.20 - Delivery on 12.17.20

(Bank Qualified - Callable Anytime)

Detail Costs Of Issuance

Dated 12/17/2020 | Delivered 12/17/2020

COSTS OF ISSUANCE DETAIL

Financial Advisor	\$7,500.00
Bond Counsel	\$12,500.00
Bank Counsel	\$4,500.00
TOTAL	\$24,500.00

2020 BAN | 12/ 2/2020 | 9:32 AM

Compass Municipal Advisors, LLC
Public Finance - LRagusa

Berkeley County Public Service Water District

Water Revenue Bond Anticipation Note, Series 2020

FINAL: Sold to Truist on 10.12.20 - Delivery on 12.17.20

(Bank Qualified - Callable Anytime)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
12/01/2023	Serial Coupon	1.260%	1.260%	10,000,000.00	100.000%	10,000,000.00
Total	-	-	-	\$10,000,000.00	-	\$10,000,000.00

Bid Information

Par Amount of Bonds	\$10,000,000.00
Gross Production	\$10,000,000.00
Bid (100.000%)	10,000,000.00
Total Purchase Price	\$10,000,000.00
Bond Year Dollars	\$29,555.56
Average Life	2.956 Years
Average Coupon	1.2600000%
Net Interest Cost (NIC)	1.2600000%
True Interest Cost (TIC)	1.2600551%

2020 BAN | 12/ 2/2020 | 9:32 AM

Compass Municipal Advisors, LLC
Public Finance - LRagusa

Berkeley County Public Service Water District

Water Revenue Bond Anticipation Note, Series 2020

FINAL: Sold to Truist on 10.12.20 - Delivery on 12.17.20

(Bank Qualified - Callable Anytime)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/17/2020	-	-	-	-
06/01/2021	-	-	57,400.00	57,400.00
12/01/2021	-	-	63,000.00	63,000.00
06/01/2022	-	-	63,000.00	63,000.00
12/01/2022	-	-	63,000.00	63,000.00
06/01/2023	-	-	63,000.00	63,000.00
12/01/2023	10,000,000.00	1.260%	63,000.00	10,063,000.00
Total	\$10,000,000.00	-	\$372,400.00	\$10,372,400.00

Yield Statistics

Bond Year Dollars	\$29,555.56
Average Life	2.956 Years
Average Coupon	1.260000%
Net Interest Cost (NIC)	1.260000%
True Interest Cost (TIC)	1.2600551%
Bond Yield for Arbitrage Purposes	1.2600551%
All Inclusive Cost (AIC)	1.3448904%

IRS Form 8038

Net Interest Cost	1.260000%
Weighted Average Maturity	2.956 Years

2020 BAN | 12/ 2/2020 | 9:32 AM

Compass Municipal Advisors, LLC
Public Finance - LRagusa

Berkeley County Public Service Water District

Water Revenue Bond Anticipation Note, Series 2020

FINAL: Sold to Truist on 10.12.20 - Delivery on 12.17.20

(Bank Qualified - Callable Anytime)

Proof of Bond Yield @ 1.2600551%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/17/2020	-	1.0000000x	-	-
06/01/2021	57,400.00	0.9942941x	57,072.48	57,072.48
12/01/2021	63,000.00	0.9880690x	62,248.35	119,320.83
06/01/2022	63,000.00	0.9818829x	61,858.62	181,179.45
12/01/2022	63,000.00	0.9757355x	61,471.33	242,650.78
06/01/2023	63,000.00	0.9696265x	61,086.47	303,737.25
12/01/2023	10,063,000.00	0.9635559x	9,696,262.75	10,000,000.00
Total	\$10,372,400.00	-	\$10,000,000.00	-

Derivation Of Target Amount

Par Amount of Bonds	\$10,000,000.00
Original Issue Proceeds	\$10,000,000.00

Berkeley County Public Service Water District

Water Revenue Bond Anticipation Note, Series 2020

FINAL: Sold to Truist on 10.12.20 - Delivery on 12.17.20

(Bank Qualified - Callable Anytime)

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Coupon	Price	Issuance Price	Exponent	Bond Years
12/17/2020	-	-	-	-	-	-
12/01/2023	10,000,000.00	1.260%	100.000%	10,000,000.00	2.9555556x	29,555,555.56
Total	\$10,000,000.00	-	-	\$10,000,000.00	-	\$29,555,555.56

Description of Bonds

Final Maturity Date	12/01/2023
Issue price of entire issue	10,000,000.00
Stated Redemption at Maturity	10,000,000.00
Weighted Average Maturity = Bond Years/Issue Price	2.956 Years
Bond Yield for Arbitrage Purposes	1.2600551%

Uses of Proceeds of Issue

Proceeds used for accrued interest	-
Proceeds used for bond issuance costs (including underwriters' discount)	24,500.00
Proceeds used for credit enhancement	-
Proceeds allocated to reasonably required reserve or replacement fund	-

2020 BAN | 12/ 2/2020 | 9:32 AM

Compass Municipal Advisors, LLC
Public Finance - LRagusa

Debt Capsule Report

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Bond Series	Original Issuer	Original Par Amount	Amount Outstanding	DSRF Amount	Borrowing Rate	Refundable Bonds Interest Rate	Final Maturity	Call Information
1993 (WDA)	Opequon PSD	\$9,752,924	\$6,368,355	**BAM Surety & \$110,000	6.750%	6.750%	2033	WDA Consent Only
1993A (WDA)	Hedgesville PSD	\$528,871	\$313,236	\$43,347	7.750%	7.750%	2031	WDA Consent Only
1993B (WDA)	Hedgesville PSD	\$17,629	\$4,972	\$452	0.000%	0.000%	2031	WDA Consent Only
1996 (WDA)	Hedgesville PSD	\$677,158	\$446,377	**BAM Surety	6.250%	6.250%	2035	WDA Consent Only
2001A (WDA)	Berkeley PSD	\$2,010,000	\$1,497,109	**BAM Surety	5.800%	5.800%	2039	WDA Consent Only
2003C (WDA)	Berkeley PSD	\$2,430,000	\$531,004	\$194,990	5.000%	5.000%	2023	WDA Consent Only
2012A REF	Berkeley PSD	\$7,425,000	\$2,975,000	\$742,500	2.102%	---	2024	Non-Callable
2012B	Berkeley PSD	\$7,800,000	\$7,335,000	\$738,997	3.328%	3.176%	2032	Dec. 1, 2022 @ 100%
2013A	Berkeley PSD	\$9,900,000	\$9,125,000	**AGM Surety	4.061%	4.256%	2033	Dec. 1, 2023 @ 100%
2015A REF	Berkeley PSD	\$9,575,000	\$8,770,000	AGM Surety	2.983%	3.067%	2036	Dec. 1, 2025 @ 100%
2015C REF	Berkeley PSD	\$9,910,000	\$9,705,000	BAM Surety	3.575%	3.520%	2037	Dec. 1, 2025 @ 100%
2015D REF	Berkeley PSD	\$2,150,000	\$1,850,000	BAM Surety	2.595%	---	2025	Non-Callable
2015E REF	Berkeley PSD	\$5,460,000	\$3,570,000	BAM Surety	2.486%	3.000%	2028	Dec. 1, 2025 @ 100%
2016 WVIF*	Berkeley PSD	\$5,213,278	\$4,901,123		3.011%	---	2039	---
2020A	Berkeley PSD	\$9,950,000	\$9,950,000	BAM Surety	3.065%	3.036%	2044	Dec. 1, 2030 @ 100%
2020B	Berkeley PSD	\$300,000	\$220,000	BAM Surety	2.758%	---	2023	Non-Callable
2020 BAN	Berkeley PSD	\$10,000,000	\$10,000,000		1.260%	1.260%	2023	Anytime @ 100%
Totals:	---	\$93,099,860	\$77,562,176	\$1,830,286	---	---	---	---

* Delayed Starting Loan Beginning on July 20, 2019. Secured by a Surplus Revenue Pledge until and if P&G Revenues are Realized.

** Surety Bond Purchases Released \$1,641,213 Net to Project Funds on February 10, 2017 (AGM) and June 23, 2017 (BAM).

Net Debt Service Structure Report

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	
Issuer:	(Hedgenville)	(Hedgenville)	(Opequan)	(Hedgenville)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(U)	
	Mar 8, 1993	Mar 8, 1993	Jul 29, 1993	Aug 6, 1996	Oct 25, 2001	May 15, 2003	Dec 19, 2012	Dec 20, 2012	Dec 30, 2013	Dec 30, 2013	Feb 26, 2015	Oct 1, 2015	Oct 1, 2015	Dec 1, 2015	Jul 20, 2016	May 27, 2020	May 27, 2020				
FY	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Net	
Ending	1993	1993A	1993B	1996	2001A	2003C	2012A REF	2012B	2013A	2013B	2015A REF	2015C REF	2015D REF	2015E REF	2016A WVIF	2020A	2020B	2023 EST	Payment	Parity	
June 30	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds*	Bonds	Bonds	Bonds	Bonds	Amount	Debt
2020	\$741,700	\$42,710	\$452	\$46,193	\$130,910	\$191,170	\$792,368	\$389,031	\$516,425	\$389,603	\$496,044	\$357,658	\$122,038	\$373,013	\$346,176					\$4,935,488	\$4,589,313
2021	\$741,058	\$42,661	\$452	\$46,161	\$130,842	\$190,979	\$788,168	\$390,881	\$857,425	\$49,018	\$489,444	\$357,239	\$130,638	\$377,613	\$346,175	\$306,582	\$85,924			\$5,331,256	\$4,985,081
2022	\$740,372	\$42,607	\$452	\$46,126	\$130,770	\$190,778	\$793,668	\$387,281	\$906,450		\$497,619	\$356,751	\$124,144	\$372,113	\$346,176	\$303,213	\$94,020			\$5,332,539	\$4,986,363
2023	\$739,640	\$42,550	\$452	\$46,089	\$130,693	\$190,568	\$793,068	\$388,219	\$909,931		\$495,494	\$356,201	\$122,350	\$376,299	\$346,175	\$303,213	\$91,995			\$5,332,936	\$4,986,761
2024	\$738,858	\$42,488	\$452	\$46,050	\$130,613		\$786,078	\$388,606	\$907,888		\$488,294	\$355,608	\$327,100	\$379,843	\$346,176	\$352,463	\$40,480	\$470,100		\$5,801,095	\$5,454,920
2025	\$738,024	\$42,422	\$452	\$46,009	\$130,528			\$403,206	\$904,278		\$712,569	\$359,919	\$875,225	\$376,950	\$346,175	\$395,288		\$472,800		\$5,803,845	\$5,457,670
2026	\$737,134	\$42,350	\$452	\$45,965	\$130,438			\$397,506	\$903,953		\$708,169	\$649,661	\$593,775	\$382,725	\$346,176	\$392,438		\$470,400		\$5,801,141	\$5,454,966
2027	\$736,183	\$42,273	\$452	\$45,918	\$130,342			\$401,656	\$906,688		\$708,394	\$654,686		\$964,275	\$346,175	\$394,513		\$472,900		\$5,804,454	\$5,458,279
2028	\$735,168	\$42,190	\$452	\$45,868	\$130,241			\$405,506	\$906,438		\$713,094	\$649,411		\$961,450	\$346,175	\$396,438		\$470,300		\$5,802,731	\$5,456,556
2029	\$734,085	\$42,100	\$452	\$45,815	\$130,135			\$1,112,747	\$908,438		\$712,269	\$654,061		\$248,675	\$346,175	\$398,213		\$467,700		\$5,800,863	\$5,454,688
2030	\$732,928	\$42,004	\$452	\$45,759	\$130,022			\$1,364,075	\$903,413		\$715,919	\$653,336			\$346,174	\$394,913		\$474,900		\$5,803,895	\$5,457,720
2031	\$731,694	\$41,899	\$452	\$45,699	\$129,902			\$1,365,325	\$906,219		\$718,969	\$651,611			\$346,175	\$391,613		\$471,900		\$5,801,458	\$5,455,283
2032	\$730,376			\$45,636	\$129,776			\$1,359,594	\$906,525		\$765,744	\$653,623			\$346,176	\$393,238		\$473,800		\$5,804,486	\$5,458,310
2033	\$1,322,686			\$45,568	\$129,643			\$622,778	\$909,175		\$825,344	\$733,356			\$346,176	\$394,713		\$470,600		\$5,800,039	\$5,453,862
2034				\$45,497	\$129,501				\$910,025		\$793,894	\$1,428,513			\$346,176	\$691,538		\$506,600		\$4,851,742	\$4,505,566
2035				\$45,421	\$129,351						\$787,369	\$1,435,616			\$346,176	\$851,163		\$658,600		\$4,253,696	\$3,907,520
2036				\$45,340	\$129,193						\$834,072	\$1,435,396			\$346,176	\$803,613		\$657,200		\$4,250,989	\$3,904,813
2037					\$129,025						\$833,325	\$1,437,031			\$346,175	\$850,538		\$655,400		\$4,251,494	\$3,905,319
2038					\$128,848							\$1,471,191			\$346,176	\$846,263		\$560,100		\$3,352,577	\$3,006,401
2039					\$128,660										\$346,175	\$876,013		\$752,400		\$2,103,247	\$1,757,072
2040					\$128,461											\$874,713		\$755,200		\$1,758,374	\$1,758,374
2041																	\$1,000,863	\$757,200		\$1,758,063	\$1,758,063
2042																	\$1,003,750	\$753,500		\$1,757,250	\$1,757,250
2043																	\$1,005,156	\$754,100		\$1,759,256	\$1,759,256
2044																	\$1,000,703	\$753,900		\$1,754,603	\$1,754,603
2045																	\$1,000,391	\$757,800		\$1,758,191	\$1,758,191
2046																		\$755,800		\$755,800	\$755,800
2047																		\$757,900		\$757,900	\$757,900
2048																		\$754,100		\$754,100	\$754,100
2049																		\$754,400		\$754,400	\$754,400
2050																		\$758,600		\$758,600	\$758,600
2051																		\$756,700		\$756,700	\$756,700
2052																		\$753,800		\$753,800	\$753,800
2053																		\$754,800		\$754,800	\$754,800
Totals:	\$10,899,905	\$508,254	\$5,424	\$779,113	\$2,727,895	\$763,494	\$3,953,348	\$9,376,412	\$13,163,269	\$438,620	\$12,296,022	\$14,650,868	\$2,295,269	\$4,812,954	\$6,923,507	\$15,621,532	\$312,419	\$19,083,500	\$118,611,806	\$111,688,298	

* Delayed Starting Loan Beginning on July 20, 2019. Secured by a Surplus Revenue Pledge until and if P&G Revenues are Realized.

Max Principal & Interest \$5,804,486 \$5,458,310

Principal Payment Report

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	
Issuer:	(Hedgesville)	(Hedgesville)	(Opequon)	(Hedgesville)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	
	Mar 8, 1993	Mar 8, 1993	Jul 29, 1993	Aug 6, 1996	Oct 25, 2001	May 15, 2003	Dec 19, 2012	Dec 20, 2012	Dec 30, 2013	Dec 30, 2013	Feb 26, 2015	Feb 26, 2015	Oct 1, 2015	Oct 1, 2015	Dec 1, 2015	Jul 20, 2016	May 27, 2020	May 27, 2020			
FY	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	
Ending	1993A	1993B	1993	1996	2001A	2003C	2012A REF	2012B	2013A	2013B	2015A REF	2015B REF	2015C REF	2015D REF	2015E REF	2016A WVIF	2020A	2020B	2023 EST	Principal	
June 30	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds*	Bonds	Bonds	Bonds	Bonds	Amount
2017	\$231,816	\$13,130	\$452	\$13,895	\$34,134	\$131,977	\$575,000	\$25,000	\$25,000	\$435,000	\$155,000	\$130,000	\$50,000	\$20,000							\$1,840,405
2018	\$247,464	\$14,148	\$452	\$14,764	\$36,114	\$138,576	\$335,000	\$25,000	\$25,000	\$445,000	\$45,000	\$130,000	\$55,000	\$65,000	\$595,000						\$2,171,518
2019	\$264,168	\$15,244	\$452	\$15,686	\$38,208	\$145,504	\$345,000	\$25,000	\$25,000	\$455,000	\$45,000	\$135,000	\$50,000	\$75,000	\$755,000						\$2,389,262
2020	\$281,999	\$16,426	\$452	\$16,667	\$40,425	\$152,779	\$705,000	\$155,000	\$150,000	\$370,000	\$220,000		\$25,000	\$65,000	\$265,000		\$213,693				\$2,677,441
2021	\$301,034	\$17,699	\$452	\$17,709	\$42,769	\$160,418	\$715,000	\$160,000	\$500,000	\$330,000	\$220,000		\$25,000	\$75,000	\$275,000	\$198,406		\$80,000			\$3,118,487
2022	\$321,354	\$19,070	\$452	\$18,815	\$45,250	\$168,439	\$735,000	\$160,000	\$565,000		\$235,000		\$25,000	\$70,000	\$275,000	\$204,426		\$90,000			\$2,932,806
2023	\$343,045	\$20,548	\$452	\$19,991	\$47,874	\$176,861	\$750,000	\$165,000	\$585,000		\$240,000		\$25,000	\$70,000	\$285,000	\$210,627		\$90,000			\$3,029,398
2024	\$366,201	\$22,141	\$452	\$21,241	\$50,651	\$185,704	\$760,000	\$170,000	\$600,000		\$240,000		\$25,000	\$280,000	\$295,000	\$217,018	\$50,000		\$55,000		\$3,378,407
2025	\$390,919	\$23,857	\$452	\$22,568	\$53,589		\$730,000	\$190,000	\$615,000		\$475,000		\$30,000	\$845,000	\$300,000	\$223,602	\$95,000		\$60,000		\$4,054,987
2026	\$417,306	\$25,706	\$452	\$23,979	\$56,697			\$190,000	\$635,000		\$485,000		\$325,000	\$585,000	\$315,000	\$230,386	\$95,000		\$60,000		\$3,444,526
2027	\$445,474	\$27,698	\$452	\$25,478	\$59,985			\$200,000	\$660,000		\$500,000		\$340,000		\$915,000	\$237,375	\$100,000		\$65,000		\$3,576,462
2028	\$475,544	\$29,845	\$452	\$27,070	\$63,464			\$210,000	\$685,000		\$520,000		\$345,000		\$940,000	\$244,577	\$105,000		\$65,000		\$3,710,952
2029	\$507,643	\$32,157	\$452	\$28,762	\$67,145			\$935,000	\$715,000		\$535,000		\$360,000		\$245,000	\$251,997	\$110,000		\$65,000		\$3,853,156
2030	\$541,909	\$34,650	\$452	\$30,559	\$71,040			\$1,220,000	\$740,000		\$555,000		\$370,000			\$259,642	\$110,000		\$75,000		\$4,008,252
2031	\$578,488	\$37,335	\$452	\$32,469	\$75,160			\$1,260,000	\$775,000		\$575,000		\$380,000			\$267,520	\$110,000		\$75,000		\$4,166,424
2032	\$617,536	\$40,229	\$452	\$34,499	\$79,519			\$1,295,000	\$810,000		\$640,000		\$395,000			\$275,637	\$115,000		\$80,000		\$4,382,871
2033	\$1,362,936			\$36,655	\$84,132			\$1,340,000	\$850,000		\$720,000		\$490,000			\$284,000	\$120,000		\$80,000		\$5,367,723
2034				\$38,946	\$89,011				\$890,000		\$710,000		\$1,215,000			\$292,616	\$425,000		\$120,000		\$3,780,573
2035				\$41,380	\$94,174						\$725,000		\$1,265,000			\$301,494	\$600,000		\$280,000		\$3,307,048
2036				\$43,966	\$99,636						\$795,000		\$1,310,000			\$310,641	\$570,000		\$290,000		\$3,419,243
2037					\$105,415						\$820,000		\$1,360,000			\$320,065	\$635,000		\$300,000		\$3,540,480
2038					\$111,529								\$1,445,000			\$329,776	\$650,000		\$215,000		\$2,751,305
2039					\$117,997											\$339,780	\$700,000		\$420,000		\$1,577,777
2040					\$124,841												\$720,000		\$440,000		\$1,284,841
2041																	\$870,000		\$460,000		\$1,330,000
2042																	\$900,000		\$475,000		\$1,375,000
2043																	\$930,000		\$495,000		\$1,425,000
2044																	\$955,000		\$515,000		\$1,470,000
2045																	\$985,000		\$540,000		\$1,525,000
2046																			\$560,000		\$560,000
2047																			\$585,000		\$585,000
2048																			\$605,000		\$605,000
2049																			\$630,000		\$630,000
2050																			\$660,000		\$660,000
2051																			\$685,000		\$685,000
2052																			\$710,000		\$710,000
2053																			\$740,000		\$740,000
Totals:	\$7,694,836	\$389,883	\$7,232	\$525,098	\$1,688,759	\$1,260,258	\$5,650,000	\$7,725,000	\$9,850,000	\$2,035,000	\$9,455,000	\$395,000	\$9,910,000	\$2,150,000	\$5,460,000	\$5,213,278	\$9,950,000	\$300,000	\$10,405,000	\$90,064,344	

* Delayed Starting Loan Beginning on July 20, 2019. Secured by a Surplus Revenue Pledge until and if P&G Revenues are Realized.

Interest Payment Report

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	
Issuer:	(Hedgenville)	(Hedgenville)	(Opequon)	(Hedgenville)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	
	Mar 8, 1993	Mar 8, 1993	Jul 29, 1993	Aug 6, 1996	Oct 25, 2001	May 15, 2003	Dec 19, 2012	Dec 20, 2012	Dec 30, 2013	Dec 30, 2013	Feb 26, 2015	Feb 26, 2015	Oct 1, 2015	Oct 1, 2015	Dec 1, 2015	Jul 20, 2016	May 27, 2020	May 27, 2020			
FY	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	
Ending	1993A	1993B	1993	1996	2001A	2003C	2012A REF	2012B	2013A	2013B	2015A REF	2015B REF	2015C REF	2015D REF	2015E REF	2016A WWIF	2020A	2020B	2023 EST	Interest	
June 30	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds*	Bonds	Bonds	Bonds	Bonds	Amount
2017	\$511,578	\$29,707	\$0	\$32,384	\$96,958	\$59,713	\$112,330	\$236,750	\$369,175	\$57,090	\$282,694	\$6,600	\$334,201	\$60,688	\$137,663					\$2,327,531	
2018	\$495,402	\$28,650	\$0	\$31,489	\$94,921	\$52,950	\$104,668	\$236,331	\$368,675	\$46,626	\$280,694	\$4,000	\$333,776	\$59,838	\$131,713					\$2,269,731	
2019	\$478,134	\$27,511	\$0	\$30,537	\$92,766	\$45,848	\$97,868	\$235,831	\$368,175	\$33,450	\$279,794	\$1,350	\$333,176	\$58,438	\$118,213					\$2,201,090	
2020	\$459,701	\$26,284	\$0	\$29,526	\$90,485	\$38,391	\$87,368	\$234,031	\$366,425	\$19,603	\$276,044		\$332,658	\$57,038	\$108,013	\$132,483				\$2,258,047	
2021	\$440,024	\$24,962	\$0	\$28,452	\$88,073	\$30,561	\$73,168	\$230,881	\$357,425	\$6,518	\$269,444		\$332,239	\$55,638	\$102,613	\$147,769	\$306,582	\$5,924		\$2,500,270	
2022	\$419,018	\$23,537	\$0	\$27,311	\$85,520	\$22,339	\$58,668	\$227,281	\$341,450		\$262,619		\$331,751	\$54,144	\$97,113	\$141,750	\$303,213	\$4,020		\$2,399,732	
2023	\$396,595	\$22,002	\$0	\$26,098	\$82,819	\$13,707	\$43,068	\$223,219	\$324,931		\$255,494		\$331,201	\$52,350	\$91,299	\$135,548	\$303,213	\$1,995		\$2,303,537	
2024	\$372,658	\$20,347	\$0	\$24,809	\$79,962	\$4,643		\$218,606	\$307,888		\$248,294		\$330,608	\$47,100	\$84,843	\$129,158	\$302,463	\$480	\$415,100	\$2,613,035	
2025	\$347,105	\$18,565	\$0	\$23,440	\$76,939		\$8,669	\$213,206	\$289,278		\$237,569		\$329,919	\$30,225	\$76,950	\$122,573	\$300,288		\$412,800	\$2,487,526	
2026	\$319,827	\$16,644	\$0	\$21,986	\$73,741			\$207,506	\$268,953		\$223,169		\$324,661	\$8,775	\$67,725	\$115,790	\$297,438		\$410,400	\$2,356,615	
2027	\$290,709	\$14,575	\$0	\$20,440	\$70,357			\$201,656	\$246,688		\$208,394		\$314,686		\$49,275	\$108,800	\$294,513		\$407,900	\$2,227,992	
2028	\$259,624	\$12,345	\$0	\$18,798	\$66,777			\$195,506	\$221,438		\$193,094		\$304,411		\$21,450	\$101,598	\$291,438		\$405,300	\$2,091,779	
2029	\$226,442	\$9,943	\$0	\$17,053	\$62,990			\$177,747	\$193,438		\$177,269		\$294,061		\$3,675	\$94,178	\$288,213		\$402,700	\$1,947,707	
2030	\$191,019	\$7,354	\$0	\$15,200	\$58,982			\$144,075	\$163,413		\$160,919		\$283,336			\$86,532	\$284,913		\$399,900	\$1,795,642	
2031	\$153,206	\$4,564	\$0	\$13,230	\$54,742			\$105,325	\$131,219		\$143,969		\$271,611			\$78,655	\$281,613		\$396,900	\$1,635,034	
2032	\$112,840	\$1,559	\$0	\$11,137	\$50,257			\$64,594	\$96,525		\$125,744		\$258,623			\$70,539	\$278,238		\$393,800	\$1,463,854	
2033	\$69,750			\$8,914	\$45,511			\$21,775	\$59,175		\$105,344		\$243,356			\$62,176	\$274,713		\$390,600	\$1,281,313	
2034				\$6,551	\$40,490				\$20,025		\$83,894		\$213,513			\$53,560	\$266,538		\$386,600	\$1,071,169	
2035				\$4,041	\$35,177						\$62,369		\$170,616			\$44,682	\$251,163		\$378,600	\$946,648	
2036				\$1,374	\$29,557						\$39,072		\$125,396			\$35,535	\$233,613		\$367,200	\$831,746	
2037					\$23,610						\$13,325		\$77,031			\$26,110	\$215,538		\$355,400	\$711,014	
2038					\$17,319								\$26,191			\$16,400	\$196,263		\$345,100	\$601,272	
2039					\$10,663											\$6,395	\$176,013		\$332,400	\$525,470	
2040					\$3,620												\$154,713		\$315,200	\$473,533	
2041																	\$130,863		\$297,200	\$428,063	
2042																	\$103,750		\$278,500	\$382,250	
2043																	\$75,156		\$259,100	\$334,256	
2044																	\$45,703		\$238,900	\$284,603	
2045																	\$15,391		\$217,800	\$233,191	
2046																			\$195,800	\$195,800	
2047																			\$172,900	\$172,900	
2048																			\$149,100	\$149,100	
2049																			\$124,400	\$124,400	
2050																			\$98,600	\$98,600	
2051																			\$71,700	\$71,700	
2052																			\$43,800	\$43,800	
2053																			\$14,800	\$14,800	
Totals:	\$5,543,631	\$288,550	\$0	\$392,771	\$1,432,237	\$268,151	\$611,881	\$3,174,322	\$4,494,294	\$163,286	\$3,929,203	\$11,950	\$5,897,022	\$484,231	\$1,090,541	\$1,710,229	\$5,671,532	\$12,419	\$8,678,500	\$43,854,750	

* Delayed Starting Loan Beginning on July 20, 2019. Secured by a Surplus Revenue Pledge until and if P&G Revenues are Realized.

DSRF and Capitalized Interest Report

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)		
Issuer:	(Hedgesville)	(Hedgesville)	(Opequon)	(Hedgesville)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)	(Berkeley)		
	Mar 8, 1993	Mar 8, 1993	Jul 29, 1993	Aug 6, 1996	Oct 25, 2001	May 15, 2003	Dec 19, 2012	Dec 20, 2012	Dec 30, 2013	Dec 30, 2013	Feb 26, 2015	Feb 26, 2015	Oct 1, 2015	Oct 1, 2015	Dec 1, 2015	Jul 20, 2016	May 27, 2020				
FY	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	
Ending	1993A	1993B	1993	1996	2001A	2003C	2012A REF	2012B	2013A	2013B	2015A REF	2015B REF	2015C REF	2015D REF	2015E REF	2016A WVIF	2020AB	2023 EST	Reduction		
June 30	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Amount	
2017																				\$0	
2018																					\$0
2019																					\$0
2020																					\$0
2021																					(\$287,500)
2022																					\$0
2023																					\$0
2024																					(\$194,990)
2025																					(\$742,500)
2026																					\$0
2027																					\$0
2028																					\$0
2029																					\$0
2030																					\$0
2031																					\$0
2032																					(\$43,799)
2033																					(\$848,997)
2034																					\$0
2035																					\$0
2036																					\$0
2037																					\$0
2038																					\$0
2039																					\$0
2040																					\$0
2041																					\$0
2042																					\$0
2043																					\$0
2044																					\$0
2045																					\$0
2046																					\$0
2047																					\$0
2048																					\$0
2049																					\$0
2050																					\$0
2051																					\$0
2052																					\$0
2053																					\$0
Totals:	(\$110,000)	(\$43,347)	(\$452)	\$0	\$0	(\$194,990)	(\$742,500)	(\$738,997)	\$0	(\$287,500)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,117,786)	

* Delayed Starting Loan Beginning on July 20, 2019. Secured by a Surplus Revenue Pledge until and if P&G Revenues are Realized.

Principal Payout Report

(A)	(B)	(C)	(D)	(E)
FY Ending June 30	Principal Amount*	Principal Outstanding	Payout Amount Over 10 Years	Payout Ratio Over 10 Years
2020				
2021	\$3,118,487	\$77,867,232		
2022	\$2,932,806	\$74,934,426		
2023	\$3,029,398	\$71,905,028		
2024	\$3,378,407	\$68,526,620		
2025	\$4,054,987	\$64,471,633		
2026	\$3,444,526	\$61,027,107		
2027	\$3,576,462	\$57,450,645		
2028	\$3,710,952	\$53,739,693		
2029	\$3,853,156	\$49,886,537		
2030	\$4,008,252	\$45,878,285	\$35,107,434	43.4%
2031	\$4,166,424	\$41,711,861		
2032	\$4,382,871	\$37,328,990		
2033	\$5,367,723	\$31,961,267		
2034	\$3,780,573	\$28,180,694		
2035	\$3,307,048	\$24,873,646		
2036	\$3,419,243	\$21,454,403		
2037	\$3,540,480	\$17,913,923		
2038	\$2,751,305	\$15,162,618		
2039	\$1,577,777	\$13,584,841		
2040	\$1,284,841	\$12,300,000		
2041	\$1,330,000	\$10,970,000		
2042	\$1,375,000	\$9,595,000		
2043	\$1,425,000	\$8,170,000		
2044	\$1,470,000	\$6,700,000		
2045	\$1,525,000	\$5,175,000		
2046	\$560,000	\$4,615,000		
2047	\$585,000	\$4,030,000		
2048	\$605,000	\$3,425,000		
2049	\$630,000	\$2,795,000		
2050	\$660,000	\$2,135,000		
2051	\$685,000	\$1,450,000		
2052	\$710,000	\$740,000		
2053	\$740,000			
Totals:	\$80,985,719	---	---	---

* Includes Estimated Series