

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

SEWER REVENUE BONDS, SERIES 2015 C (TAX EXEMPT)

BOND RESOLUTION

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

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

ARTICLE II

**AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF PROJECT**

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

ARTICLE III

THE SERIES 2015 C BONDS

Section 3.01	Form and Payment of Bonds
Section 3.02	Execution of Bonds
Section 3.03	Authentication and Registration
Section 3.04	Negotiability and Registration
Section 3.05	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.06	Term Bonds
Section 3.07	Notice of Redemption
Section 3.08	Persons Treated as Owners
Section 3.09	Temporary Bonds
Section 3.10	Series 2015 C Bonds
Section 3.11	Book Entry System for Series 2015 C Bonds
Section 3.12	Delivery of Series 2015 C Bonds
Section 3.13	Form of Series 2015 C Bonds
Section 3.14	Disposition of Proceeds of Series 2015 C Bonds
Section 3.15	Disbursements from the Series 2015 Bonds Construction Fund

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 Bond Commission
Section 4.03	System Revenues and Application Thereof

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

- Section 5.01 Investments
- Section 5.02 Continuing Disclosure Agreement
- Section 5.03 Arbitrage, and Tax Exemption
- Section 5.04 Tax Certificate and Rebate

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

- Section 6.01 Covenants Binding and Irrevocable
- Section 6.02 Bonds not to be Indebtedness of the Issuer
- Section 6.03 Bonds Secured by Pledge of Net Revenues and Monies in Sinking Fund
- Section 6.04 Rates
- Section 6.05 Completion of Project; Operation and Maintenance
- Section 6.06 Sale of the System
- Section 6.07 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
- Section 6.08 Additional Parity Bonds
- Section 6.09 Insurance and Bonds
- Section 6.10 Services Rendered to the Issuer
- Section 6.11 Enforcement of Collections
- Section 6.12 No Competing Franchise
- Section 6.13 Books and Records
- Section 6.14 Operating Budget
- Section 6.15 Mandatory Connections
- Section 6.16 Statutory Mortgage Lien
- Section 6.17 Covenants Regarding the Municipal Bond Insurance Policy
- Section 6.18 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 Bondholder

ARTICLE VIII
REGISTRAR AND PAYING AGENT

- Section 8.01 Appointment of Registrar
- Section 8.02 Responsibilities of Registrar
- Section 8.03 Evidence on Which Registrar May Act
- Section 8.04 Compensation and Expenses
- Section 8.05 Certain Permitted Acts

- Section 8.06 Resignation of Registrar
- Section 8.07 Removal
- Section 8.08 Appointment of Successor
- Section 8.09 Transfer of Rights and Property to Successor
- Section 8.10 Merger or Consolidation
- Section 8.11 Adoption of Authentication
- Section 8.12 Paying Agent

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF RESOLUTION

- Section 9.01 Defeasance; Discharge of Pledge of Resolution

ARTICLE X
MISCELLANEOUS

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

SIGNATURES

CERTIFICATION

EXHIBIT A - FORM OF SERIES 2015 C BOND

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE SYSTEM OF THE BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$20,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2015 C (TAX EXEMPT); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND AUTHORIZING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, the Berkeley County Public Service Sewer District (the "Issuer") presently owns and operates a sewerage system and has heretofore financed the acquisition and construction of the System and certain additions, betterments and improvements thereto through the issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Prior Bonds, as hereinafter defined;

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

WHEREAS, under the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to acquire, construct and operate extensions, additions, betterments and improvements for the System, consisting of Baker Heights Wastewater Treatment Plant upgrade, the Inwood Wastewater Treatment Plant upgrade, the Opequon Hedgesville Wastewater Treatment Plant upgrade, the North Area Wastewater Treatment Plant upgrade and the Gantt Pump station upgrade, together with all necessary appurtenances (collectively, the "Project") (the existing public sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System") in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer;

WHEREAS, the Issuer has determined, and does hereby affirm, that the acquisition and construction of certain extensions, additions, betterments and improvements to the System, is necessary, appropriate, useful and desirable for the health, safety, and welfare of the inhabitants of the District and surrounding areas;

WHEREAS, the Issuer has determined that the aforementioned acquisition and construction of extensions, additions, betterments and improvements to the System should be financed, as provided under the Act, in whole or in part, from the proceeds of revenue bonds to be issued by the Issuer, to pay a portion of the costs thereof, and to adopt this Resolution and issue its Sewer Revenue Bonds, Series 2015 C (Tax-Exempt) (the "Series 2015 C Bonds"), such Series 2015 C Bonds to be secured by and payable from the Net Revenues of the System, and containing such other terms and provisions as are hereinafter provided, all in the manner set forth herein;

WHEREAS, the Issuer shall also issue its Series 2015 A Bonds and Series 2015 B Bonds (as hereinafter defined) simultaneously with the Series 2015 C Bonds to finance a portion of the Project; and

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

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

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01. 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 West Virginia Code of 1931, as amended and in effect on the Closing Date for the Series 2015 C Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any temporary Chairman duly selected by the Governing Body.

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

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

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

“Bond Insurer” means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2015 C Bonds shall initially mean the bond insurer or bond insurers, if any, named in the Supplemental Resolution.

“Bond Purchase Agreement” means the Bond Purchase Agreement between the Issuer and the Original Purchaser relating to the sale and purchase of the Series 2015 C Bonds.

“Bond Register” means the books of the Issuer maintained by the Registrar for the registration and transfer of the Series 2015 C Bonds.

“Bond Year” means with respect to the Series 2015 C Bonds the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

“Bonds” means, collectively, the Series 2015 C Bonds, Series 2015 A Bonds, Series 2015 B Bonds, 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, West Virginia banking corporations or the New York Stock Exchange are authorized by law to remain closed.

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

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

“Closing Date” means the date upon which there is an exchange of the Bonds 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 and such guidance with respect thereto as may be issued by the Internal Revenue Service or Department of the Treasury from time to time.

“Connection Fees” means the fees, if any, paid by customers of the System in order to connect thereto.

“Consulting Engineers” means The Thrasher Group, Inc., Bridgeport, West Virginia, or any independent qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Continuing Disclosure Agreement" means the agreement delivered by the Issuer to disseminate annual financial information and material event disclosures as required by Rule 15c2-12 as herein defined.

"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 set forth in Section 1.02C.

"Debt Service" with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period.

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

"DTC" means The Depository Trust Company, New York, New York, or its successor thereof.

"DTC-eligible" means, with respect to the Series 2015 C Bonds, meeting the qualifications prescribed by DTC.

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

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

"First Lien Bonds" means collectively, the Issuer's: (1) Series 1986 B Bonds, (2) Series 1990 A Bonds, (3) Series 1994 A Bonds, (4) Series 1995 A Bonds, (5) Series 1995 B Bonds, (6) Series 1996 A Bonds, (7) Series 1996 B Bonds, (8) Series 1996 C Bonds, (9) Series 1997 A Bonds, (10) Series 1997 B Bonds, (11) Series 1999 A Bonds, (12) Series 2000 A Bonds, (13) Series 2001 A Bonds, (14) Series 2001 B Bonds, (15) Series 2002 A Bonds, (16) Series 2002 B Bonds, (17) Series 2002 C Bonds, (18) Series 2002 D Bonds, (19) Series 2002 E Bonds, (20) Series 2003 A Bonds, (21) Series 2003 B Bonds, (22) Series 2004 A Bonds, (23) Series 2007 A Bonds, (24) Series 2007 B Bonds, (25) Series 2007 C Bonds, (26) Series 2007 D Bonds, (27) Series 2007 E Bonds, (28) Series 2007 F Bonds, (29) Series 2009 A Bonds, (30) Series 2009 B Bonds, (31) Series 2013 A Bonds, (32) Series 2013 B Bonds, (33) Series 2013 C Bonds, and (34) Series 2013 D Bonds.

"First Lien State Bonds" means collectively, the Issuer's: (1) Series 1986 B Bonds, (2) Series 1990 A Bonds, (3) Series 1994 A Bonds, (4) Series 1995 A Bonds, (5) Series 1995 B Bonds, (6) Series 1996 A Bonds, (7) Series 1996 B Bonds, (8) Series 1996 C Bonds, (9) Series 1997 A Bonds, (10) Series 1997 B Bonds, (11) Series 1999 A Bonds, (12) Series 2000 A Bonds, (13) Series 2001 A Bonds, (14) Series 2001 B Bonds, (15) Series 2002 A Bonds, (16) Series 2002 B Bonds, (17) Series 2002 C Bonds, (18) Series 2002 D Bonds, (19) Series 2002 E Bonds, (20) Series 2003 A Bonds, (21) Series 2003 B Bonds, (22) Series 2004 A Bonds, (23) Series 2009 B Bonds, and (24) Series 2013 D 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" shall have the meaning set forth in the Supplemental Resolution.

"Grant" means, collectively, all grant monies received by the Issuer for the Project.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System and includes investment income, connection fees, disconnections fees, System use charges and fees, and all other items of income which have been established as reasonably anticipated annual income 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 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).

"Independent Certified Public Accountant" means the West Virginia State Tax Department or 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 said System in the normal operations 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 Sewer District, a public service district, public corporation and political subdivision of the State of West Virginia in Berkeley County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Fiscal Year.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2015 C Bonds insuring the timely payment of the principal of and interest on all or any of the Series 2015 C Bonds in accordance with the terms thereof.

"Net Proceeds" means the face amount of the Series 2015 C Bonds, plus accrued interest and premium, if any, less original issue discount, if any, on such issue, and less proceeds deposited in the Series 2015 C Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2015 C Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

“Net Revenues” means Gross Revenues less Operating Expenses.

“Nonpurpose Investment” means any Investment Property which is acquired with the gross proceeds of the Series 2015 C Bonds and is not acquired in order to carry out the governmental purpose of the Series 2015 C Bonds.

“Official Statement” means a document or set of documents prepared by an issuer of municipal securities or its representatives setting forth, among other matters, information concerning the Issuer of such municipal securities and the proposed issue of securities that is complete as of the date of delivery of the document or set of documents to the Original Purchaser.

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

“Resolution” or “Bond Resolution” regardless of whether preceded by the article “the” or “this,” means this Resolution, as it may hereafter from time to time be amended or supplemented, by resolution.

“Original Purchaser” means the investment banking firm or firms, bank or banks or such other entity or entities as shall purchase the Series 2015 C Bonds directly from the Issuer, as determined by the Supplemental Resolution.

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

“Paying Agent” means, initially, the West Virginia Municipal Bond Commission and any other paying agent for the Series 2015 C Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

“Prior Bonds” means collectively, the Issuer’s: (1) Series 1986 B Bonds, (2) Series 1990 A Bonds, (3) Series 1990 B Bonds, (4) Series 1994 A Bonds, (5) Series 1995 A Bonds, (6) Series 1995 B Bonds, (7) Series 1996 A Bonds, (8) Series 1996 B Bonds, (9) Series 1996 C Bonds, (10) Series 1997 A Bonds, (11) Series 1997 B Bonds, (12) Series 1999 A Bonds, (13) Series 2000 A Bonds,

(14) Series 2001 A Bonds, (15) Series 2001 B Bonds, (16) Series 2002 A Bonds, (17) Series 2002 B Bonds, (18) Series 2002 C Bonds, (19) Series 2002 D Bonds, (20) Series 2002 E Bonds, (21) Series 2003 A Bonds, (22) Series 2003 B Bonds, (23) Series 2004 A Bonds, (24) Series 2007 A Bonds, (25) Series 2007 B Bonds, (26) Series 2007 C Bonds, (27) Series 2007 D Bonds, (28) Series 2007 E Bonds, (29) Series 2007 F Bonds, (30) Series 2009 A Bonds, (31) Series 2009 B Bonds, (32) Series 2013 A Bonds, (33) Series 2013 B Bonds, (34) Series 2013 C Bonds, and (35) Series 2013 D Bonds.

“Prior Resolutions” means, collectively, the Resolutions authorizing the Prior Bonds.

“Private Business Use” means use directly or indirectly in a trade or business carried on by a natural person 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” means the acquisition and construction of certain additions, betterments and improvements to the System, consisting of Baker Heights Wastewater Treatment Plant upgrade, the Inwood Wastewater Treatment Plant upgrade, the Opequon Hedgesville Wastewater Treatment Plant upgrade, the North Area Wastewater Treatment Plant upgrade and the Gantt Pump station upgrade, together with all necessary appurtenances.

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

“Qualified Investments” means and includes the investments set forth in the Supplemental Resolution and designated as such.

“Record Date” means the date or dates which shall be so stated in the Series 2015 C Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

“Redemption Date” means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

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

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

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

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

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

"Rule 15c2-12" means Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

"RUS Bonds" means the Series 2007 B Bonds, Series 2007 C Bonds, Series 2007 D Bonds, Series 2007 E Bonds and Series 2007 F Bonds.

"Second Lien Bonds" means the Issuer's Series 1990 B Bonds.

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

"Series 1986 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated March 7, 1986, issued in the original aggregate principal amount of \$1,638,194.

"Series 1990 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated May 3, 1990, issued in the original aggregate principal amount of \$828,629.

"Series 1990 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated May 3, 1990, issued in the original aggregate principal amount of \$38,669.

"Series 1994 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), dated October 5, 1994, issued in the original aggregate principal amount of \$494,288.

"Series 1995 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1995 A (West Virginia SRF Program), dated February 9, 1995, issued in the original aggregate principal amount of \$3,837,640.

"Series 1995 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1995 B (West Virginia SRF Program), dated December 29, 1995, issued in the original aggregate principal amount of \$2,138,506.

"Series 1996 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1996 A (West Virginia SRF Program), dated February 13, 1996, issued in the original aggregate principal amount of \$319,902.

"Series 1996 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1996 B (West Virginia SRF Program), dated May 1, 1996, issued in the original aggregate principal amount of \$2,628,633.

“Series 1996 C Bonds” means the Issuer’s Sewer Revenue Bonds, Series 1996 C (West Virginia SRF Program), dated May 1, 1996, issued in the original aggregate principal amount of \$837,579.

“Series 1997 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated June 12, 1997, issued in the original aggregate principal amount of \$148,000.

“Series 1997 B Bonds” means the Issuer’s Sewer Revenue Bonds, Series 1997 B (West Virginia SRF Program), dated December 11, 1997, issued in the original aggregate principal amount of \$1,250,000.

“Series 1999 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated October 28, 1999, issued in the original aggregate principal amount of \$30,707,296.

“Series 2000 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated May 25, 2000, issued in the original aggregate principal amount of \$937,500.

“Series 2001 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 30, 2001, issued in the original aggregate principal amount of \$429,000.

“Series 2001 B Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2001 B (West Virginia SRF Program), dated August 7, 2001, issued in the original aggregate principal amount of \$2,909,850.

“Series 2002 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2002 A (West Virginia SRF Program), dated May 9, 2002, issued in the original aggregate principal amount of \$750,000.

“Series 2002 B Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2002 B (West Virginia SRF Program), dated July 11, 2002, issued in the original aggregate principal amount of \$456,548.

“Series 2002 C Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2002 C (West Virginia SRF Program), dated August 28, 2002, issued in the original aggregate principal amount of \$30,500,000.

“Series 2002 D Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2002 D (West Virginia Water Development Authority), dated August 28, 2002, issued in the original aggregate principal amount of \$4,965,465.

“Series 2002 E Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2002 E (West Virginia Water Development Authority), dated August 28, 2002, issued in the original aggregate principal amount of \$560,822.

“Series 2003 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated August 14, 2003, issued in the original aggregate principal amount of \$252,922.

“Series 2003 B Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2003 B (West Virginia SRF Program), dated August 14, 2003, issued in the original aggregate principal amount of \$330,862.

“Series 2004 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated November 30, 2004, issued in the original aggregate principal amount of \$1,999,600.

“Series 2007 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2007 A (Bank Qualified), dated March 1, 2007, delivered March 6, 2007, issued in the original aggregate principal amount of \$3,970,000.

“Series 2007 B Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2007 B (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$9,000,000.

“Series 2007 C Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2007 C (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$9,000,000.

“Series 2007 D Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2007 D (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$7,104,000.

“Series 2007 E Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2007 E (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$500,000.

“Series 2007 F Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2007 F (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$4,999,900.

“Series 2009 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2009 A, dated July 31, 2009 issued in the aggregate principal amount of \$2,695,000.

“Series 2009 B Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2009 B (West Virginia Infrastructure Fund), dated July 31, 2009, issued in the original aggregate principal amount of \$1,000,000.

“Series 2013 A Bonds” means the Issuer’s Sewer Refunding Revenue Bonds, Series 2013 A (Bank Qualified), dated August 22, 2013, issued in the aggregate principal amount of \$9,615,000.

“Series 2013 B Bonds” means the Issuer’s Sewer Refunding Revenue Bonds, Series 2013 B (Taxable), dated August 22, 2013, issued in the aggregate principal amount of \$1,950,000.

"Series 2013 C Bonds" means the Issuer's Sewer Refunding Revenue Bonds, Series 2013 C (Bank Qualified), dated December 19, 2013, issued in the original aggregate principal amount of \$2,880,000.

"Series 2013 D Bonds" means the Issuer's Sewer Revenue Bonds, Series 2013 D (West Virginia Infrastructure Fund), dated December 20, 2013, issued in the original aggregate principal amount of \$1,116,602.

"Series 2015 A & B Resolution" means the Resolution authorizing the Series 2015 A Bonds and Series 2015 B Bonds.

"Series 2015 A Bonds" means the Sewer Revenue Bonds, Series 2015 A (West Virginia SRF Program), of the Issuer, authorized by the Series 2015 A & B Resolution.

"Series 2015 B Bonds" means the Sewer Revenue Bonds, Series 2015 B (West Virginia Infrastructure Fund), of the Issuer, authorized by the Series 2015 A & B Resolution.

"Series 2015 C Bonds" means the Sewer Revenue Bonds, Series 2015 C (Tax Exempt), of the Issuer, originally authorized to be issued pursuant to this Resolution and the Supplemental Resolution.

"Series 2015 Bonds Construction Fund" means the Series 2015 Bonds Construction Fund created by Section 4.01 hereof.

"Series 2015 C Bonds Costs of Issuance Fund" means the Series 2015 C Bonds Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2015 C Bonds Redemption Account" means the Redemption Account created by Section 4.02 hereof.

"Series 2015 C Bonds Reserve Account" means the Series 2015 C Bonds Reserve Account created in the Series 2015 C Bonds Sinking Fund by Section 4.02 hereof.

"Series 2015 C Bonds Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2015 C Bonds, (ii) Maximum Annual Debt Service at the time of original issuance of the Series 2015 C Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2015 C Bonds.

"Series 2015 C Bonds Sinking Fund" means the Series 2015 C Bonds Sinking Fund created by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2015 C Bonds, Series 2015 A Bonds, Series 2015 B Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution or Resolutions to be adopted by the Issuer following adoption of this Resolution, setting forth the final

amounts, maturities, interest rates, redemption provisions, Original Purchaser, Bond Purchase Agreement, Bond Insurer provisions (if any) and other terms of the Series 2015 C Bonds and authorizing the sale of the Series 2015 C Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Gross Revenues not required by the Resolution to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the funds and accounts established for the Prior Bonds, Series 2015 A Bonds, Series 2015 B Bonds or the Series 2015 C Bonds.

"System" means the complete existing public sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof and shall include the Project and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for said sewerage system from any sources whatsoever, both within and without the Issuer.

"Tax Certificate" means the Issuer's Tax Certificate dated as of the date of issuance of the Series 2015 C Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

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

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

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

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

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

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

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

A. Berkeley County Public Service Sewer District is a public service district and a 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 sewerage system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer, and for the improvement of the water environment of the Issuer, that there be acquired and constructed certain

extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer, consisting of the Project, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2015 C (Tax Exempt), in the aggregate principal amount of not more than \$20,000,000 to permanently finance a portion of the costs of acquisition and construction of the Project. Said 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 2015 C Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2015 C Bonds Reserve Account; underwriter's discount, 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; premiums for municipal bond insurance, reserve account insurance or reserve account surety bonds; letter of credit 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 2015 C Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition and construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2015 C Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

E. It is in the best interests of the Issuer that the Series 2015 C Bonds be sold to the Original Purchaser pursuant to the terms and provisions of a bond purchase agreement to be entered into by and between the Issuer and the Original Purchaser (the "Bond Purchase Agreement"), as shall be approved by the Supplemental Resolution of the Issuer.

F. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2015 C Bonds as to liens, pledge and source of and security for payment, being the Issuer's:

(1) Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated March 7, 1986, issued in the original aggregate principal amount of \$1,638,194;

(2) Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated May 3, 1990, issued in the original aggregate principal amount of \$828,629;

(3) Sewer Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), dated October 5, 1994, issued in the original aggregate principal amount of \$494,288;

(4) Sewer Revenue Bonds, Series 1995 A (West Virginia SRF Program), dated February 9, 1995, issued in the original aggregate principal amount of \$3,837,640;

(5) Sewer Revenue Bonds, Series 1995 B (West Virginia SRF Program), dated December 29, 1995, issued in the original aggregate principal amount of \$2,138,506;

(6) Sewer Revenue Bonds, Series 1996 A (West Virginia SRF Program), dated February 13, 1996, issued in the original aggregate principal amount of \$319,902;

(7) Sewer Revenue Bonds, Series 1996 B (West Virginia SRF Program), dated May 1, 1996, issued in the original aggregate principal amount of \$2,628,633;

(8) Sewer Revenue Bonds, Series 1996 C (West Virginia SRF Program), dated May 1, 1996, issued in the original aggregate principal amount of \$837,579;

(9) Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated June 12, 1997, issued in the original aggregate principal amount of \$148,000;

(10) Sewer Revenue Bonds, Series 1997 B (West Virginia SRF Program), dated December 11, 1997, issued in the original aggregate principal amount of \$1,250,000;

(11) Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated October 28, 1999, issued in the original aggregate principal amount of \$30,707,296;

(12) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated May 25, 2000, issued in the original aggregate principal amount of \$937,500;

(13) Sewer Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 30, 2001, issued in the original aggregate principal amount of \$429,000;

(14) Sewer Revenue Bonds, Series 2001 B (West Virginia SRF Program), dated August 7, 2001, issued in the original aggregate principal amount of \$2,909,850;

(15) Sewer Revenue Bonds, Series 2002 A (West Virginia SRF Program), dated May 9, 2002, issued in the original aggregate principal amount of \$750,000;

(16) Sewer Revenue Bonds, Series 2002 B (West Virginia SRF Program), dated July 11, 2002, issued in the original aggregate principal amount of \$456,548;

(17) Sewer Revenue Bonds, Series 2002 C (West Virginia SRF Program), dated August 28, 2002, issued in the original aggregate principal amount of \$30,500,000;

(18) Sewer Revenue Bonds, Series 2002 D (West Virginia Water Development Authority), dated August 28, 2002, issued in the original aggregate principal amount of \$4,965,465;

(19) Sewer Revenue Bonds, Series 2002 E (West Virginia Water Development Authority), dated August 28, 2002, issued in the original aggregate principal amount of \$560,822;

(20) Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated August 14, 2003, issued in the original aggregate principal amount of \$252,922;

(21) Sewer Revenue Bonds, Series 2003 B (West Virginia SRF Program), dated August 14, 2003, issued in the original aggregate principal amount of \$330,862;

(22) Sewer Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated November 30, 2004, issued in the original aggregate principal amount of \$1,999,600;

(23) Sewer Revenue Bonds, Series 2007 A (Bank Qualified), dated March 1, 2007, delivered March 6, 2007, issued in the original aggregate principal amount of \$3,970,000;

(24) Sewer Revenue Bonds, Series 2007 B (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$9,000,000;

(25) Sewer Revenue Bonds, Series 2007 C (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$9,000,000;

(26) Sewer Revenue Bonds, Series 2007 D (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$7,104,000;

(27) Sewer Revenue Bonds, Series 2007 E (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$500,000;

(28) Sewer Revenue Bonds, Series 2007 F (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$4,999,900;

(29) Sewer Revenue Bonds, Series 2009 A, dated July 31, 2009, issued in the original aggregate principal amount of \$2,695,000;

(30) Sewer Revenue Bonds, Series 2009 B (West Virginia Infrastructure Fund), dated July 31, 2009, issued in the original aggregate principal amount of \$1,000,000;

(31) Sewer Refunding Revenue Bonds, Series 2013 A (Bank Qualified), dated August 22, 2013, issued in the aggregate principal amount of \$9,615,000 (the "Series 2013 A Bonds");

(32) Sewer Refunding Revenue Bonds, Series 2013 B (Taxable), dated August 22, 2013, issued in the aggregate principal amount of \$1,950,000 (the "Series 2013 B Bonds");

(33) Sewer Refunding Revenue Bonds, Series 2013 C (Bank Qualified), dated December 19, 2013, issued in the original aggregate principal amount of \$2,880,000 (the "Series 2013 C Bonds");

(34) Sewer Revenue Bonds, Series 2013 D (West Virginia Infrastructure Fund), dated December 20, 2013, issued in the original aggregate principal amount of \$1,116,602 (the "Series 2013 D Bonds");

(35) Sewer Revenue Bonds, Series 2015 A (West Virginia SRF Program), to be issued simultaneously with the Series 2015 C Bonds in the original aggregate principal amount of \$26,435,450 (the "Series 2015 A Bonds"); and

(36) Sewer Revenue Bonds, Series 2015 B (West Virginia Infrastructure Fund), to be issued simultaneously with the Series 2015 C Bonds in the original aggregate principal amount of \$10,623,472 (the "Series 2015 B Bonds");

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

(1) Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated May 3, 1990, issued in the original aggregate principal amount of \$38,669 (the "Series 1990 B Bonds").

The Series 1986 B Bonds, the Series 1990 A Bonds, the Series 1994 A Bonds, the Series 1995 A Bonds, the Series 1995 B Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1996 C Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1999 A Bonds, the Series 2000 A Bonds, the Series 2001 A Bonds, the Series 2001 B Bonds, the Series 2002 A Bonds, the Series 2002 B Bonds, the Series 2002 C Bonds, the Series 2002 D Bonds, the Series 2002 E Bonds, the Series 2003 A Bonds, the Series 2003 B Bonds, the Series 2004 A Bonds, the Series 2007 A Bonds, the Series 2007 B Bonds, the Series 2007 C Bonds, the Series 2007 D Bonds, the Series 2007 E Bonds, the Series 2007 F Bonds, the Series 2009 A Bonds, the Series 2009 B Bonds, the Series 2013 A Bonds, Series 2013 B Bonds, Series 2013 C Bonds and Series 2013 D Bonds are hereinafter collectively called the

“First Lien Bonds”; and the Series 1990 B Bonds are hereinafter called the “Second Lien Bonds.” The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the “Prior Bonds.”

The Series 2015 C Bonds shall be issued on a parity with the First Lien Bonds, Series 2015 A Bonds and Series 2015 B Bonds and senior and prior to the Second Lien Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2013 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the First Lien Bonds are met; (ii) the written consent of the Holders of the First Lien State Bonds (as defined herein) and the RUS Bonds (as defined herein) to the issuance of the Series 2015 C Bonds on a parity with the First Lien State Bonds, Series 2015 A Bonds, Series 2015 B Bonds and RUS Bonds; and (iii) the written consent of the Holders of the Second Lien Bonds the issuance of the Series 2015 C Bonds on a senior and prior basis to the Second Lien Bonds. The Series 2007 A Bonds, Series 2009 A Bonds, Series 2013 A Bonds, Series 2013 B Bonds and Series 2013 C Bonds do not require bondholder consent. Other than the Prior Bonds, Series 2015 A Bonds and Series 2015 B Bonds there are no outstanding bonds or obligations of the Issuer which are secured by revenue or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

G. The Issuer intends to issue the Series 2015 C Bonds and to pledge for payment thereof, the Net Revenues of the System, on a parity with such pledge in favor of the Holders of the First Lien Bonds, Series 2015 A Bonds and Series 2015 B Bonds and senior and prior to the Second Lien Bonds.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, to provide for the repair, maintenance and operation of the System, the payment of interest upon the Series 2015 C Bonds, Series 2015 A Bonds, Series 2015 B Bonds and the Prior Bonds and to create sinking funds, as hereinafter provided, to pay the principal on the Series 2015 C Bonds, Series 2015 A Bonds, Series 2015 B Bonds and the Prior Bonds as and when it becomes due and reasonable reserves therefor, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Resolution and the Prior Resolutions.

I. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2015 C Bonds, and secure the Series 2015 C Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the monies in the Series 2015 C Bonds Reserve Account, unexpended proceeds of the Series 2015 C Bonds and as further set forth herein.

J. The Series 2015 C Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A – FORM OF SERIES 2015 C BOND 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 2015 C Bonds, when authenticated by the Registrar and issued as in this Resolution provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2015 C Bonds, will be timely done and duly performed.

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

M. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2015 C Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a certificate of convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the date of issuance of the Series 2015 C Bonds or such final order will not be subject to appeal or rehearing.

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than \$68,855,198. The proceeds of the Series 2015 C Bonds hereby authorized shall be applied as provided herein. The Series 2015 C Bonds are hereby authorized, to be issued in one or more series, in the aggregate principal amount of not more than \$20,000,000 of which approximately \$16,410,234 will be applied to the construction of the Project.

The Cost of the Project is estimated to be \$68,855,198, of which approximately \$16,410,234 will be obtained from proceeds of the Series 2015 C Bonds; \$26,435,450 will be obtained from proceeds of the Series 2015 A Bonds; \$10,623,472 will be obtained from the Series 2015 B Bonds; and \$15,386,041.86 will be obtained from a Senate Bill 245 grant.

ARTICLE III

THE SERIES 2015 C BONDS

Section 3.01. Form and Payment of Bonds. No Series 2015 C Bond shall be issued pursuant to this Resolution except as provided in this Article III. Any Series 2015 C Bonds issued pursuant to this Resolution may be issued only as fully registered Series 2015 C Bonds, in the denomination of \$5,000 or any integral multiple thereof for any year of maturity. All Series 2015 C Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. All Series 2015 C Bonds shall bear interest from the interest payment date next preceding the date of

authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2015 C Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2015 C Bonds shall be in default, Bonds issued in exchange for Series 2015 C Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2015 C Bonds surrendered.

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

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

Section 3.02. Execution of Bonds. The Series 2015 C Bonds shall be executed in the name of the Issuer by the Chairman, by his 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 any of the Series 2015 C Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2015 C Bonds shall be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2015 C Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Series 2015 C Bond, substantially in the form set forth in EXHIBIT A – FORM OF SERIES 2015 C BOND attached hereto and incorporated herein by reference with respect to the Series 2015 C Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2015 C Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration on any Series 2015 C Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2015 C Bonds issued hereunder.

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

have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2015 C Bonds remain Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2015 C Bonds. The Series 2015 C Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2015 C Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

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

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

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

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

Section 3.06. Term Bonds. In the event Term Bonds are issued as part of the Series 2015 C Bonds pursuant to this Resolution, the following provisions shall apply:

1. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2015 C Bonds Redemption Account in accordance with Subsection 4.03(A)(1) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount (or, if the Series 2015 C Bonds mature semiannually rather than annually, that month which is 6 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/6th of the amount) required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

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

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

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

5. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2015 C Bonds Sinking Fund), as will exhaust as nearly as practicable such Series 2015 C Bonds Redemption Account payment designated to be made in accordance with paragraph (A)(1) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of \$5,000.

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

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

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

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

If funds sufficient to redeem all Series 2015 C Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2015 C Bonds called for redemption of such fact.

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

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

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

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Bond is overdue.

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

Section 3.10. Series 2015 C Bonds. For the purposes of paying a portion of the costs of acquisition and construction of improvements and betterments to the System, paying capitalized interest, if any, funding the Series 2015 C Bonds Reserve Account and paying costs in connection therewith, there shall be issued the Series 2015 C Bonds of the Issuer, in one or more series, in an aggregate principal amount of not more than \$20,000,000. Said Series 2015 C Bonds shall be designated "Sewer Revenue Bonds, Series 2015 C (Tax Exempt)" or such other designation as may be appropriate for the year and sequence of the issue, as may be set forth in a Supplemental Resolution, and shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof for any period of maturity, not exceeding the aggregate principal amount of Series 2015 C Bonds maturing in the period of maturity for which the denomination is to be specified. The Series 2015 C Bonds shall be numbered from CR-1 consecutively upward. The Series 2015 C Bonds shall be dated; shall be in such aggregate principal amount (not to exceed \$20,000,000); shall bear interest at such rate or rates, not exceeding the then legally permissible rate (not to exceed 6.5%), payable semiannually on such dates; shall mature on such dates (which may be annual or semi-annual) (not to exceed 30 years) and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2015 C Bonds. A. The Series 2015 C Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2015 C Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 2015 C Bonds shall be registered in

the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided, that if DTC shall request that the Series 2015 C Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2015 C Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2015 C Bond or any other evidence of ownership of the Series 2015 C Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2015 C Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

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

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

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

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

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

- (1) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2015 C Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;
- (2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2015 C Bonds to DTC for the benefit of the Original Purchaser;
- (3) Copies, certified by the Secretary, of this Resolution and the Supplemental Resolution;
- (4) The unqualified approving opinion upon the Series 2015 C Bonds by Bond Counsel; and
- (5) Such other opinions, certificates and documents as shall be reasonably requested by the Original Purchaser.

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

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

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

2. An amount of the proceeds of the Series 2015 C Bonds equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Bond Commission for deposit in the Series 2015 C Bonds Reserve Account, provided that, to the extent the Series 2015 C Bonds Reserve Requirement is satisfied in whole or in part from a reserve account letter of credit, surety bond or other credit facility, proceeds of the Series 2015 C Bonds shall be deposited in the Series 2015 C Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2015 C Bonds Reserve Requirement.

3. The amount of Series 2015 C Bond proceeds which, together with other monies or securities deposited therein shall be equal to the Costs of Issuance of the Series 2015 C Bonds shall be deposited with the Depository Bank in the Series 2015 C Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2015 C Bonds at the written direction of the Issuer. Monies not to be applied immediately to pay such costs of issuance may be invested in accordance with this Resolution, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 120 days following the Closing Date for the Series 2015 C Bonds, such unapplied proceeds shall be transferred by the Issuer to the Series 2015 C Bonds Sinking Fund established in Section 4.01 hereof and applied to the next ensuing payment of interest on the Series 2015 C Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2015 C Bonds from which such proceeds are derived.

4. The balance of Series 2015 C Bonds proceeds, if any, shall be deposited in the Series 2015 Bonds Construction Fund and disbursed as provided in Section 3.15 hereof.

Section 3.15. Disbursements from the Series 2015 Bonds Construction Fund. Disbursements from the Series 2015 Bonds Construction Fund, except for payment of Costs of Issuance of the Series 2015 C Bonds in excess of the monies available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only for acquisition and construction of the Project, including all necessary engineering and other professional services relating thereto. Pending such application, monies in the Series 2015 Bonds Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

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 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 (except as set forth in this Section 4.01), and used solely for the purposes provided herein:

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Operation and Maintenance Fund (established by the Prior Resolutions);

- (3) Renewal and Replacement Fund (established by the Prior Resolutions);
- (4) Rebate Fund (established by Prior Resolutions); and
- (5) Series 2015 Bonds Construction Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. The following special funds or accounts are hereby created (or continued if established by 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:

- 1. Series 1986 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
- 2. Series 1986 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
- 3. Series 1990 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
- 4. Series 1990 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
- 5. Series 1990 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
- 6. Series 1990 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
- 7. Series 1994 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
- 8. Series 1994 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
- 9. Series 1995 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
- 10. Series 1995 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
- 11. Series 1995 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
- 12. Series 1995 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
- 13. Series 1996 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);

14. Series 1996 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
15. Series 1996 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
16. Series 1996 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
17. Series 1996 C Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
18. Series 1996 C Bonds Reserve Account (established by Prior Resolutions and continued hereby);
19. Series 1997 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
20. Series 1997 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
21. Series 1997 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
22. Series 1997 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
23. Series 1999 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
24. Series 1999 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
25. Series 2000 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
26. Series 2000 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
27. Series 2001 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
28. Series 2001 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
29. Series 2002 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);

30. Series 2002 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
31. Series 2002 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
32. Series 2002 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
33. Series 2002 C Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
34. Series 2002 C Bonds Reserve Account (established by Prior Resolutions and continued hereby);
35. Series 2002 D Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
36. Series 2002 D Bonds Reserve Account (established by Prior Resolutions and continued hereby);
37. Series 2002 E Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
38. Series 2002 E Bonds Reserve Account (established by Prior Resolutions and continued hereby);
39. Series 2003 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
40. Series 2003 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
41. Series 2003 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
42. Series 2003 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
43. Series 2004 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
44. Series 2004 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
45. Series 2007 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);

46. Series 2007 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
47. Series 2007 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
48. Series 2007 C Bonds Reserve Account (established by Prior Resolutions and continued hereby);
49. Series 2007 D Bonds Reserve Account (established by Prior Resolutions and continued hereby);
50. Series 2007 E Bonds Reserve Account (established by Prior Resolutions and continued hereby);
51. Series 2007 F Bonds Reserve Account (established by Prior Resolutions and continued hereby);
52. Series 2009 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
53. Series 2009 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
54. Series 2009 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
55. Series 2009 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
56. Series 2013 A Bonds Sinking Fund; (established by Prior Resolutions and continued hereby);
57. Series 2013 A Bonds Reserve Account; (established by Prior Resolutions and continued hereby);
58. Series 2013 B Bonds Sinking Fund; (established by Prior Resolutions and continued hereby);
59. Series 2013 C Bonds Sinking Fund; (established by Prior Resolutions and continued hereby);
60. Series 2013 C Bonds Reserve Account; (established by Prior Resolutions and continued hereby);
61. Series 2013 D Bonds Sinking Fund; (established by Prior Resolutions and continued hereby);

62. Series 2013 D Bonds Reserve Account; (established by Prior Resolutions and continued hereby);
63. Series 2015 A Bonds Sinking Fund (established by Series 2014 A & B Resolution);
64. Series 2015 A Bonds Reserve Account (established by Series 2014 A & B Resolution);
65. Series 2015 B Bonds Sinking Fund (established by Series 2014 A & B Resolution);
66. Series 2015 B Bonds Reserve Account (established by Series 2014 A & B Resolution);
67. Series 2015 C Bonds Sinking Fund; and
68. Series 2015 C Bonds Reserve Account.

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2015 C Bonds 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 transfer from the Revenue Fund to the Operation and Maintenance Fund the amount necessary to pay the current Operating Expenses of the System.
- (2) The Issuer shall next, each month on or before the due date, transfer from the Revenue Fund and simultaneously remit to (i) the National Finance Office, the amounts required by the Prior Resolutions to pay interest on the RUS Bonds; (ii) the Commission the amounts required by Prior Resolution to pay interest on the Series 1990 A Bonds, Series 1994 A Bonds, Series 1997 A Bonds, Series 1997 B Bonds, Series 2002 D Bonds, Series 2002 E Bonds, Series 2003 A Bonds, Series 2003 B Bonds, Series 2007 A Bonds, Series 2009 A Bonds, Series 2009 B Bonds, Series 2013 A Bonds, Series 2013 B Bonds, Series 2013 C Bonds and Series 2015 B Bonds; and (iii) to the Commission beginning on the first day of that month which is 7 months prior to the first interest payment date on the Series 2015 C Bonds, apportion and set apart out of the Revenue Fund and deposit in the Series 2015 C Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 2015 C Bonds on the next ensuing semiannual interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2015 C Bonds Sinking Fund and the next ensuing semiannual interest payment date is less

than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2015 C Bonds Sinking Fund shall be reduced by the amount of accrued interest, if any, on the Series 2015 C Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2015 C Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2015 C Bonds Sinking Fund;

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit (i) the National Finance Office, the amounts required by the Prior Resolutions to pay principal of the RUS Bonds; (ii) the Commission the amounts required by Prior Resolutions to pay principal on the Series 1986 B Bonds, Series 1990 A Bonds, Series 1994 A Bonds, Series 1995 A Bonds, Series 1995 B Bonds, Series 1996 A Bonds, Series 1996 B Bonds, Series 1996 C Bonds, Series 1997 A Bonds, Series 1997 B Bonds, Series 1999 A Bonds, Series 2000 A Bonds, Series 2001 A Bonds, Series 2001 B Bonds, Series 2002 A Bonds, Series 2002 B Bonds, Series 2002 C Bonds, Series 2002 D Bonds, Series 2002 E Bonds, Series 2003 A Bonds, Series 2003 B Bonds, Series 2004 A Bonds, Series 2007 A Bonds, Series 2009 A Bonds, Series 2009 B Bonds, Series 2013 A Bonds Series 2013 B Bonds, Series 2013 C Bonds, Series 2013 D Bonds, Series 2015 A Bonds and Series 2015 B Bonds; and (iii) to the Commission for deposit in the Series 2015 C Bonds Sinking Fund (and in the Series 2015 C Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed) on the first day of each month, beginning on the first day of that month which is 13 months prior to the first principal payment or mandatory Redemption Date of the Series 2015 C Bonds, a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2015 C Bonds mature semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2015 C Bonds on the next ensuing principal payment or mandatory Redemption Date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2015 C Bonds Sinking Fund and the next ensuing principal payment or mandatory Redemption Date is less than or greater than 12 months (or 6 months if the Series 2015 C Bonds mature semiannually rather than annually), then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2015 C Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously remit to the Commission (i) the amounts required by the Prior Resolutions to be deposited in the First Lien

Bonds, Series 2015 A Bonds and Series 2015 B Bonds Reserve Accounts; and (ii) commencing 13 months prior to the first date of payment of principal of the Series 2015 C Bonds or upon completion of construction of the Project, whichever is earlier, if not fully funded upon issuance of the Series 2015 C Bonds, for deposit in the Series 2015 C Bonds Reserve Account, an amount equal to 1/120th of the Series 2015 C Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2015 C Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2015 C Bonds Reserve Requirement; provided further, that if the amounts in the Series 2015 C Bonds Reserve Account, as a result of a decrease in value of the Series 2015 C Bonds Reserve Account below the Series 2015 C Bonds Reserve Account Requirement or any withdrawal from the Series 2015 C Bonds Reserve Account, the Issuer shall apply such monies for deposit into the Series 2015 C Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2015 C Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2015 C Bonds Reserve Account is less than the Series 2015 C Bonds Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2015 C Bonds Reserve Account for deposit into the Series 2015 C Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2015 C Bonds Reserve Account to an amount equal to the Series 2015 C Bonds Reserve Account Requirement to the full extent that such Net Revenues are available; provided, however, that if the shortfall in the Series 2015 C Bonds Reserve Account is due to a decrease in the value of investments therein, such shortfall shall be replenished by not less than 4 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2015 C Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2015 C Bonds Reserve Account whenever and as long as the amount deposited therein shall be equal to the Series 2015 C Bonds Reserve Account Requirement.

Amounts in the Series 2015 C Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2015 C Bonds when due, when amounts in the Series 2015 C Bonds Sinking Fund are insufficient therefor and for no other purpose.

(5) The Issuer shall next, on the first day of each month, transfer from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Resolutions and not in addition thereto), a sum equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of

the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Subject to the restrictions contained in the Prior Resolutions, so long as the Prior Bonds are outstanding, withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, or improvements or extensions to the System; provided, that any deficiency in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

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

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2015 C Bonds Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Series 2015 C Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The monies on deposit in the Revenue Fund and the Renewal and Replacement Fund in excess of the sum insured by the FDIC shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of municipal funds under the laws of the State.

D. Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the First Lien Bonds, Series 2015 A Bonds, Series 2015 B Bonds and the Series 2015 C Bonds, all in accordance with the respective principal amounts then Outstanding.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES AND CONTINUING DISCLOSURE

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Resolution in Qualified Investments to the fullest extent possible under

applicable laws, this Resolution, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

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

The following specific provisions shall apply with respect to any investments made under this section (unless otherwise required by the Bond Insurer, if any, and as set forth in the Supplemental Resolution):

(A) Qualified Investments acquired for the Series 2015 C Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to, annually transfer from the Series 2015 C Bonds Reserve Account to the Series 2015 C Bonds Sinking Fund any earnings on the monies deposited therein and any other funds in excess of the Series 2015 C Bonds Reserve Requirement, provided, however, that there shall at all times remain on deposit in the Series 2015 C Bonds Reserve Account an amount at least equal to the Series 2015 C Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2015 C Bonds Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2015 C Bonds Reserve Account shall, at any time, be less than the applicable Series 2015 C Bonds Reserve Requirement, the applicable Bond Insurer, if any, shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Net Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03.

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

(E) Notwithstanding the foregoing, all monies deposited in the Series 2015 C Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia, 1931, as amended.

Section 5.02. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser, the form of which shall be approved by the Supplemental Resolution, sufficient to ensure compliance with Rule 15c2-12, as it

may be amended from time to time, and the Issuer hereby instructs the Chairman and Secretary to take all actions necessary for the Issuer to comply with the continuing disclosure agreement.

Section 5.03. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2015 C Bonds which would cause the Series 2015 C Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2015 C Bonds) so that the interest on the Series 2015 C Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.04. Tax Certificate, Rebates, and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by Bond Counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2015 C Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

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 Bonds from gross income for federal income tax purposes.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

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

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

Section 6.03. Bonds Secured by Pledge of Net Revenues and Monies in Sinking Fund. The payment of the debt service of all of the Series 2015 C Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System on a parity with the lien on the Net Revenues in favor of the Holders of the First Lien Bonds, Series 2015 A Bonds and Series 2015 B Bonds and senior and prior to the Second Lien Bonds and, in the instance of the Series 2015 C Bonds, all monies and securities in the Series 2015 C Bonds Sinking Fund, including the Series 2015 C Bonds Reserve Account therein to the extent necessary to make the payments required under Section 4.03. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds, Series 2015 A Bonds, Series 2015 B Bonds and the Series 2015 C Bonds herein authorized, to make the payments into the Series 2015 C Bonds Sinking Fund, all monies and securities in the Series 2015 C Bonds Sinking Fund, the Series 2015 C Bonds Reserve Account and all other payments provided for in this Resolution, are hereby irrevocably pledged in the manner provided in this Resolution to the payment of the principal of and interest on the Prior Bonds, Series 2015 A Bonds, Series 2015 B Bonds and the Series 2015 C Bonds herein authorized as the same become due and for the other purposes provided in this Resolution.

Section 6.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and shall provide an opinion of counsel to the Issuer of such effect. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision of the Public Service Commission of West Virginia (the "PSC") dated December 1, 2014 in Case No. 13-1836-PSD-42A-CN and such rates are hereby adopted.

So long as the Series 2015 C Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Resolution and in compliance with this Resolution. In the event the schedule of rates and charges initially established for the System in connection with the Series 2015 C Bonds shall prove to be insufficient to produce the required sums set forth in this Resolution, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Resolution.

Prior to the issuance of the Series 2015 C Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Secretary of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that (a) so long as the Prior Bonds are outstanding, the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to provide a rate coverage equal to the highest rate coverage required by either (a) the Prior Resolutions or (b) this Resolution, as set forth below, and thereafter, sufficient, together with other revenues of the System, to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2015 C Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2015 C Bonds including the Series 2015 A Bonds, Series 2015 B Bonds and Prior Bonds.

The Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Resolution, the Bond Purchase Agreement.

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 6.06. Sale of the System. So long as the Prior Bonds, Series 2015 A Bonds or Series 2015 B Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, except as provided by the Prior Resolutions or Series 2015 A & B Resolution. Additionally, so

long as the Series 2015 C Bonds are Outstanding, the System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Resolution as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Series 2015 C Bonds Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Net Revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of \$500,000, the Issuer may provide for the sale of such property. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$500,000 but not in excess of \$5,000,000 the Issuer shall first, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property not in excess of \$5,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of \$5,000,000 and insufficient to defease the pledge created by this Resolution, as provided by Section 9.01, without the prior approval and consent in writing of any applicable Bond Insurer, if any, and the Holders, or their duly authorized representatives, of 51% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the Bond Insurer, if any, and the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Net Revenues with the Series 2015 C Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such Additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Series 2015 C Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such Additional Parity Bonds, being on a parity with the lien of the Series 2015 C Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2015 C Bonds and the interest thereon in this Resolution or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable.

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

So long as the Series 2015 C Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer and approved by the Public Service Commission of West Virginia, the time for appeal of which has expired (without successful appeal) prior to the issuance of such Parity Bonds.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from

the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to the lien on and source of and security for payment from such revenues, with the Bonds.

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

Provided, however, that if the most recent audit by an independent certified public accountant for the Issuer states that the Issuer was not in compliance with the rate covenant in Section 6.04 of this Resolution for the year being audited and the Issuer has, as required by Section 6.04, filed a petition with the Public Service Commission of West Virginia seeking a rate increase sufficient to comply with Section 6.04, such statement in the most recent audit shall not be considered a violation of the covenants, agreements and terms of this Resolution, so as to prevent the Issuer from issuing additional Parity Bonds under this Section 6.08.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2015 C Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and workers' compensation coverage with a reputable insurance carrier or carriers or bonding company or companies rated at least "A" by Standard & Poor's Corporation 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 event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by public service districts of equivalent size with respect to works and properties similar to the System to protect the Issuer from claims for bodily injury and/or death and 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, provided that, the Issuer, with the review of an insurance consultant and the concurrence of the Issuer, may elect to self-insure, so long as the following requirements are met:

(i) The self-insurance program has been reviewed by an insurance consultant;

(ii) The self-insurance program includes an actuarially sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated on an annual basis by an insurance consultant; and any deficiencies in any self-insured claims reserve fund will be remedied in accordance with the recommendation of the insurance consultant;

(iii) The self-insured claims reserve fund shall be held in the United States of America in a separate trust fund by an independent corporate trustee; and

(iv) In the event the current funding of the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by an insurance consultant, shall be maintained.

If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other public sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

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

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

F. FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project.

Section 6.10. Services Rendered to the Issuer. The Issuer will not render or cause to be rendered any free services of any nature by its 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 6.11. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other charges, if not paid, shall become a lien on the premises served by the System. 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 6.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Series 2015 C Bond, shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 30 days following the date of receipt of the

final audit containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

(A) A statement of Gross Revenues, Operating Expenses, and Net Revenues derived from the System; and

(B) A statement of account balances in the Sinking Fund accounts provided for in this Resolution and status of said funds.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by an Independent Accountant, shall mail upon request, and make available generally, the report of said Independent Certified Public Accountant, or a summary thereof, to any Holder or Holders of Series 2015 C Bonds issued pursuant to this Resolution and shall file said report with the Original Purchaser.

Section 6.14. Operating Budget. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by the charter of the Issuer, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. 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 the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

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

Section 6.17. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for the Series 2015 C Bonds. In the event such Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2015 C Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2015 C Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Resolution may be in conflict therewith.

Section 6.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2015 C Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2015 C Bonds during the term thereof is, under the terms of the Series 2015 C Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2015 C Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2015 C Bonds during the term thereof is, under the terms of the Series 2015 C Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2015 C Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2015 C Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2015 C Bonds 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 2015 C Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

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

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

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

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

ARTICLE VII

DEFAULTS AND REMEDIES

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

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

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Resolution or any Supplemental Resolution or in the Series 2015 C Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Insurer; or

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

(D) If default occurs with respect to the Prior Bonds or the Prior Resolutions; or

(E) If default occurs with respect to the Series 2015 A Bonds or Series 2015 B Bonds.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder (with the prior written consent of the applicable Bond Insurer) or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

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

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

(C) Bring suit upon the Series 2015 C Bonds, as applicable;

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

(E) By action or bill in equity enjoin any acts in violation of this Resolution or the rights of the Bondholders.

No remedy by the terms of this Resolution conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

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

No waiver of any default or Event of Default hereunder by the Bondholders shall be made without the prior written consent of the applicable Bond Insurer or shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer 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 Series 2015 C Bonds, and the Series 2015 A Bonds, Series 2015 B Bonds the Prior Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Resolution and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of 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 2015 C Bonds issued pursuant to this Resolution and interest thereon and under any covenants of this Resolution for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, and all monies due hereunder or under any Supplemental Resolution have been paid in full, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Series 2015 C Bonds 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 Bondholders, and the curing and making good of any default under the provisions of this Resolution, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Notwithstanding any other provision of this Resolution, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Resolution, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

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

ARTICLE VIII

REGISTRAR AND PAYING AGENT

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

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

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

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Series 2015 C Bonds, the first exchange of Series 2015 C Bonds and the exchange of Series 2015 C Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

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

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Resolution by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately, provided, that in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

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

provided, that in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

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

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

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

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

Section 8.12. Paying Agent. The West Virginia Municipal Bond Commission shall initially serve as Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Resolution. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Series 2015 C Bonds shall be and remain DTC-Eligible.

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

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

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

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

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

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF RESOLUTION

Section 9.01. Defeasance; Discharge of Pledge of Resolution. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2015 C Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, and all other monies due hereunder have been paid, then this Resolution and the pledges of the Net Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2015 C Bonds made hereunder, as applicable, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2015 C Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be

sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Resolution. Prior to issuance of the Series 2015 C Bonds, this Resolution may be amended, modified or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Resolution, shall be controlling. Following issuance of the Series 2015 C Bonds, this Resolution and any Supplemental Resolution may, without the consent of any Bondholder or other person, be amended, modified or supplemented in any manner which, in the opinion of Bond Counsel, does not materially adversely affect the interests of the Bondholders or any Bond Insurer, provided that, in the event any of the Bonds are insured, no such amendment or modification which affects the rights of the applicable Bond Insurer for such Bonds may be made without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Resolution, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Series 2015 C Bonds then Outstanding and affected thereby and the Bond Insurer, if any, which must be filed with the Secretary of the Issuer 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, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Series 2015 C Bonds required for consent to any such modification or amendment.

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

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take

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

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

C. The amount of fully registered Series 2015 C Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Series 2015 C Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

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

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

Section 10.04. Cancellation of Bonds. All Series 2015 C Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Resolution and no Series 2015 C Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Resolution to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Series 2015 C Bonds which remain unclaimed for two years after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer, if any, 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 Sewer District
65 District Way
Martinsburg, West Virginia 25401
Attention: Chairman

REGISTRAR

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

PAYING AGENT

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

DEPOSITORY BANK

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

ORIGINAL PURCHASER

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

BOND INSURER

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

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, the Issuer or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Resolution.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Resolution and of all Series 2015 C Bonds issued hereunder.

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

on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2015 C Bonds, the Bond Insurer, if any, and the Original Purchaser.

Section 10.10. Reserved

Section 10.11. 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.

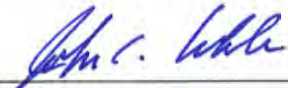
Section 10.12. Table of Contents and Headlines. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.13. Conflicting Provisions Repealed. All orders, resolutions or parts thereof in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Resolution and the Prior Resolutions or the Series 2015 A & B Resolution, the Prior Resolutions or the Series 2015 A & B Resolution shall control (unless less restrictive), so long as the Prior Bonds, Series 2015 A Bonds or Series 2015 B Bonds are Outstanding

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

Adopted this 20th day of January, 2015.

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT



Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT on the 20th day of January, 2015.

Dated: February 12, 2015.

[SEAL]

Secretary

A handwritten signature in blue ink, appearing to read "J. M. Hays", is written over a horizontal line. The signature is fluid and cursive.

EXHIBIT A – FORM OF SERIES 2015 C BONDS

[DTC Legend]

No. CR-_____

\$ _____

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BONDS, SERIES 2015 C (TAX EXEMPT)**

INTEREST RATE: MATURITY DATE: BOND DATE: CUSIP:

_____ % _____ _____ _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

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

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record

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

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$ _____ designated the "Berkeley County Public Service Sewer District Sewer Revenue Bonds, Series 2015 C (Tax Exempt)" (the "Series 2015 C Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____, 2015, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to finance the cost of acquisition and construction of certain additions, betterments and improvements to the sewerage system of the Issuer, (ii) to fund a reserve account for the Series 2015 C Bonds, and (iii) to pay certain costs of issuance of the Series 2015 C Bonds and related costs. The Series 2015 C Bonds are issued under the authority of and in full compliance with the Constitution and statute 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 _____, 20____, and supplemented by a supplemental resolution adopted on _____, 20____ (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of said Resolution. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2015 C Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2015 C Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Secretary of the Issuer.

[The Series 2015 C Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Bond Insurer] _____.]

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,638,194 (THE "SERIES 1986 B BONDS");

(2) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 3, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$828,629 (THE "SERIES 1990 A BONDS");

(3) SEWER REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 5, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$494,288 (THE "SERIES 1994 A BONDS");

(4) SEWER REVENUE BONDS, SERIES 1995 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 9, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,837,640 (THE "SERIES 1995 A BONDS");

(5) SEWER REVENUE BONDS, SERIES 1995 B (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 29, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,138,506 (THE "SERIES 1995 B BONDS");

(6) SEWER REVENUE BONDS, SERIES 1996 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 13, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$319,902 (THE "SERIES 1996 A BONDS");

(7) SEWER REVENUE BONDS, SERIES 1996 B (WEST VIRGINIA SRF PROGRAM), DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,628,633 (THE "SERIES 1996 B BONDS");

(8) SEWER REVENUE BONDS, SERIES 1996 C (WEST VIRGINIA SRF PROGRAM), DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$837,579 (THE "SERIES 1996 C BONDS");

(9) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 12, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$148,000 (THE "SERIES 1997 A BONDS");

(10) SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 11, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 (THE "SERIES 1997 B BONDS");

(11) SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 28, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$30,707,296 (THE "SERIES 1999 A BONDS");

(12) SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 25, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$937,500 (THE "SERIES 2000 A BONDS");

(13) SEWER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 30, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$429,000 (THE "SERIES 2001 A BONDS");

(14) SEWER REVENUE BONDS, SERIES 2001 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 7, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,909,850 (THE "SERIES 2001 B BONDS");

(15) SEWER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 9, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$750,000 (THE "SERIES 2002 A BONDS");

(16) SEWER REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA SRF PROGRAM), DATED JULY 11, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$456,548 (THE "SERIES 2002 B BONDS");

(17) SEWER REVENUE BONDS, SERIES 2002 C (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$30,500,000 (THE "SERIES 2002 C BONDS");

(18) SEWER REVENUE BONDS, SERIES 2002 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,965,465 (THE "SERIES 2002 D BONDS");

(19) SEWER REVENUE BONDS, SERIES 2002 E (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$560,822 (THE "SERIES 2002 E BONDS");

(20) SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$252,922 (THE "SERIES 2003 A BONDS");

(21) SEWER REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$330,862 (THE "SERIES 2003 B BONDS");

(22) SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED NOVEMBER 30, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,999,600 (THE "SERIES 2004 A BONDS");

(23) SEWER REVENUE BONDS, SERIES 2007 A (BANK QUALIFIED), DATED MARCH 1, 2007, DELIVERED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,970,000 (THE "SERIES 2007 A BONDS");

(24) SEWER REVENUE BONDS, SERIES 2007 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 (THE "SERIES 2007 B BONDS");

(25) SEWER REVENUE BONDS, SERIES 2007 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 (THE "SERIES 2007 C BONDS");

(26) SEWER REVENUE BONDS, SERIES 2007 D (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,104,000 (THE "SERIES 2007 D BONDS");

(27) SEWER REVENUE BONDS, SERIES 2007 E (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$500,000 (THE "SERIES 2007 E BONDS");

(28) SEWER REVENUE BONDS, SERIES 2007 F (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,999,900 (THE "SERIES 2007 F BONDS");

(29) SEWER REVENUE BONDS, SERIES 2009 A, DATED JULY 31, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,695,000 (THE "SERIES 2009 A BONDS");

(30) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 31, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2009 B BONDS");

(31) SEWER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED AUGUST 22, 2013, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$9,615,000 (THE "SERIES 2013 A BONDS");

(32) SEWER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED AUGUST 22, 2013, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,950,000 (THE "SERIES 2013 B BONDS");

(33) SEWER REFUNDING REVENUE BONDS, SERIES 2013 C (BANK QUALIFIED), DATED DECEMBER 19, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,880,000 (THE "SERIES 2013 C BONDS");

(34) SEWER REVENUE BONDS, SERIES 2013 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 20, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,116,602 (THE "SERIES 2013 D BONDS");

(35) SEWER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA SRF PROGRAM), DATED _____, 2015, ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$26,435,450 (THE "SERIES 2015 A BONDS"); AND

(36) SEWER REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2015, ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,623,472 (THE "SERIES 2015 B BONDS").

AND THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH ARE SUBORDINATE TO THE SERIES 2015 C BONDS AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, BEING THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 3, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$38,669 (THE "SERIES 1990 B BONDS" OR THE "SECOND LIEN BONDS").

The Series 1986 B Bonds, the Series 1990 A Bonds, the Series 1994 A Bonds, the Series 1995 A Bonds, the Series 1995 B Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1996 C Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1999 A Bonds, the Series 2000 A Bonds, the Series 2001 A Bonds, the Series 2001 B Bonds, the Series 2002 A Bonds, the Series 2002 B Bonds, the Series 2002 C Bonds, the Series 2002 D Bonds, the Series 2002 E Bonds, the Series 2003 A Bonds, the Series 2003 B Bonds, the Series 2004 A Bonds, the Series 2007 A Bonds, the Series 2007 B Bonds, the Series 2007 C Bonds, the Series 2007 D Bonds, the Series 2007 E Bonds, the Series 2007 F Bonds, the Series 2009 A Bonds, the Series 2009 B Bonds, the Series 2013 A Bonds, the Series 2013 B Bonds, the Series 2013 C Bonds, the Series 2013 D Bonds, the Series 2015 A Bonds and the Series 2015 B Bonds are hereinafter collectively called the "First Lien Bonds"; and the Series 1990 B Bonds are hereinafter called the "Second Lien Bonds." The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds."

The Series 2015 C Bonds are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on and after _____, 20____, are subject to redemption prior to maturity at the option of the Issuer on or after _____, 20____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, in reverse order of maturity and by lot within a maturity, at the following Redemption Prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price
---	---------------------

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, 20____ and 20____ are subject to annual mandatory sinking fund redemption prior to maturity by random selection as may be determined by the Registrar, on _____ 1 of the years and in the principal amounts set forth below, at the Redemption Price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing _____ 1, 20____

_____ Year (1) _____ Principal Amount

Bonds Maturing _____ 1, 20

_____ Year (1) _____ Principal Amount

* Final Maturity

In the event of any redemption of less than all outstanding Series 2015 C Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2015 C Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2015 C Bonds are to be redeemed, the Series 2015 C Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2015 C Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2015 C Bond or Series 2015 C Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2015 C Bonds or portions of Series 2015 C Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2015 C Bonds or portions of Series 2015 C Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2015 C Bond.

The Series 2015 C Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the First Lien Bonds, Series 2015 A Bonds and Series 2015 B Bonds and senior and prior to the Second Lien Bonds, all monies in the Series 2015 C Bonds Sinking Fund, and the Series 2015 C Bonds Reserve Account therein, established under the Resolution, and the unexpended proceeds of the Series 2015 C Bonds, and the

Issuer hereby and in the Resolution pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Resolution. This Series 2015 C Bond 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 said special fund provided from the Net Revenues, the monies in the Series 2015 C Bonds Sinking Fund and the Series 2015 C Bonds Reserve Account and said unexpended Series 2015 C Bond proceeds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2015 C Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2015 C Bonds, including the Series 2015 A Bonds, Series 2015 B Bonds and the Prior Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2015 C Bonds, for the terms of which reference is made to the Resolution. Remedies provided the registered owners of the Series 2015 C Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2015 C Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2015 C Bonds.

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 Series 2015 C Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2015 C Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2015 C Bonds of which this Series 2015 C Bond is one.

This Series 2015 C Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Resolution.

This Series 2015 C Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2015 C Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution, and the statutes under which this Series 2015 C Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2015 C Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, the BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT has caused this Bond to be signed by its Chairman and Secretary, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Series 2015 C Bond to be dated as of the Series 2015 C Bond Date specified above.

[SEAL]

[Manual or facsimile signature]
Chairman

ATTEST:

[Manual or facsimile signature]
Secretary

**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This Series 2015 C Bond is one of the fully registered Series 2015 C Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2015 C Bonds.

Dated: _____, 2015.

UNITED BANK, INC.,
As Registrar

By _____
Its Authorized Officer

**(FORM OF)
ASSIGNMENT**

Social Security or Other Identifying Number of Assignee

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

Dated: _____, 20____.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING CERTAIN PARAMETERS AS TO DATES, AMOUNTS, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER DETAILS AS TO THE SEWER REVENUE BONDS, SERIES 2015 C (TAX-EXEMPT) OF THE BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT; AUTHORIZING AND APPROVING A TAX COMPLIANCE POLICY, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT; AN OFFICIAL STATEMENT, A CERTIFICATE OF DETERMINATIONS AND OTHER INSTRUMENTS RELATING TO THE BONDS; APPOINTING A REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Board (the "Governing Body") of the Berkeley County Public Service Sewer District (the "Issuer" or "Governmental Agency") has duly and officially adopted a bond resolution, effective January 20, 2015 (the "Bond Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE SYSTEM OF THE BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$20,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2015 C (TAX EXEMPT); PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATING TO THE BONDS; AND AUTHORIZING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, the Issuer desires to supplement the Bond Resolution through this Supplemental Resolution (collectively, the "Bond Legislation");

WHEREAS, the Resolution provided for the issuance by the Issuer of its Sewer Revenue Bonds, Series 2015 C (Tax-Exempt), in the aggregate principal amount of not more than \$20,000,000 (the "Series 2015 C Bonds"), for the purposes of paying a portion of the costs of acquisition and construction of additions, betterments and improvements to the System, capitalizing interest on the Series 2015 C Bonds, funding a reserve account for the Series 2015 C Bonds and paying costs of issuance thereof, all in accordance with Chapter 16, Article 13 A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, the Resolution further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2015 C Bonds should be established by a supplemental resolution, that a Registrar, Paying Agent and Depository Bank be designated, that a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Registrar Agreement, a Preliminary Official Statement and an Official Statement be approved and that other matters pertaining to the Series 2015 C Bonds be provided for by a supplemental resolution of the Governing Body, that additional covenants and provisions relating to the Bonds be provided therein, and that other matters pertaining to the Series 2015 C Bonds be provided for by a supplemental resolution of this Governing Body and a certificate of determinations executed by the Chairman;

WHEREAS, the Series 2015 C Bonds are proposed to be purchased by Crews & Associates, Inc. (the "Original Purchaser"), pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof (the "Bond Purchase Agreement");

WHEREAS, the Governing Body wishes to delegate to the Chairman the authority to approve, within the parameters set forth herein and in the Resolution, the final terms of the Bonds and all provisions of all documents relating to the Series 2015 C Bonds (the "Bond Documents"), without the requirement of further official action by this Governing Body; and

WHEREAS, the Governing Body deems it essential and desirable that this Supplemental Resolution be adopted, that the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Preliminary Official Statement and Official Statement relating to the Series 2015 C Bonds, hereinafter described, be approved, that the Issuer's Chairman be authorized to execute the Certificate of Determinations and enter into the Bond Purchase Agreement, all within the parameters hereby approved by the Governing Body, and that other matters relating to the Series 2015 C Bonds be herein provided for, all in accordance with said Resolution.

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

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2015 C Bonds. The Series 2015 C Bonds shall be issued in the aggregate principal amount not to exceed \$20,000,000, bear interest at a true interest rate not to exceed 6.5% payable semiannually, shall mature in not more than 30 years from the date of issue, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates, and shall be subject to such redemption provisions, all as shall subsequently be approved by the Chairman pursuant to his execution of the Certificate of Determinations and the Series 2015 C Bonds shall be substantially in the form set forth in the Resolution, provided however, that the specific terms of the Series 2015 C Bonds shall be as determined by the Chairman at the time of the execution of the Bond Purchase Agreement and as approved by the Chairman in the Certificate of Determinations attached hereto as EXHIBIT A. All other provisions relating to the Series 2015 C Bonds shall be as provided in the Resolution.

Section 2. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved, and directed. The Chairman shall execute the Bond Purchase Agreement on behalf of the Issuer with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Bond Purchase Agreement by the Chairman shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase

Agreement relating to the issuance and sale of the Series 2015 C Bonds, including the payment of all necessary fees and expenses in connection therewith.

Section 3. The Continuing Disclosure Agreement by and between the Issuer and the Original Purchaser, to be dated as of the date of delivery of the Series 2015 C Bonds, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved and directed. The Chairman shall execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Continuing Disclosure Agreement by the Chairman shall be conclusive evidence of any approval required by this Section. United Bank, Inc., Charleston, West Virginia is hereby appointed as dissemination agent under the Continuing Disclosure Agreement.

Section 4. The Preliminary Official Statement to be substantially in the form attached hereto (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Chairman), and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Chairman shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Official Statement by the Chairman shall be conclusive evidence of any approval required by this Section. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Chairman is hereby ratified and approved.

Section 5. The Registrar Agreement by and between the Issuer and the Registrar designated herein, to be dated as of the date of delivery of the Series 2015 C Bonds, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Chairman shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Registrar Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 6. The Tax Compliance Policy attached hereto as Exhibit B and the Continuing Disclosure Policy Attached as Exhibit C are hereby approved.

Section 7. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Series 2015 C Bonds.

Section 8. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia for the purpose of serving in the capacity of Registrar and depository agent responsible for disbursement of the costs of issuance of the Series 2015 C Bonds.

Section 9. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Paying Agent.

Section 10. The notice addresses for the Registrar, Paying Agent and Original Purchaser shall be as follows:

REGISTRAR

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

PAYING AGENT

West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 117
Charleston, West Virginia 25302
Attention: Executive Director

ORIGINAL PURCHASER

Crews & Associates, Inc.
300 Summers Street
Charleston, West Virginia 25301

Section 11. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates, including a tax and arbitrage certificate, required or desirable in connection with the Series 2015 C Bonds issue to the end that the Series 2015 C Bonds may be delivered as provided in the Bond Purchase Agreement.

Section 12. The financing of the project with proceeds of the Series 2015 C Bonds 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.

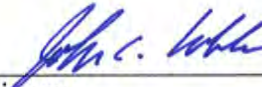
Section 13. This Supplemental Resolution shall be effective immediately.

[Remainder of Page Intentionally Blank]

Adopted this 20th day of January, 2015.

[SEAL]

BERKELEY COUNTY PUBLIC SERVICE SEWER
DISTRICT

By: 
Its: Chairman

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the Council of the BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT on the 20th day of January, 2015.

Dated: February 12, 2015.

[SEAL]


Secretary

EXHIBIT A

FORM OF CERTIFICATE OF DETERMINATIONS

Berkeley County Public Service Sewer District
Sewer Revenue Bonds, Series 2015 C

CERTIFICATE OF DETERMINATIONS

The undersigned, _____, Chairman of the Berkeley County Public Service Sewer District (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Issuer on _____, 20__ (the "Supplemental Parameters Resolution"), with respect to the Issuer's Sewer Revenue Bonds, Series 2015 C (the "Series 2015 C Bonds"), hereby finds and determines this _____ day of February, 2015 as follows:

1. The Series 2015 C Bonds shall be dated the date of closing thereon (estimated to be _____, 2015) and shall bear interest on _____ and _____ of each year commencing _____, 2015.

2. The Series 2015 C Bonds shall be issued in the aggregate principal amount of \$_____, at a true interest cost of ____%. Such interest rates do not exceed ____%, being the maximum interest rate authorized by the Supplemental Parameters Resolution.

3. The Series 2015 C Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

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

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

6. The Series 2015 C Bonds shall be sold to Crews & Associates, Inc. (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of \$_____ (representing par value less an Underwriter's discount of \$_____ and a net original issue discount of \$_____).

7. _____, _____, West Virginia is appointed as the Depository Bank.

8. The forms of the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Registrar Agreement and Official Statement attached hereto are hereby approved.

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

WITNESS our signatures the day and year first written above.

BERKELEY COUNTY PUBLIC SERVICE SEWER
DISTRICT

By: _____
Its: Chairman

Schedule 1

SERIES 2015 C BOND TERMS

Mandatory Sinking Fund Redemption and Maturity

<u>Bond No.</u>	Maturity Date or Sinking Fund (____ 1)	Principal <u>Amount</u>	Interest <u>Rate</u>	Price or <u>Yield</u>	<u>CUSIP No.</u>
CR-1	____ 1	\$____	____%	____%	_____

Schedule 2

Redemption Provisions:

Optional Redemption

The Series 2015 C Bonds maturing on or after _____, 20____, are subject to redemption on or after _____, 20____, at the option of the Governing Body, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at the applicable Redemption Price (expressed as a percentage of principal amount to be so redeemed) set forth in the table below, plus interest, if any, accrued to the date fixed for redemption:

Redemption Period	Redemption Price
_____, 20____ and thereafter	100%

In the event of such optional redemption, the Governing Body may direct the maturity or maturities of the Bonds and the amounts thereof to be redeemed, provided that the Bonds will be redeemed in whole multiples of \$5,000 in principal amount and in the minimum principal amount of \$50,000.

EXHIBIT B

TAX COMPLIANCE POLICY

EXHIBIT C
CONTINUING DISCLOSURE POLICY

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-1

\$745,000

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BONDS, SERIES 2015 C (TAX EXEMPT)**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>BOND DATE:</u>	<u>CUSIP:</u>
1.000%	10/01/2017	02/12/2015	084249 DC2
<u>REGISTERED OWNER:</u>	CEDE & CO.		
<u>PRINCIPAL AMOUNT:</u>	SEVEN HUNDRED FORTY-FIVE THOUSAND DOLLARS		

KNOW ALL MEN BY THESE PRESENTS: That the BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public service district, public corporation an political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has

been paid in full, at the Interest Rate per annum specified above, semiannually, on April 1 and October 1, in each year, beginning October 1, 2015 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Resolution.

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

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$16,970,000 designated the "Berkeley County Public Service Sewer District Sewer Revenue Bonds, Series 2015 C (Tax Exempt)" (the "Series 2015 C Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated February 12, 2015, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to provide a portion of the funds to construct upgrades to four existing wastewater treatment plants and related facilities to meet Chesapeake Bay nutrient standards (the "Project"); (ii) to capitalize interest on the Series 2015 C Bonds for 12 months; (iii) to pay the premium for a municipal bond debt service reserve insurance policy for the Series 2015 C Bonds, issued by Build America Mutual Assurance Company (the "Reserve Policy"); and (iv) to pay certain costs of issuance of the Series 2015 C Bonds, including, but not limited to, the premium for a municipal bond insurance policy from Build America Mutual Assurance Company (the "Insurance Policy"), and related costs. The Series 2015 C Bonds are issued under the authority of and in full compliance with the Constitution and statute 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 January 20, 2015, and supplemented by a supplemental resolution adopted on January 20, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of said Resolution. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2015 C Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2015 C Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Secretary of the Issuer.

The Series 2015 C Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by Build America Mutual Assurance Company.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,638,194 (THE "SERIES 1986 B BONDS");

(2) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 3, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$828,629 (THE "SERIES 1990 A BONDS");

(3) SEWER REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 5, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$494,288 (THE "SERIES 1994 A BONDS");

(4) SEWER REVENUE BONDS, SERIES 1995 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 9, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,837,640 (THE "SERIES 1995 A BONDS");

(5) SEWER REVENUE BONDS, SERIES 1995 B (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 29, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,138,506 (THE "SERIES 1995 B BONDS");

(6) SEWER REVENUE BONDS, SERIES 1996 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 13, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$319,902 (THE "SERIES 1996 A BONDS");

(7) SEWER REVENUE BONDS, SERIES 1996 B (WEST VIRGINIA SRF PROGRAM), DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,628,633 (THE "SERIES 1996 B BONDS");

(8) SEWER REVENUE BONDS, SERIES 1996 C (WEST VIRGINIA SRF PROGRAM), DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$837,579 (THE "SERIES 1996 C BONDS");

(9) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 12, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$148,000 (THE "SERIES 1997 A BONDS");

(10) SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 11, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 (THE "SERIES 1997 B BONDS");

(11) SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 28, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$30,707,296 (THE "SERIES 1999 A BONDS");

(12) SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 25, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$937,500 (THE "SERIES 2000 A BONDS");

(13) SEWER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 30, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$429,000 (THE "SERIES 2001 A BONDS");

(14) SEWER REVENUE BONDS, SERIES 2001 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 7, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,909,850 (THE "SERIES 2001 B BONDS");

(15) SEWER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 9, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$750,000 (THE "SERIES 2002 A BONDS");

(16) SEWER REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA SRF PROGRAM), DATED JULY 11, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$456,548 (THE "SERIES 2002 B BONDS");

(17) SEWER REVENUE BONDS, SERIES 2002 C (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$30,500,000 (THE "SERIES 2002 C BONDS");

(18) SEWER REVENUE BONDS, SERIES 2002 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,965,465 (THE "SERIES 2002 D BONDS");

(19) SEWER REVENUE BONDS, SERIES 2002 E (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$560,822 (THE "SERIES 2002 E BONDS");

(20) SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$252,922 (THE "SERIES 2003 A BONDS");

(21) SEWER REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$330,862 (THE "SERIES 2003 B BONDS");

(22) SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED NOVEMBER 30, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,999,600 (THE "SERIES 2004 A BONDS");

(23) SEWER REVENUE BONDS, SERIES 2007 A (BANK QUALIFIED), DATED MARCH 1, 2007, DELIVERED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,970,000 (THE "SERIES 2007 A BONDS");

(24) SEWER REVENUE BONDS, SERIES 2007 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 (THE "SERIES 2007 B BONDS");

(25) SEWER REVENUE BONDS, SERIES 2007 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 (THE "SERIES 2007 C BONDS");

(26) SEWER REVENUE BONDS, SERIES 2007 D (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,104,000 (THE "SERIES 2007 D BONDS");

(27) SEWER REVENUE BONDS, SERIES 2007 E (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$500,000 (THE "SERIES 2007 E BONDS");

(28) SEWER REVENUE BONDS, SERIES 2007 F (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,999,900 (THE "SERIES 2007 F BONDS");

(29) SEWER REVENUE BONDS, SERIES 2009 A, DATED JULY 31, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,695,000 (THE "SERIES 2009 A BONDS");

(30) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 31, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2009 B BONDS");

(31) SEWER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED AUGUST 22, 2013, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$9,615,000 (THE "SERIES 2013 A BONDS");

(32) SEWER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED AUGUST 22, 2013, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,950,000 (THE "SERIES 2013 B BONDS");

(33) SEWER REFUNDING REVENUE BONDS, SERIES 2013 C (BANK QUALIFIED), DATED DECEMBER 19, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,880,000 (THE "SERIES 2013 C BONDS");

(34) SEWER REVENUE BONDS, SERIES 2013 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 20, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,116,602 (THE "SERIES 2013 D BONDS");

(35) SEWER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 12, 2015, AND ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$26,435,450 (THE "SERIES 2015 A BONDS"); AND

(36) SEWER REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 12, 2015, AND ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,623,472 (THE "SERIES 2015 B BONDS").

AND THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH ARE SUBORDINATE TO THE SERIES 2015 C BONDS AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, BEING THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 3, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$38,669 (THE "SERIES 1990 B BONDS" OR THE "SECOND LIEN BONDS").

The Series 1986 B Bonds, the Series 1990 A Bonds, the Series 1994 A Bonds, the Series 1995 A Bonds, the Series 1995 B Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1996 C Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1999 A Bonds, the Series 2000 A Bonds, the Series 2001 A Bonds, the Series 2001 B Bonds, the Series 2002 A Bonds, the Series 2002 B Bonds, the Series 2002 C Bonds, the Series 2002 D Bonds, the Series 2002 E Bonds, the Series 2003 A Bonds, the Series 2003 B Bonds, the Series 2004 A Bonds, the Series 2007 A Bonds, the Series 2007 B Bonds, the Series 2007 C Bonds, the Series 2007 D Bonds, the Series 2007 E Bonds, the Series 2007 F Bonds, the Series 2009 A Bonds, the Series 2009 B Bonds, the Series 2013 A Bonds, the Series 2013 B Bonds, the Series 2013 C Bonds, the Series 2013 D Bonds, the Series 2015 A Bonds and the Series 2015 B Bonds are hereinafter collectively called the "First Lien Bonds"; and the Series 1990 B Bonds are hereinafter called the "Second Lien Bonds." The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds."

The Series 2015 C Bonds are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following paragraphs:

Optional Redemption

The Series 2015 C Bonds maturing on and after October 1, 2024, are subject to redemption at the option of the District, prior to maturity, on or after October 1, 2023, in whole or in part at any time, as directed by the District by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2015 C Bonds maturing October 1, 2029, October 1, 2032 and October 1, 2035, are subject to annual mandatory redemption prior to maturity by random selection on October 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2029

<u>Year (October 1)</u>	<u>Principal Amount</u>
2028	\$635,000
2029*	\$680,000

*Final maturity.

Bonds Maturing 2032

<u>Year (October 1)</u>	<u>Principal Amount</u>
2031	\$1,885,000
2032*	\$2,335,000

*Final maturity.

Bonds Maturing 2035

<u>Year (October 1)</u>	<u>Principal Amount</u>
2033	\$2,470,000
2034	\$3,390,000
2035*	\$3,770,000

*Final maturity.

In the event of any redemption of less than all outstanding Series 2015 C Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2015 C Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2015 C Bonds are to be redeemed, the Series 2015 C Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2015 C Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2015 C Bond or Series 2015 C Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2015 C Bonds or portions of Series 2015 C Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2015 C Bonds or portions of Series 2015 C Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2015 C Bond.

The Series 2015 C Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the First Lien Bonds, and senior and prior to the Second Lien Bonds, all monies in the Series 2015 C Bonds Sinking Fund, and the Series 2015 C Bonds Reserve Account therein, established under the Resolution, and the unexpended proceeds of the Series 2015 C Bonds, and the Issuer hereby and in the Resolution pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Resolution. This Series 2015 C Bond 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 said special fund provided from the Net Revenues, the monies in the Series 2015 C Bonds Sinking Fund and the Series 2015 C Bonds Reserve Account and said unexpended Series 2015 C Bond proceeds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2015 C Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2015 C Bonds, including the Series 2015 A Bonds, Series 2015 B Bonds and the Prior Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2015 C Bonds,

for the terms of which reference is made to the Resolution. Remedies provided the registered owners of the Series 2015 C Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2015 C Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2015 C Bonds.

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 Series 2015 C Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2015 C Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2015 C Bonds of which this Series 2015 C Bond is one.

This Series 2015 C Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Resolution.

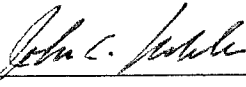
This Series 2015 C Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2015 C Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution, and the statutes under which this Series 2015 C Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2015 C Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, the BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT has caused this Bond to be signed by its Chairman and Secretary, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Series 2015 C Bond to be dated as of the Series 2015 C Bond Date specified above.

[SEAL]



Chairman

ATTEST:



Secretary

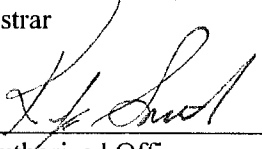
**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This Series 2015 C Bond is one of the fully registered Series 2015 C Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2015 C Bonds.

Dated: February 12, 2015.

UNITED BANK, INC.,
As Registrar

By



Its Authorized Officer

**(FORM OF)
ASSIGNMENT**

Social Security or Other Identifying Number of Assignee

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

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

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-2

\$1,315,000

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BONDS, SERIES 2015 C (TAX EXEMPT)**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>BOND DATE:</u>	<u>CUSIP:</u>
4.500%	10/01/2029	02/12/2015	084249 DD0
<u>REGISTERED OWNER:</u>	CEDE & CO.		
<u>PRINCIPAL AMOUNT:</u>	ONE MILLION THREE HUNDRED FIFTEEN THOUSAND DOLLARS		

KNOW ALL MEN BY THESE PRESENTS: That the BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has

been paid in full, at the Interest Rate per annum specified above, semiannually, on April 1 and October 1, in each year, beginning October 1, 2015 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Resolution.

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

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$16,970,000 designated the "Berkeley County Public Service Sewer District Sewer Revenue Bonds, Series 2015 C (Tax Exempt)" (the "Series 2015 C Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated February 12, 2015, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to provide a portion of the funds to construct upgrades to four existing wastewater treatment plants and related facilities to meet Chesapeake Bay nutrient standards (the "Project"); (ii) to capitalize interest on the Series 2015 C Bonds for 12 months; (iii) to pay the premium for a municipal bond debt service reserve insurance policy for the Series 2015 C Bonds, issued by Build America Mutual Assurance Company (the "Reserve Policy"); and (iv) to pay certain costs of issuance of the Series 2015 C Bonds, including, but not limited to, the premium for a municipal bond insurance policy from Build America Mutual Assurance Company (the "Insurance Policy"), and related costs. The Series 2015 C Bonds are issued under the authority of and in full compliance with the Constitution and statute 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 January 20, 2015, and supplemented by a supplemental resolution adopted on January 20, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of said Resolution. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2015 C Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2015 C Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Secretary of the Issuer.

The Series 2015 C Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by Build America Mutual Assurance Company.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,638,194 (THE "SERIES 1986 B BONDS");

(2) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 3, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$828,629 (THE "SERIES 1990 A BONDS");

(3) SEWER REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 5, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$494,288 (THE "SERIES 1994 A BONDS");

(4) SEWER REVENUE BONDS, SERIES 1995 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 9, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,837,640 (THE "SERIES 1995 A BONDS");

(5) SEWER REVENUE BONDS, SERIES 1995 B (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 29, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,138,506 (THE "SERIES 1995 B BONDS");

(6) SEWER REVENUE BONDS, SERIES 1996 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 13, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$319,902 (THE "SERIES 1996 A BONDS");

(7) SEWER REVENUE BONDS, SERIES 1996 B (WEST VIRGINIA SRF PROGRAM), DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,628,633 (THE "SERIES 1996 B BONDS");

(8) SEWER REVENUE BONDS, SERIES 1996 C (WEST VIRGINIA SRF PROGRAM), DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$837,579 (THE "SERIES 1996 C BONDS");

(9) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 12, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$148,000 (THE "SERIES 1997 A BONDS");

(10) SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 11, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 (THE "SERIES 1997 B BONDS");

(11) SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 28, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$30,707,296 (THE "SERIES 1999 A BONDS");

(12) SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 25, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$937,500 (THE "SERIES 2000 A BONDS");

(13) SEWER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 30, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$429,000 (THE "SERIES 2001 A BONDS");

(14) SEWER REVENUE BONDS, SERIES 2001 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 7, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,909,850 (THE "SERIES 2001 B BONDS");

(15) SEWER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 9, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$750,000 (THE "SERIES 2002 A BONDS");

(16) SEWER REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA SRF PROGRAM), DATED JULY 11, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$456,548 (THE "SERIES 2002 B BONDS");

(17) SEWER REVENUE BONDS, SERIES 2002 C (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$30,500,000 (THE "SERIES 2002 C BONDS");

(18) SEWER REVENUE BONDS, SERIES 2002 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,965,465 (THE "SERIES 2002 D BONDS");

(19) SEWER REVENUE BONDS, SERIES 2002 E (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$560,822 (THE "SERIES 2002 E BONDS");

(20) SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$252,922 (THE "SERIES 2003 A BONDS");

(21) SEWER REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$330,862 (THE "SERIES 2003 B BONDS");

(22) SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED NOVEMBER 30, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,999,600 (THE "SERIES 2004 A BONDS");

(23) SEWER REVENUE BONDS, SERIES 2007 A (BANK QUALIFIED), DATED MARCH 1, 2007, DELIVERED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,970,000 (THE "SERIES 2007 A BONDS");

(24) SEWER REVENUE BONDS, SERIES 2007 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 (THE "SERIES 2007 B BONDS");

(25) SEWER REVENUE BONDS, SERIES 2007 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 (THE "SERIES 2007 C BONDS");

(26) SEWER REVENUE BONDS, SERIES 2007 D (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,104,000 (THE "SERIES 2007 D BONDS");

(27) SEWER REVENUE BONDS, SERIES 2007 E (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$500,000 (THE "SERIES 2007 E BONDS");

(28) SEWER REVENUE BONDS, SERIES 2007 F (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,999,900 (THE "SERIES 2007 F BONDS");

(29) SEWER REVENUE BONDS, SERIES 2009 A, DATED JULY 31, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,695,000 (THE "SERIES 2009 A BONDS");

(30) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 31, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2009 B BONDS");

(31) SEWER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED AUGUST 22, 2013, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$9,615,000 (THE "SERIES 2013 A BONDS");

(32) SEWER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED AUGUST 22, 2013, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,950,000 (THE "SERIES 2013 B BONDS");

(33) SEWER REFUNDING REVENUE BONDS, SERIES 2013 C (BANK QUALIFIED), DATED DECEMBER 19, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,880,000 (THE "SERIES 2013 C BONDS");

(34) SEWER REVENUE BONDS, SERIES 2013 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 20, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,116,602 (THE "SERIES 2013 D BONDS");

(35) SEWER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 12, 2015, AND ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$26,435,450 (THE "SERIES 2015 A BONDS"); AND

(36) SEWER REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 12, 2015, AND ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,623,472 (THE "SERIES 2015 B BONDS").

AND THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH ARE SUBORDINATE TO THE SERIES 2015 C BONDS AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, BEING THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 3, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$38,669 (THE "SERIES 1990 B BONDS" OR THE "SECOND LIEN BONDS").

The Series 1986 B Bonds, the Series 1990 A Bonds, the Series 1994 A Bonds, the Series 1995 A Bonds, the Series 1995 B Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1996 C Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1999 A Bonds, the Series 2000 A Bonds, the Series 2001 A Bonds, the Series 2001 B Bonds, the Series 2002 A Bonds, the Series 2002 B Bonds, the Series 2002 C Bonds, the Series 2002 D Bonds, the Series 2002 E Bonds, the Series 2003 A Bonds, the Series 2003 B Bonds, the Series 2004 A Bonds, the Series 2007 A Bonds, the Series 2007 B Bonds, the Series 2007 C Bonds, the Series 2007 D Bonds, the Series 2007 E Bonds, the Series 2007 F Bonds, the Series 2009 A Bonds, the Series 2009 B Bonds, the Series 2013 A Bonds, the Series 2013 B Bonds, the Series 2013 C Bonds, the Series 2013 D Bonds, the Series 2015 A Bonds and the Series 2015 B Bonds are hereinafter collectively called the "First Lien Bonds"; and the Series 1990 B Bonds are hereinafter called the "Second Lien Bonds." The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds."

The Series 2015 C Bonds are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following paragraphs:

Optional Redemption

The Series 2015 C Bonds maturing on and after October 1, 2024, are subject to redemption at the option of the District, prior to maturity, on or after October 1, 2023, in whole or in part at any time, as directed by the District by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2015 C Bonds maturing October 1, 2029, October 1, 2032 and October 1, 2035, are subject to annual mandatory redemption prior to maturity by random selection on October 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2029

<u>Year (October 1)</u>	<u>Principal Amount</u>
2028	\$635,000
2029*	\$680,000

*Final maturity.

Bonds Maturing 2032

<u>Year (October 1)</u>	<u>Principal Amount</u>
2031	\$1,885,000
2032*	\$2,335,000

*Final maturity.

Bonds Maturing 2035

<u>Year (October 1)</u>	<u>Principal Amount</u>
2033	\$2,470,000
2034	\$3,390,000
2035*	\$3,770,000

*Final maturity.

In the event of any redemption of less than all outstanding Series 2015 C Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2015 C Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2015 C Bonds are to be redeemed, the Series 2015 C Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2015 C Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2015 C Bond or Series 2015 C Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2015 C Bonds or portions of Series 2015 C Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2015 C Bonds or portions of Series 2015 C Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2015 C Bond.

The Series 2015 C Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the First Lien Bonds, and senior and prior to the Second Lien Bonds, all monies in the Series 2015 C Bonds Sinking Fund, and the Series 2015 C Bonds Reserve Account therein, established under the Resolution, and the unexpended proceeds of the Series 2015 C Bonds, and the Issuer hereby and in the Resolution pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Resolution. This Series 2015 C Bond 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 said special fund provided from the Net Revenues, the monies in the Series 2015 C Bonds Sinking Fund and the Series 2015 C Bonds Reserve Account and said unexpended Series 2015 C Bond proceeds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2015 C Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2015 C Bonds, including the Series 2015 A Bonds, Series 2015 B Bonds and the Prior Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2015 C Bonds,

for the terms of which reference is made to the Resolution. Remedies provided the registered owners of the Series 2015 C Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2015 C Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2015 C Bonds.

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 Series 2015 C Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2015 C Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2015 C Bonds of which this Series 2015 C Bond is one.

This Series 2015 C Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Resolution.

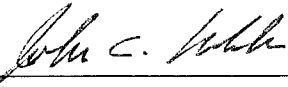
This Series 2015 C Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2015 C Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution, and the statutes under which this Series 2015 C Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2015 C Bond to the same extent as if written fully herein.

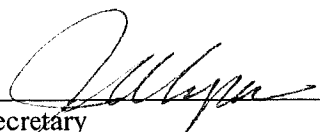
IN WITNESS WHEREOF, the BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT has caused this Bond to be signed by its Chairman and Secretary, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Series 2015 C Bond to be dated as of the Series 2015 C Bond Date specified above.

[SEAL]



Chairman

ATTEST:



Secretary

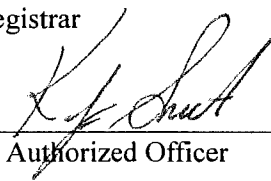
**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This Series 2015 C Bond is one of the fully registered Series 2015 C Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2015 C Bonds.

Dated: February 12, 2015.

UNITED BANK, INC.,
As Registrar

By



Its Authorized Officer

**(FORM OF)
ASSIGNMENT**

Social Security or Other Identifying Number of Assignee

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

Dated: _____, 20 ____.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

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

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-3

\$1,060,000

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BONDS, SERIES 2015 C (TAX EXEMPT)**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>BOND DATE:</u>	<u>CUSIP:</u>
3.000%	10/01/2030	02/12/2015	084249 DE8
<u>REGISTERED OWNER:</u>	CEDE & CO.		
<u>PRINCIPAL AMOUNT:</u>	ONE MILLION SIXTY THOUSAND DOLLARS		

KNOW ALL MEN BY THESE PRESENTS: That the BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has

been paid in full, at the Interest Rate per annum specified above, semiannually, on April 1 and October 1, in each year, beginning October 1, 2015 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Resolution.

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

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$16,970,000 designated the "Berkeley County Public Service Sewer District Sewer Revenue Bonds, Series 2015 C (Tax Exempt)" (the "Series 2015 C Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated February 12, 2015, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to provide a portion of the funds to construct upgrades to four existing wastewater treatment plants and related facilities to meet Chesapeake Bay nutrient standards (the "Project"); (ii) to capitalize interest on the Series 2015 C Bonds for 12 months; (iii) to pay the premium for a municipal bond debt service reserve insurance policy for the Series 2015 C Bonds, issued by Build America Mutual Assurance Company (the "Reserve Policy"); and (iv) to pay certain costs of issuance of the Series 2015 C Bonds, including, but not limited to, the premium for a municipal bond insurance policy from Build America Mutual Assurance Company (the "Insurance Policy"), and related costs. The Series 2015 C Bonds are issued under the authority of and in full compliance with the Constitution and statute 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 January 20, 2015, and supplemented by a supplemental resolution adopted on January 20, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of said Resolution. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2015 C Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2015 C Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Secretary of the Issuer.

The Series 2015 C Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by Build America Mutual Assurance Company.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,638,194 (THE "SERIES 1986 B BONDS");

(2) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 3, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$828,629 (THE "SERIES 1990 A BONDS");

(3) SEWER REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 5, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$494,288 (THE "SERIES 1994 A BONDS");

(4) SEWER REVENUE BONDS, SERIES 1995 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 9, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,837,640 (THE "SERIES 1995 A BONDS");

(5) SEWER REVENUE BONDS, SERIES 1995 B (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 29, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,138,506 (THE "SERIES 1995 B BONDS");

(6) SEWER REVENUE BONDS, SERIES 1996 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 13, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$319,902 (THE "SERIES 1996 A BONDS");

(7) SEWER REVENUE BONDS, SERIES 1996 B (WEST VIRGINIA SRF PROGRAM), DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,628,633 (THE "SERIES 1996 B BONDS");

(8) SEWER REVENUE BONDS, SERIES 1996 C (WEST VIRGINIA SRF PROGRAM), DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$837,579 (THE "SERIES 1996 C BONDS");

(9) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 12, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$148,000 (THE "SERIES 1997 A BONDS");

(10) SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 11, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 (THE "SERIES 1997 B BONDS");

(11) SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 28, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$30,707,296 (THE "SERIES 1999 A BONDS");

(12) SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 25, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$937,500 (THE "SERIES 2000 A BONDS");

(13) SEWER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 30, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$429,000 (THE "SERIES 2001 A BONDS");

(14) SEWER REVENUE BONDS, SERIES 2001 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 7, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,909,850 (THE "SERIES 2001 B BONDS");

(15) SEWER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 9, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$750,000 (THE "SERIES 2002 A BONDS");

(16) SEWER REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA SRF PROGRAM), DATED JULY 11, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$456,548 (THE "SERIES 2002 B BONDS");

(17) SEWER REVENUE BONDS, SERIES 2002 C (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$30,500,000 (THE "SERIES 2002 C BONDS");

(18) SEWER REVENUE BONDS, SERIES 2002 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,965,465 (THE "SERIES 2002 D BONDS");

(19) SEWER REVENUE BONDS, SERIES 2002 E (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$560,822 (THE "SERIES 2002 E BONDS");

(20) SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$252,922 (THE "SERIES 2003 A BONDS");

(21) SEWER REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$330,862 (THE "SERIES 2003 B BONDS");

(22) SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED NOVEMBER 30, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,999,600 (THE "SERIES 2004 A BONDS");

(23) SEWER REVENUE BONDS, SERIES 2007 A (BANK QUALIFIED), DATED MARCH 1, 2007, DELIVERED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,970,000 (THE "SERIES 2007 A BONDS");

(24) SEWER REVENUE BONDS, SERIES 2007 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 (THE "SERIES 2007 B BONDS");

(25) SEWER REVENUE BONDS, SERIES 2007 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 (THE "SERIES 2007 C BONDS");

(26) SEWER REVENUE BONDS, SERIES 2007 D (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,104,000 (THE "SERIES 2007 D BONDS");

(27) SEWER REVENUE BONDS, SERIES 2007 E (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$500,000 (THE "SERIES 2007 E BONDS");

(28) SEWER REVENUE BONDS, SERIES 2007 F (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,999,900 (THE "SERIES 2007 F BONDS");

(29) SEWER REVENUE BONDS, SERIES 2009 A, DATED JULY 31, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,695,000 (THE "SERIES 2009 A BONDS");

(30) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 31, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2009 B BONDS");

(31) SEWER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED AUGUST 22, 2013, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$9,615,000 (THE "SERIES 2013 A BONDS");

(32) SEWER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED AUGUST 22, 2013, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,950,000 (THE "SERIES 2013 B BONDS");

(33) SEWER REFUNDING REVENUE BONDS, SERIES 2013 C (BANK QUALIFIED), DATED DECEMBER 19, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,880,000 (THE "SERIES 2013 C BONDS");

(34) SEWER REVENUE BONDS, SERIES 2013 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 20, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,116,602 (THE "SERIES 2013 D BONDS");

(35) SEWER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 12, 2015, AND ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$26,435,450 (THE "SERIES 2015 A BONDS"); AND

(36) SEWER REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 12, 2015, AND ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,623,472 (THE "SERIES 2015 B BONDS").

AND THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH ARE SUBORDINATE TO THE SERIES 2015 C BONDS AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, BEING THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 3, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$38,669 (THE "SERIES 1990 B BONDS" OR THE "SECOND LIEN BONDS").

The Series 1986 B Bonds, the Series 1990 A Bonds, the Series 1994 A Bonds, the Series 1995 A Bonds, the Series 1995 B Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1996 C Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1999 A Bonds, the Series 2000 A Bonds, the Series 2001 A Bonds, the Series 2001 B Bonds, the Series 2002 A Bonds, the Series 2002 B Bonds, the Series 2002 C Bonds, the Series 2002 D Bonds, the Series 2002 E Bonds, the Series 2003 A Bonds, the Series 2003 B Bonds, the Series 2004 A Bonds, the Series 2007 A Bonds, the Series 2007 B Bonds, the Series 2007 C Bonds, the Series 2007 D Bonds, the Series 2007 E Bonds, the Series 2007 F Bonds, the Series 2009 A Bonds, the Series 2009 B Bonds, the Series 2013 A Bonds, the Series 2013 B Bonds, the Series 2013 C Bonds, the Series 2013 D Bonds, the Series 2015 A Bonds and the Series 2015 B Bonds are hereinafter collectively called the "First Lien Bonds"; and the Series 1990 B Bonds are hereinafter called the "Second Lien Bonds." The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds."

The Series 2015 C Bonds are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following paragraphs:

Optional Redemption

The Series 2015 C Bonds maturing on and after October 1, 2024, are subject to redemption at the option of the District, prior to maturity, on or after October 1, 2023, in whole or in part at any time, as directed by the District by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2015 C Bonds maturing October 1, 2029, October 1, 2032 and October 1, 2035, are subject to annual mandatory redemption prior to maturity by random selection on October 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2029

<u>Year (October 1)</u>	<u>Principal Amount</u>
2028	\$635,000
2029*	\$680,000

*Final maturity.

Bonds Maturing 2032

<u>Year (October 1)</u>	<u>Principal Amount</u>
2031	\$1,885,000
2032*	\$2,335,000

*Final maturity.

Bonds Maturing 2035

<u>Year (October 1)</u>	<u>Principal Amount</u>
2033	\$2,470,000
2034	\$3,390,000
2035*	\$3,770,000

*Final maturity.

In the event of any redemption of less than all outstanding Series 2015 C Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2015 C Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2015 C Bonds are to be redeemed, the Series 2015 C Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2015 C Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2015 C Bond or Series 2015 C Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2015 C Bonds or portions of Series 2015 C Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2015 C Bonds or portions of Series 2015 C Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2015 C Bond.

The Series 2015 C Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the First Lien Bonds, and senior and prior to the Second Lien Bonds, all monies in the Series 2015 C Bonds Sinking Fund, and the Series 2015 C Bonds Reserve Account therein, established under the Resolution, and the unexpended proceeds of the Series 2015 C Bonds, and the Issuer hereby and in the Resolution pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Resolution. This Series 2015 C Bond 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 said special fund provided from the Net Revenues, the monies in the Series 2015 C Bonds Sinking Fund and the Series 2015 C Bonds Reserve Account and said unexpended Series 2015 C Bond proceeds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2015 C Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2015 C Bonds, including the Series 2015 A Bonds, Series 2015 B Bonds and the Prior Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2015 C Bonds,

for the terms of which reference is made to the Resolution. Remedies provided the registered owners of the Series 2015 C Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2015 C Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2015 C Bonds.

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 Series 2015 C Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2015 C Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2015 C Bonds of which this Series 2015 C Bond is one.

This Series 2015 C Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Resolution.

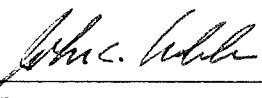
This Series 2015 C Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2015 C Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution, and the statutes under which this Series 2015 C Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2015 C Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, the BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT has caused this Bond to be signed by its Chairman and Secretary, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Series 2015 C Bond to be dated as of the Series 2015 C Bond Date specified above.

[SEAL]



Chairman

ATTEST:



Secretary

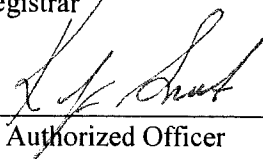
**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This Series 2015 C Bond is one of the fully registered Series 2015 C Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2015 C Bonds.

Dated: February 12, 2015.

UNITED BANK, INC.,
As Registrar

By



Its Authorized Officer

**(FORM OF)
ASSIGNMENT**

Social Security or Other Identifying Number of Assignee

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

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

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-4

\$4,220,000

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BONDS, SERIES 2015 C (TAX EXEMPT)**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>BOND DATE:</u>	<u>CUSIP:</u>
4.500%	10/01/2032	02/12/2015	084249 DF5
<u>REGISTERED OWNER:</u>	CEDE & CO.		
<u>PRINCIPAL AMOUNT:</u>	FOUR MILLION TWO HUNDRED TWENTY THOUSAND DOLLARS		

KNOW ALL MEN BY THESE PRESENTS: That the BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has

been paid in full, at the Interest Rate per annum specified above, semiannually, on April 1 and October 1, in each year, beginning October 1, 2015 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Resolution.

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

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$16,970,000 designated the "Berkeley County Public Service Sewer District Sewer Revenue Bonds, Series 2015 C (Tax Exempt)" (the "Series 2015 C Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated February 12, 2015, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to provide a portion of the funds to construct upgrades to four existing wastewater treatment plants and related facilities to meet Chesapeake Bay nutrient standards (the "Project"); (ii) to capitalize interest on the Series 2015 C Bonds for 12 months; (iii) to pay the premium for a municipal bond debt service reserve insurance policy for the Series 2015 C Bonds, issued by Build America Mutual Assurance Company (the "Reserve Policy"); and (iv) to pay certain costs of issuance of the Series 2015 C Bonds, including, but not limited to, the premium for a municipal bond insurance policy from Build America Mutual Assurance Company (the "Insurance Policy"), and related costs. The Series 2015 C Bonds are issued under the authority of and in full compliance with the Constitution and statute 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 January 20, 2015, and supplemented by a supplemental resolution adopted on January 20, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of said Resolution. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2015 C Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2015 C Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Secretary of the Issuer.

The Series 2015 C Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by Build America Mutual Assurance Company.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,638,194 (THE "SERIES 1986 B BONDS");

(2) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 3, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$828,629 (THE "SERIES 1990 A BONDS");

(3) SEWER REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 5, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$494,288 (THE "SERIES 1994 A BONDS");

(4) SEWER REVENUE BONDS, SERIES 1995 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 9, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,837,640 (THE "SERIES 1995 A BONDS");

(5) SEWER REVENUE BONDS, SERIES 1995 B (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 29, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,138,506 (THE "SERIES 1995 B BONDS");

(6) SEWER REVENUE BONDS, SERIES 1996 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 13, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$319,902 (THE "SERIES 1996 A BONDS");

(7) SEWER REVENUE BONDS, SERIES 1996 B (WEST VIRGINIA SRF PROGRAM), DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,628,633 (THE "SERIES 1996 B BONDS");

(8) SEWER REVENUE BONDS, SERIES 1996 C (WEST VIRGINIA SRF PROGRAM), DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$837,579 (THE "SERIES 1996 C BONDS");

(9) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 12, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$148,000 (THE "SERIES 1997 A BONDS");

(10) SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 11, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 (THE "SERIES 1997 B BONDS");

(11) SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 28, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$30,707,296 (THE "SERIES 1999 A BONDS");

(12) SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 25, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$937,500 (THE "SERIES 2000 A BONDS");

(13) SEWER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 30, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$429,000 (THE "SERIES 2001 A BONDS");

(14) SEWER REVENUE BONDS, SERIES 2001 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 7, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,909,850 (THE "SERIES 2001 B BONDS");

(15) SEWER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 9, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$750,000 (THE "SERIES 2002 A BONDS");

(16) SEWER REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA SRF PROGRAM), DATED JULY 11, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$456,548 (THE "SERIES 2002 B BONDS");

(17) SEWER REVENUE BONDS, SERIES 2002 C (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$30,500,000 (THE "SERIES 2002 C BONDS");

(18) SEWER REVENUE BONDS, SERIES 2002 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,965,465 (THE "SERIES 2002 D BONDS");

(19) SEWER REVENUE BONDS, SERIES 2002 E (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$560,822 (THE "SERIES 2002 E BONDS");

(20) SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$252,922 (THE "SERIES 2003 A BONDS");

(21) SEWER REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$330,862 (THE "SERIES 2003 B BONDS");

(22) SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED NOVEMBER 30, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,999,600 (THE "SERIES 2004 A BONDS");

(23) SEWER REVENUE BONDS, SERIES 2007 A (BANK QUALIFIED), DATED MARCH 1, 2007, DELIVERED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,970,000 (THE "SERIES 2007 A BONDS");

(24) SEWER REVENUE BONDS, SERIES 2007 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 (THE "SERIES 2007 B BONDS");

(25) SEWER REVENUE BONDS, SERIES 2007 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 (THE "SERIES 2007 C BONDS");

(26) SEWER REVENUE BONDS, SERIES 2007 D (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,104,000 (THE "SERIES 2007 D BONDS");

(27) SEWER REVENUE BONDS, SERIES 2007 E (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$500,000 (THE "SERIES 2007 E BONDS");

(28) SEWER REVENUE BONDS, SERIES 2007 F (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,999,900 (THE "SERIES 2007 F BONDS");

(29) SEWER REVENUE BONDS, SERIES 2009 A, DATED JULY 31, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,695,000 (THE "SERIES 2009 A BONDS");

(30) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 31, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2009 B BONDS");

(31) SEWER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED AUGUST 22, 2013, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$9,615,000 (THE "SERIES 2013 A BONDS");

(32) SEWER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED AUGUST 22, 2013, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,950,000 (THE "SERIES 2013 B BONDS");

(33) SEWER REFUNDING REVENUE BONDS, SERIES 2013 C (BANK QUALIFIED), DATED DECEMBER 19, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,880,000 (THE "SERIES 2013 C BONDS");

(34) SEWER REVENUE BONDS, SERIES 2013 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 20, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,116,602 (THE "SERIES 2013 D BONDS");

(35) SEWER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 12, 2015, AND ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$26,435,450 (THE "SERIES 2015 A BONDS"); AND

(36) SEWER REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 12, 2015, AND ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,623,472 (THE "SERIES 2015 B BONDS").

AND THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH ARE SUBORDINATE TO THE SERIES 2015 C BONDS AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, BEING THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 3, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$38,669 (THE "SERIES 1990 B BONDS" OR THE "SECOND LIEN BONDS").

The Series 1986 B Bonds, the Series 1990 A Bonds, the Series 1994 A Bonds, the Series 1995 A Bonds, the Series 1995 B Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1996 C Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1999 A Bonds, the Series 2000 A Bonds, the Series 2001 A Bonds, the Series 2001 B Bonds, the Series 2002 A Bonds, the Series 2002 B Bonds, the Series 2002 C Bonds, the Series 2002 D Bonds, the Series 2002 E Bonds, the Series 2003 A Bonds, the Series 2003 B Bonds, the Series 2004 A Bonds, the Series 2007 A Bonds, the Series 2007 B Bonds, the Series 2007 C Bonds, the Series 2007 D Bonds, the Series 2007 E Bonds, the Series 2007 F Bonds, the Series 2009 A Bonds, the Series 2009 B Bonds, the Series 2013 A Bonds, the Series 2013 B Bonds, the Series 2013 C Bonds, the Series 2013 D Bonds, the Series 2015 A Bonds and the Series 2015 B Bonds are hereinafter collectively called the "First Lien Bonds"; and the Series 1990 B Bonds are hereinafter called the "Second Lien Bonds." The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds."

The Series 2015 C Bonds are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following paragraphs:

Optional Redemption

The Series 2015 C Bonds maturing on and after October 1, 2024, are subject to redemption at the option of the District, prior to maturity, on or after October 1, 2023, in whole or in part at any time, as directed by the District by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2015 C Bonds maturing October 1, 2029, October 1, 2032 and October 1, 2035, are subject to annual mandatory redemption prior to maturity by random selection on October 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2029

<u>Year (October 1)</u>	<u>Principal Amount</u>
2028	\$635,000
2029*	\$680,000

*Final maturity.

Bonds Maturing 2032

<u>Year (October 1)</u>	<u>Principal Amount</u>
2031	\$1,885,000
2032*	\$2,335,000

*Final maturity.

Bonds Maturing 2035

<u>Year (October 1)</u>	<u>Principal Amount</u>
2033	\$2,470,000
2034	\$3,390,000
2035*	\$3,770,000

*Final maturity.

In the event of any redemption of less than all outstanding Series 2015 C Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2015 C Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2015 C Bonds are to be redeemed, the Series 2015 C Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2015 C Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2015 C Bond or Series 2015 C Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2015 C Bonds or portions of Series 2015 C Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2015 C Bonds or portions of Series 2015 C Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2015 C Bond.

The Series 2015 C Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the First Lien Bonds, and senior and prior to the Second Lien Bonds, all monies in the Series 2015 C Bonds Sinking Fund, and the Series 2015 C Bonds Reserve Account therein, established under the Resolution, and the unexpended proceeds of the Series 2015 C Bonds, and the Issuer hereby and in the Resolution pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Resolution. This Series 2015 C Bond 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 said special fund provided from the Net Revenues, the monies in the Series 2015 C Bonds Sinking Fund and the Series 2015 C Bonds Reserve Account and said unexpended Series 2015 C Bond proceeds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2015 C Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2015 C Bonds, including the Series 2015 A Bonds, Series 2015 B Bonds and the Prior Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2015 C Bonds,

for the terms of which reference is made to the Resolution. Remedies provided the registered owners of the Series 2015 C Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2015 C Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2015 C Bonds.

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 Series 2015 C Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2015 C Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2015 C Bonds of which this Series 2015 C Bond is one.

This Series 2015 C Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Resolution.

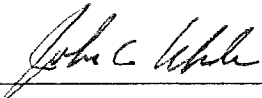
This Series 2015 C Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2015 C Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

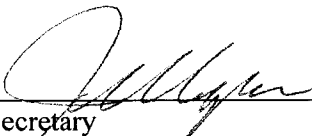
All provisions of the Resolution, and the statutes under which this Series 2015 C Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2015 C Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, the BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT has caused this Bond to be signed by its Chairman and Secretary, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Series 2015 C Bond to be dated as of the Series 2015 C Bond Date specified above.

[SEAL]


Chairman

ATTEST:


Secretary

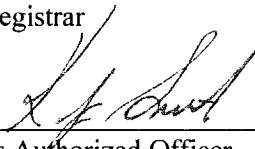
**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This Series 2015 C Bond is one of the fully registered Series 2015 C Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2015 C Bonds.

Dated: February 12, 2015.

UNITED BANK, INC.,
As Registrar

By



Its Authorized Officer

**(FORM OF)
ASSIGNMENT**

Social Security or Other Identifying Number of Assignee

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

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

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. CR-5

\$9,630,000

**UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BONDS, SERIES 2015 C (TAX EXEMPT)**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>BOND DATE:</u>	<u>CUSIP:</u>
3.250%	10/01/2035	02/12/2015	084249 DG3
<u>REGISTERED OWNER:</u>	CEDE & CO.		
<u>PRINCIPAL AMOUNT:</u>	NINE MILLION SIX HUNDRED THIRTY THOUSAND DOLLARS		

KNOW ALL MEN BY THESE PRESENTS: That the BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public service district, public corporation an political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has

been paid in full, at the Interest Rate per annum specified above, semiannually, on April 1 and October 1, in each year, beginning October 1, 2015 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter-described Resolution.

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

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of \$16,970,000 designated the "Berkeley County Public Service Sewer District Sewer Revenue Bonds, Series 2015 C (Tax Exempt)" (the "Series 2015 C Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated February 12, 2015, upon original issuance, the proceeds of which are to be used, together with other funds of the Issuer, (i) to provide a portion of the funds to construct upgrades to four existing wastewater treatment plants and related facilities to meet Chesapeake Bay nutrient standards (the "Project"); (ii) to capitalize interest on the Series 2015 C Bonds for 12 months; (iii) to pay the premium for a municipal bond debt service reserve insurance policy for the Series 2015 C Bonds, issued by Build America Mutual Assurance Company (the "Reserve Policy"); and (iv) to pay certain costs of issuance of the Series 2015 C Bonds, including, but not limited to, the premium for a municipal bond insurance policy from Build America Mutual Assurance Company (the "Insurance Policy"), and related costs. The Series 2015 C Bonds are issued under the authority of and in full compliance with the Constitution and statute 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 January 20, 2015, and supplemented by a supplemental resolution adopted on January 20, 2015 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of said Resolution. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Series 2015 C Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Series 2015 C Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Secretary of the Issuer.

The Series 2015 C Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by Build America Mutual Assurance Company.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1986 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 7, 1986, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,638,194 (THE "SERIES 1986 B BONDS");

(2) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 3, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$828,629 (THE "SERIES 1990 A BONDS");

(3) SEWER REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 5, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$494,288 (THE "SERIES 1994 A BONDS");

(4) SEWER REVENUE BONDS, SERIES 1995 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 9, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,837,640 (THE "SERIES 1995 A BONDS");

(5) SEWER REVENUE BONDS, SERIES 1995 B (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 29, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,138,506 (THE "SERIES 1995 B BONDS");

(6) SEWER REVENUE BONDS, SERIES 1996 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 13, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$319,902 (THE "SERIES 1996 A BONDS");

(7) SEWER REVENUE BONDS, SERIES 1996 B (WEST VIRGINIA SRF PROGRAM), DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,628,633 (THE "SERIES 1996 B BONDS");

(8) SEWER REVENUE BONDS, SERIES 1996 C (WEST VIRGINIA SRF PROGRAM), DATED MAY 1, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$837,579 (THE "SERIES 1996 C BONDS");

(9) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 12, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$148,000 (THE "SERIES 1997 A BONDS");

(10) SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 11, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 (THE "SERIES 1997 B BONDS");

(11) SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 28, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$30,707,296 (THE "SERIES 1999 A BONDS");

(12) SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 25, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$937,500 (THE "SERIES 2000 A BONDS");

(13) SEWER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 30, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$429,000 (THE "SERIES 2001 A BONDS");

(14) SEWER REVENUE BONDS, SERIES 2001 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 7, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,909,850 (THE "SERIES 2001 B BONDS");

(15) SEWER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 9, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$750,000 (THE "SERIES 2002 A BONDS");

(16) SEWER REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA SRF PROGRAM), DATED JULY 11, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$456,548 (THE "SERIES 2002 B BONDS");

(17) SEWER REVENUE BONDS, SERIES 2002 C (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$30,500,000 (THE "SERIES 2002 C BONDS");

(18) SEWER REVENUE BONDS, SERIES 2002 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,965,465 (THE "SERIES 2002 D BONDS");

(19) SEWER REVENUE BONDS, SERIES 2002 E (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$560,822 (THE "SERIES 2002 E BONDS");

(20) SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$252,922 (THE "SERIES 2003 A BONDS");

(21) SEWER REVENUE BONDS, SERIES 2003 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 14, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$330,862 (THE "SERIES 2003 B BONDS");

(22) SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED NOVEMBER 30, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,999,600 (THE "SERIES 2004 A BONDS");

(23) SEWER REVENUE BONDS, SERIES 2007 A (BANK QUALIFIED), DATED MARCH 1, 2007, DELIVERED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,970,000 (THE "SERIES 2007 A BONDS");

(24) SEWER REVENUE BONDS, SERIES 2007 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 (THE "SERIES 2007 B BONDS");

(25) SEWER REVENUE BONDS, SERIES 2007 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$9,000,000 (THE "SERIES 2007 C BONDS");

(26) SEWER REVENUE BONDS, SERIES 2007 D (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$7,104,000 (THE "SERIES 2007 D BONDS");

(27) SEWER REVENUE BONDS, SERIES 2007 E (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$500,000 (THE "SERIES 2007 E BONDS");

(28) SEWER REVENUE BONDS, SERIES 2007 F (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 6, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,999,900 (THE "SERIES 2007 F BONDS");

(29) SEWER REVENUE BONDS, SERIES 2009 A, DATED JULY 31, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,695,000 (THE "SERIES 2009 A BONDS");

(30) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 31, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,000,000 (THE "SERIES 2009 B BONDS");

(31) SEWER REFUNDING REVENUE BONDS, SERIES 2013 A (BANK QUALIFIED), DATED AUGUST 22, 2013, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$9,615,000 (THE "SERIES 2013 A BONDS");

(32) SEWER REFUNDING REVENUE BONDS, SERIES 2013 B (TAXABLE), DATED AUGUST 22, 2013, ISSUED SIMULTANEOUSLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,950,000 (THE "SERIES 2013 B BONDS");

(33) SEWER REFUNDING REVENUE BONDS, SERIES 2013 C (BANK QUALIFIED), DATED DECEMBER 19, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,880,000 (THE "SERIES 2013 C BONDS");

(34) SEWER REVENUE BONDS, SERIES 2013 D (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 20, 2013, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,116,602 (THE "SERIES 2013 D BONDS");

(35) SEWER REVENUE BONDS, SERIES 2015 A (WEST VIRGINIA SRF PROGRAM), DATED FEBRUARY 12, 2015, AND ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$26,435,450 (THE "SERIES 2015 A BONDS"); AND

(36) SEWER REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 12, 2015, AND ISSUED CONCURRENTLY HERewith IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,623,472 (THE "SERIES 2015 B BONDS").

AND THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH ARE SUBORDINATE TO THE SERIES 2015 C BONDS AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, BEING THE ISSUER'S:

(1) SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MAY 3, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$38,669 (THE "SERIES 1990 B BONDS" OR THE "SECOND LIEN BONDS").

The Series 1986 B Bonds, the Series 1990 A Bonds, the Series 1994 A Bonds, the Series 1995 A Bonds, the Series 1995 B Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1996 C Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1999 A Bonds, the Series 2000 A Bonds, the Series 2001 A Bonds, the Series 2001 B Bonds, the Series 2002 A Bonds, the Series 2002 B Bonds, the Series 2002 C Bonds, the Series 2002 D Bonds, the Series 2002 E Bonds, the Series 2003 A Bonds, the Series 2003 B Bonds, the Series 2004 A Bonds, the Series 2007 A Bonds, the Series 2007 B Bonds, the Series 2007 C Bonds, the Series 2007 D Bonds, the Series 2007 E Bonds, the Series 2007 F Bonds, the Series 2009 A Bonds, the Series 2009 B Bonds, the Series 2013 A Bonds, the Series 2013 B Bonds, the Series 2013 C Bonds, the Series 2013 D Bonds, the Series 2015 A Bonds and the Series 2015 B Bonds are hereinafter collectively called the "First Lien Bonds"; and the Series 1990 B Bonds are hereinafter called the "Second Lien Bonds." The First Lien Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds."

The Series 2015 C Bonds are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following paragraphs:

Optional Redemption

The Series 2015 C Bonds maturing on and after October 1, 2024, are subject to redemption at the option of the District, prior to maturity, on or after October 1, 2023, in whole or in part at any time, as directed by the District by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2015 C Bonds maturing October 1, 2029, October 1, 2032 and October 1, 2035, are subject to annual mandatory redemption prior to maturity by random selection on October 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2029

<u>Year (October 1)</u>	<u>Principal Amount</u>
2028	\$635,000
2029*	\$680,000

*Final maturity.

Bonds Maturing 2032

<u>Year (October 1)</u>	<u>Principal Amount</u>
2031	\$1,885,000
2032*	\$2,335,000

*Final maturity.

Bonds Maturing 2035

<u>Year (October 1)</u>	<u>Principal Amount</u>
2033	\$2,470,000
2034	\$3,390,000
2035*	\$3,770,000

*Final maturity.

In the event of any redemption of less than all outstanding Series 2015 C Bonds, the maturities to be redeemed shall be selected by the Paying Agent at the direction of the Issuer and Series 2015 C Bonds to be redeemed shall be determined by lot within a maturity, or in such other manner deemed appropriate by the Paying Agent. If less than all the Series 2015 C Bonds are to be redeemed, the Series 2015 C Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Series 2015 C Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Series 2015 C Bond or Series 2015 C Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Paying Agent. Such notice shall also be given by the Paying Agent to the Registrar. Notice of redemption having been given as aforesaid, the Series 2015 C Bonds or portions of Series 2015 C Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2015 C Bonds or portions of Series 2015 C Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Series 2015 C Bond.

The Series 2015 C Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity in all respects with the pledge of the Net Revenues created in favor of the holders of the First Lien Bonds, and senior and prior to the Second Lien Bonds, all monies in the Series 2015 C Bonds Sinking Fund, and the Series 2015 C Bonds Reserve Account therein, established under the Resolution, and the unexpended proceeds of the Series 2015 C Bonds, and the Issuer hereby and in the Resolution pledges such revenues and monies to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Resolution. This Series 2015 C Bond 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 said special fund provided from the Net Revenues, the monies in the Series 2015 C Bonds Sinking Fund and the Series 2015 C Bonds Reserve Account and said unexpended Series 2015 C Bond proceeds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2015 C Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2015 C Bonds, including the Series 2015 A Bonds, Series 2015 B Bonds and the Prior Bonds. The Issuer has entered into certain further covenants with the registered owners of the Series 2015 C Bonds,

for the terms of which reference is made to the Resolution. Remedies provided the registered owners of the Series 2015 C Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

All monies received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay all costs of the Project, funding a reserve account for the Series 2015 C Bonds and pay costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owners of said Series 2015 C Bonds.

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 Series 2015 C Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2015 C Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2015 C Bonds of which this Series 2015 C Bond is one.

This Series 2015 C Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Resolution.

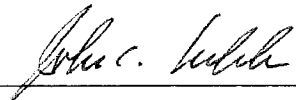
This Series 2015 C Bond and the income therefrom are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

This Series 2015 C Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Resolution, and the statutes under which this Series 2015 C Bond is issued shall be deemed to be a part of the contract evidenced by this Series 2015 C Bond to the same extent as if written fully herein.

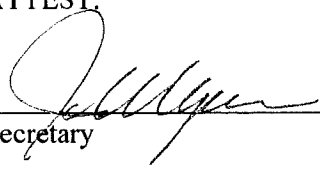
IN WITNESS WHEREOF, the BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT has caused this Bond to be signed by its Chairman and Secretary, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Series 2015 C Bond to be dated as of the Series 2015 C Bond Date specified above.

[SEAL]



Chairman

ATTEST:



Secretary

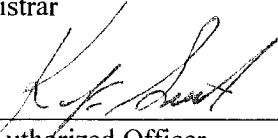
**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This Series 2015 C Bond is one of the fully registered Series 2015 C Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Series 2015 C Bonds.

Dated: February 12, 2015.

UNITED BANK, INC.,
As Registrar

By



Its Authorized Officer

**(FORM OF)
ASSIGNMENT**

Social Security or Other Identifying Number of Assignee

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

Dated: _____, 20__.

SIGNATURE GUARANTEED:

(Bank, Trust Company or Firm)

(Authorized Officer)

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

STATEMENT OF INSURANCE

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

February 12, 2015

Berkeley County Public Service Sewer District
Sewer Revenue Bonds, Series 2015 C (Tax-Exempt)

Berkeley County Public Service Sewer District
Martinsburg, West Virginia

Crews and Associates, Inc.
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Build America Mutual Assurance
Company
New York, New York

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the authorization, issuance, sale, and the initial delivery on the date hereof, by the Berkeley County Public Service Sewer District (the "*Issuer*") of its \$16,970,000 aggregate principal amount of Sewer Revenue Bonds, Series 2015 C (Tax-Exempt) (the "*Series 2015 C Bonds*").

The Series 2015 C Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "*Act*"), and a Bond Resolution duly adopted by the Issuer on January 20, 2015, as supplemented by a Supplemental Parameters Resolution duly adopted by the Issuer on January 20, 2015 (collectively, the "*Resolution*"), and are subject to all the terms and conditions of the Resolution. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Resolution.

The Series 2015 C Bonds are issued in fully registered form, are dated February 12, 2015, mature on October 1 in the years and amounts and bear interest payable each April 1 and October 1, commencing October 1, 2015, all as set forth in the Resolution.

Pursuant to the Resolution, the Series 2015 C Bonds are issued to (i) provide a portion of the funds to construct upgrades to four existing wastewater treatment plants and related facilities to meet Chesapeake Bay nutrient standards (the "*Project*"); (ii) capitalize interest on the Series 2015 C Bonds for 12 months; (iii) pay the premium for a municipal bond debt service reserve insurance policy for the Series 2015 C Bonds, issued by Build America Mutual Assurance

Company; and (iv) pay certain costs of issuance of the Series 2015 C Bonds including, but not limited to, the premium for a municipal bond insurance policy issued by Build America Mutual Assurance Company, and other associated costs.

The Series 2015 C Bonds have been sold to Crews and Associates, Inc. (the "*Original Purchaser*"), pursuant to a Bond Purchase Agreement dated February 5, 2015 (the "*Bond Purchase Agreement*"), accepted by the Issuer.

In connection with our engagement as Bond Counsel, we have examined the law and such documents and matters as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Original Purchaser and other entities contained in the Resolution, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation and have relied upon, and have assumed, due compliance with the provisions of, the proceedings and other documents.

Based upon the foregoing, and assuming compliance with the covenants and representations of the Issuer and others set forth in the Resolution, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate and such certifications, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing public service district and public corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt and enact the Resolution, enter into the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2015 C Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted and enacted the Resolution; has authorized, executed and delivered the Bond Purchase Agreement, the Continuing Disclosure Agreement, and the Tax Certificate; has authorized the distribution of the Official Statement in connection with the marketing and sale of the Series 2015 C Bonds; and has issued and delivered the Series 2015 C Bonds to the Original Purchaser pursuant to the Bond Purchase Agreement. The Resolution is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms.

4. The Series 2015 C Bonds have been duly authorized, executed and delivered by the Issuer and, assuming proper authentication, constitute valid and legally enforceable limited

obligations of the Issuer, payable from, and secured by a lien on, the Net Revenues of the System, on a parity with the Issuer's:

(1) Sewer Revenue Bonds, Series 1986 B (West Virginia Water Development Authority), dated March 7, 1986, issued in the original aggregate principal amount of \$1,638,194;

(2) Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated May 3, 1990, issued in the original aggregate principal amount of \$828,629;

(3) Sewer Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), dated October 5, 1994, issued in the original aggregate principal amount of \$494,288;

(4) Sewer Revenue Bonds, Series 1995 A (West Virginia SRF Program), dated February 9, 1995, issued in the original aggregate principal amount of \$3,837,640;

(5) Sewer Revenue Bonds, Series 1995 B (West Virginia SRF Program), dated December 29, 1995, issued in the original aggregate principal amount of \$2,138,506;

(6) Sewer Revenue Bonds, Series 1996 A (West Virginia SRF Program), dated February 13, 1996, issued in the original aggregate principal amount of \$319,902;

(7) Sewer Revenue Bonds, Series 1996 B (West Virginia SRF Program), dated May 1, 1996, issued in the original aggregate principal amount of \$2,628,633;

(8) Sewer Revenue Bonds, Series 1996 C (West Virginia SRF Program), dated May 1, 1996, issued in the original aggregate principal amount of \$837,579;

(9) Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated June 12, 1997, issued in the original aggregate principal amount of \$148,000;

(10) Sewer Revenue Bonds, Series 1997 B (West Virginia SRF Program), dated December 11, 1997, issued in the original aggregate principal amount of \$1,250,000;

(11) Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated October 28, 1999, issued in the original aggregate principal amount of \$30,707,296;

(12) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated May 25, 2000, issued in the original aggregate principal amount of \$937,500;

(13) Sewer Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 30, 2001, issued in the original aggregate principal amount of \$429,000;

(14) Sewer Revenue Bonds, Series 2001 B (West Virginia SRF Program), dated August 7, 2001, issued in the original aggregate principal amount of \$2,909,850;

(15) Sewer Revenue Bonds, Series 2002 A (West Virginia SRF Program), dated May 9, 2002, issued in the original aggregate principal amount of \$750,000;

(16) Sewer Revenue Bonds, Series 2002 B (West Virginia SRF Program), dated July 11, 2002, issued in the original aggregate principal amount of \$456,548;

(17) Sewer Revenue Bonds, Series 2002 C (West Virginia SRF Program), dated August 28, 2002, issued in the original aggregate principal amount of \$30,500,000;

(18) Sewer Revenue Bonds, Series 2002 D (West Virginia Water Development Authority), dated August 28, 2002, issued in the original aggregate principal amount of \$4,965,465;

(19) Sewer Revenue Bonds, Series 2002 E (West Virginia Water Development Authority), dated August 28, 2002, issued in the original aggregate principal amount of \$560,822;

(20) Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated August 14, 2003, issued in the original aggregate principal amount of \$252,922;

(21) Sewer Revenue Bonds, Series 2003 B (West Virginia SRF Program), dated August 14, 2003, issued in the original aggregate principal amount of \$330,862;

(22) Sewer Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated November 30, 2004, issued in the original aggregate principal amount of \$1,999,600;

(23) Sewer Revenue Bonds, Series 2007 A (Bank Qualified), dated March 1, 2007, delivered March 6, 2007, issued in the original aggregate principal amount of \$3,970,000;

(24) Sewer Revenue Bonds, Series 2007 B (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$9,000,000;

(25) Sewer Revenue Bonds, Series 2007 C (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$9,000,000;

(26) Sewer Revenue Bonds, Series 2007 D (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$7,104,000;

(27) Sewer Revenue Bonds, Series 2007 E (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$500,000;

(28) Sewer Revenue Bonds, Series 2007 F (United States Department of Agriculture), dated March 6, 2007, issued in the original aggregate principal amount of \$4,999,900;

(29) Sewer Revenue Bonds, Series 2009 A, dated July 31, 2009, issued in the original aggregate principal amount of \$2,695,000;

(30) Sewer Revenue Bonds, Series 2009 B (West Virginia Infrastructure Fund), dated July 31, 2009, issued in the original aggregate principal amount of \$1,000,000;

(31) Sewer Refunding Revenue Bonds, Series 2013 A (Bank Qualified), dated August 22, 2013, issued in the aggregate principal amount of \$9,615,000 (the "Series 2013 A Bonds");

(32) Sewer Refunding Revenue Bonds, Series 2013 B (Taxable), dated August 22, 2013, issued in the aggregate principal amount of \$1,950,000 (the "Series 2013 B Bonds");

(33) Sewer Refunding Revenue Bonds, Series 2013 C (Bank Qualified), dated December 19, 2013, issued in the original aggregate principal amount of \$2,880,000 (the "Series 2013 C Bonds");

(34) Sewer Revenue Bonds, Series 2013 D (West Virginia Infrastructure Fund), dated December 20, 2013, issued in the original aggregate principal amount of \$1,116,602 (the "Series 2013 D Bonds");

(35) Sewer Revenue Bonds, Series 2015 A (West Virginia SRF Program), dated February 12, 2015, and issued simultaneously herewith in the principal amount of \$26,435,450 (the "Series 2015 A Bonds"); and

(36) Sewer Revenue Bonds, Series 2015 B (West Virginia Infrastructure Fund), dated February 12, 2015, and issued simultaneously herewith in the principal amount of \$10,623,472 (the "Series 2015 B Bonds");

And senior and prior to the the Issuer's:

(1) Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated May 3, 1990, issued in the original aggregate principal amount of \$38,669 (the "Series 1990 B Bonds").

The Series 2015 C Bonds are enforceable in accordance with their terms and the terms of the Resolution, and are entitled to the benefits of the Resolution and the Act.

5. We have examined the executed and authenticated Series 2015 C Bonds of said issue, and in our opinion, said Series 2015 C Bonds are in proper form and have been duly executed and authenticated.

6. The Debt Service Reserve Agreement has been duly authorized, executed and delivered by the Issuer.

7. The Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund or account (the "Reserve Fund") under the Security Documents.

8. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2015 C Bonds is excluded from the gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations; *provided, that* the interest on the Series 2015 C Bonds is taken into account as an adjustment to current earnings when computing the federal alternative minimum tax on certain corporations. Ownership of tax-exempt obligations, including the Series 2015 C Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. We offer no opinion as to such collateral tax consequences or any other federal tax consequences arising with respect to the Series 2015 C Bonds. Prospective purchasers of the Series 2015 C Bonds should consult their own tax advisors as to such consequences.

The opinions set forth in paragraph 6 above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "*Code*") that must be satisfied in order for interest on the Series 2015 C Bonds to be or continue to be excludable from gross income for federal income tax purposes and with all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2015 C Bonds set forth in the Resolution, the Bond Purchase Agreement, the Tax Certificate and the certifications of the Issuer and others. Failure to comply with such Code provisions or such certifications, covenants and representations could cause the interest on the Series 2015 C Bonds to be includable in gross income retroactive to the date of issuance of the Series 2015 C Bonds.

9. Under the Act, the Series 2015 C Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

10. The Series 2015 C Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform

Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2015 C Bonds, to register any securities under said Securities Acts.

It is to be understood that the rights of the holders of the Series 2015 C Bonds and the enforceability of the Series 2015 C Bonds, the Resolution, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Certificate, and the liens, pledges, rights or remedies with respect thereto, are subject to and may be limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We do not express any opinion as to the sufficiency or accuracy of the material, information or financial statements which are set forth in the Official Statement prepared and used in connection with the offering and sale of the Series 2015 C Bonds.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory and administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof. We assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

This opinion is intended solely for the benefit of the addressees and may not be relied upon by any other person or entity without, in each such case, our express written consent.

Very truly yours,


STEPH & JOHNSON PLLC

February 12, 2015

Berkeley County Public Service Sewer District
Sewer Revenue Bonds, Series 2015 C
(Tax-Exempt)

Berkeley County Public Service Sewer District
Martinsburg, West Virginia

Crews & Associates, Inc.
Little Rock, Arkansas

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance and sale by the Berkeley County Public Service Sewer District (the "District" or "Issuer") of its \$16,970,000 aggregate principal amount of Sewer Revenue Bonds, Series 2015 C (Tax-Exempt) (the "Series 2015 C Bonds"). In our capacity as bond counsel, we are delivering an opinion of even date herewith concerning the legality of the Series 2015 C Bonds and the exclusion of interest on the Series 2015 C Bonds from gross income for federal income tax purposes (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement and such other matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings assigned to them in the Bond Purchase Agreement (the "Bond Purchase Agreement") dated February 5, 2015, between the District and Crews & Associates, Inc. (the "Underwriter") and approved by the Issuer.

Based upon the foregoing, we are of opinion that:

- (1) The Bond Purchase Agreement has been duly authorized, executed and delivered by the District and, (assuming due authorization, execution and delivery by the other parties thereto and that it is a binding agreement of the other parties in accordance with its terms), constitutes a binding agreement in accordance with its terms of the District (except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws or equitable principles affecting creditors' rights generally).
- (2) The District, under the Act, has full power and authority to adopt the Resolution, enter into the Bond Purchase Agreement and perform its obligations thereunder.

- (3) The Official Statement has been duly approved, signed and delivered by the District, and the District has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the offering of the Series 2015 C Bonds.
- (4) The statements and information contained in the Official Statement under the captions or subcaptions "Tax Matters," "Security for the Series 2015 C Bonds," "The Series 2015 C Bonds" (except for the statement referred to therein under "Book-Entry Only System" with respect to The Depository Trust Company), and "Financing Plan" are true and accurate in all material respects and present a fair and accurate summary and description of the matters summarized and described under each such caption.
- (5) The Series 2015 C Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as a trust indenture pursuant to the Trust Indenture Act of 1939, as amended.
- (6) The Transcript of all proceedings relating to the authorization and issuance of the Bonds were delivered to the Issuer and the Underwriter.
- (7) The form of our opinion as bond counsel with respect to the Series 2015 C Bonds delivered contemporaneously with the issuance of the Series 2015 C Bonds and the Resolution are in all material respects the same as the forms included as appendices to the Official Statement.

Very truly yours,


STEPTOE & JOHNSON PLLC

\$16,970,000
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REVENUE BONDS,
SERIES 2015 C (TAX-EXEMPT)

BOND PURCHASE AGREEMENT

February 5, 2015

Berkeley County Public Service Sewer District
65 District Way
Martinsburg, West Virginia 25401

Ladies and Gentlemen:

Crews & Associates, Inc. (the “Underwriter”), offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Berkeley County Public Service Sewer District (the “District”) for the purchase of the District’s Sewer Revenue Bonds, Series 2015 C (Tax-Exempt) (the “Series 2015 C Bonds” or the “Bonds”). This offer is made subject to acceptance and execution of this Purchase Agreement by the District prior to 11:59 p.m., local prevailing time on the date hereof, or until withdrawn by the Underwriter upon written notice to the District as permitted herein, whichever shall occur earlier. Upon such acceptance and approval, as evidenced by the signature of the Chairman of the District in the space provided below, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the District and the Underwriter. All capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the meanings set forth in the hereinafter described Resolution.

The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the District and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters), (iv) the Underwriter has no obligation to the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement, and (v) the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

1. The Bonds are being issued, along with other funds available to: (i) provide funds to construct upgrades to four existing wastewater treatment plants and related facilities to meet Chesapeake Bay nutrient standards (the "Project"); (ii) capitalize interest on the Series 2015 C Bonds for approximately 12 months; (iii) pay the premium for a municipal bond debt service reserve insurance policy for the Series 2015 C Bonds, issued by Build America Mutual Assurance Company (the "Reserve Policy"); and (iv) pay certain costs of issuance of the Series 2015 C Bonds, including, but not limited to, the premium for a municipal bond insurance policy from Build America Mutual Assurance Company (the "Insurance Policy"), and related costs.

The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the Bond Resolution adopted by the Public Service Board (the "Board") of the District on January 20, 2015 (the "Original Resolution"), as supplemented by a Supplemental Parameters Resolution duly adopted by the Public Service Board of the District pursuant to the Resolution on January 20, 2015, and a Certificate of Determinations, signed by the Chairman of the District, dated February 5, 2015 (collectively, the "Resolution"). The Bonds shall be secured by the Net Revenues derived by the District from the operation by the District of its existing sewer system (together with extensions, improvements and betterments thereto, the "System") on parity with the First Lien Bonds and senior and prior to the Second Lien Bonds, the Series 2015 C Bonds Sinking Fund and the Series 2015 C Bonds Reserve Account therein, including the Reserve Policy credited thereto, and the Insurance Policy issued by Build America Mutual Assurance Company (the "Bond Insurer").

Upon the terms and conditions and upon the basis of the representations and warranties set forth in this Purchase Agreement, the Underwriter agrees to purchase from the District, and the District agrees to sell to the Underwriter, the Bonds, at an aggregate purchase price of \$17,201,469.50 (\$16,970,000 minus Underwriter's discount of \$212,125 and plus a net original issue premium of \$443,594.50).

The Bonds shall mature on the dates and in the amounts, and shall bear interest from their date, until maturity or until the date fixed for redemption if the Bonds are called for prior redemption and payment on such date provided therefore, payable semiannually on April 1 and October 1 (each an "Interest Payment Date"), commencing October 1, 2015, as more fully described on Exhibit A attached hereto and incorporated herein by reference.

The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering prices as set forth in the Official Statement (as hereinafter defined) and in Exhibit A, which prices may be changed from time to time by the Underwriter.

2. Concurrently with the acceptance of this Purchase Agreement by the District, the District shall deliver or cause to be delivered to the Underwriter three copies of the Official Statement relating to the Bonds, substantially in the form of the Preliminary Official Statement, dated February 3, 2015 (the "Preliminary Official Statement"), and prior to delivery

of the Bonds, seven copies of the Official Statement (the "Official Statement") dated the date of this Purchase Agreement, signed on behalf of the District by its Chairman as requested below.

3. The Official Statement has been approved for distribution by the Resolution. The District authorizes the use of copies of the Official Statement and the Resolution in connection with the public offering and sale of the Bonds.

On February 3, 2015, the District delivered to the Underwriter the Preliminary Official Statement and the Underwriter received a certificate from the District which deemed the Preliminary Official Statement "final" within the meaning of clause (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule" or "Rule 15c2-12") and Rule G-32 and all other rules of the Municipal Securities Rulemaking Board. The District shall deliver or cause to be delivered to the Underwriter, after the acceptance by the District of this Purchase Agreement, and within the time required by Rule 15c2-12, an adequate number of copies of the Official Statement.

Unless otherwise notified in writing by the Underwriter on or prior to the date of Closing, the "End of the Underwriting Period" for the Bonds for all purposes of Rule 15c2-12 is the date of the Closing, as hereinafter defined. In the event such notice is given in writing by the Underwriter, the Underwriter agrees to notify the District in writing following the occurrence of the End of the Underwriting Period for the Bonds as defined in Rule 15c2-12.

The District covenants and agrees that if, after the date of this Purchase Agreement and until after the End of the Underwriting Period (as determined above), any event shall occur of which the District has actual knowledge as a result of which it is necessary to amend or supplement the Official Statement to make the Official Statement not misleading in any material respect in light of the circumstances then existing, or if it is necessary to amend or supplement the Official Statement to comply with law, to notify the Underwriter (and for the purposes hereof to provide the Underwriter with such information as they may from time to time reasonably request), and to cooperate in the preparation of a reasonable number of copies of either amendments or supplements to the Official Statement (in form and substance satisfactory to the Underwriter and its counsel) at the expense of the District so that the Official Statement as so amended and supplemented will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading in any material respect.

For the purposes of this paragraph and for only so long as required by this paragraph, the District will furnish such information with respect to itself as the Underwriter from time to time reasonably requests. The Underwriter hereby agrees that it will deposit or cause to be deposited with the Municipal Securities Rulemaking Board a copy of the Official Statement at or prior to the time contemplated by Rule 15c2-12.

The Underwriter acknowledges and agrees that any liability of the District that may arise from its representations and agreements made in this paragraph 3 shall be limited to the proceeds of the Bonds (provided that the foregoing shall not be deemed to prevent the Underwriter or the District from seeking to enforce such agreements).

4. At 10:00 a.m. prevailing time, on February 12, 2015, or such other dates as shall be agreed upon by the parties to this Purchase Agreement (the "Closing"), the District will deliver or cause to be delivered to the Underwriter, (a) the Bonds in the form of one certificate for each maturity fully registered in the name of CEDE & CO., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), duly executed by the District and authenticated by the Registrar, and (b) at such other place as we mutually agree upon, will deliver to the Underwriter the other documents required in this Purchase Agreement and by the Resolution. Upon such delivery of the Bonds, the Underwriter will accept such delivery and pay the purchase price therefor, in immediately available funds to the order of the Depository Bank, for the account of the District. Such delivery shall be made through DTC, with the payment and other requisite actions to be taken at the place designated by the parties to this Purchase Agreement. The Bonds shall be made available to the Underwriter at DTC at least forty-eight (48) hours before the Closing for the purpose of inspection and packaging; provided, that if DTC Fast delivery is used, then the Bonds shall be made available to the Registrar by 4:00 p.m. on February 10, 2015. If the District does not have a Blanket DTC Letter of Representations (the "DTC Letter of Representations"), the District agrees to provide one to DTC.

5. The District represents and warrants to the Underwriter and agrees that:

(a) The District is a public service district, public corporation and political subdivision of the State of West Virginia in Berkeley County of said State. The District has been duly authorized to operate and maintain the System. The Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically, Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act");

(b) The District shall have complied and will comply at the Closing in all respects with all applicable statutes and laws, including the Act;

(c) The District has full legal right, power and authority to issue bonds for purposes provided in the Resolution and to enter into this Purchase Agreement, to adopt the Resolution and to issue, sell and deliver the Bonds to the Underwriter as provided herein and to carry out and consummate all other transactions contemplated by each of the aforesaid documents;

(d) The information contained in the Preliminary Official Statement dated February 3, 2015, and in the Official Statement, is and, as of the Closing Date (as hereinafter defined), will be, to the best knowledge of the District, true and to the best knowledge of the District does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(e) At the time of the District's acceptance hereof and (unless an event occurs of the nature described in subparagraph (i)) at all times during the period from the date of this Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Bonds (as determined in accordance with subparagraph (i) hereof), to the best knowledge of the District, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(f) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times during the period from the date of this Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Bonds (as determined in accordance with subparagraph (i) hereof), the Official Statement as so supplemented or amended, to the best knowledge of the District will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(g) If during the period from the date of this Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Bonds (as determined in accordance with subparagraph (i) hereof) any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter of any such event of which it has knowledge and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will prepare and furnish to the Underwriter (i) a reasonable number of copies of the supplement or amendment to the Official Statement in form and substance approved by the District and acceptable to the Underwriter, and (ii) if such notification shall be subsequent to the Closing, such legal opinion, certification, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement;

(h) Prior to the District's acceptance hereof, the District delivered to the Underwriter copies of the Preliminary Official Statement which the District deemed final (for purposes of Rule 15c2-12) as of the date thereof; provided however, that in making the representation and warranty contained in this paragraph (h) the District shall not be deemed to have made any additional representation or warranty as to the Preliminary Official Statement other than the representation and warranty contained in paragraph (e);

(i) For purposes of this Purchase Agreement, the End of the Underwriting Period for the Bonds shall mean the earlier of (a) the day of the Closing unless the District has been notified in writing by the Underwriter, on or prior to the day of the Closing, that the End of the Underwriting Period for the Bonds for all purposes of Rule 15c2-12 will not occur on the day of the Closing, or (b) the date on which notice is given to the District by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the District pursuant to clause (a) above that the End of the Underwriting Period for the Bonds will not occur on the day of the Closing, the Underwriter agrees to notify the District in writing as soon as practicable following the "end of the underwriting period" for the Bonds for all purposes of the Rule;

(j) At or prior to the Closing, the District shall have duly authorized, executed and delivered a written continuing disclosure undertaking (an "Undertaking") which complies with the provisions of Rule 15c2-12(b)(5) and which shall be substantially in the form described in or included as an appendix to the Preliminary Official Statement;

(k) The District has duly authorized all necessary action to be taken by it for: (1) the issuance and sale of the Bonds upon the terms set forth herein, in the Resolution and in the Official Statement; (2) the execution and delivery of the Resolution and the Undertaking; (3) the approval of the Official Statement and the execution, distribution and delivery of the Official Statement by the Chairman of the District; (4) the execution, delivery, receipt and due performance of this Purchase Agreement, the Bonds, the Undertaking, the Resolution and any and all such other agreements and documents as may be required to be executed, delivered and received by the District in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement; and (5) the carrying out, giving effect to and consummation of the transactions contemplated hereby and by the Resolution and the Official Statement;

(l) When delivered to and paid for by the Underwriter in accordance with the terms of this Purchase Agreement, the Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute valid and binding obligations of the District payable solely from the Net Revenues of the System and moneys pledged therefor under the Resolution and will be entitled to the benefit of the Resolution. Neither the credit nor the taxing power (if any) of the District shall be deemed to be pledged to, nor shall a tax ever be levied for the payment of the principal of, premium, if any, or the interest on the Bonds;

(m) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to our knowledge, threatened against or affecting the District (or, to our knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Official Statement or the validity of the Bonds, the Resolution, the Undertaking, this Purchase Agreement or any agreement or instrument to which you are a party and which is used or contemplated hereby or by the Official Statement or the validity of the Bonds, the Resolution, this Purchase Agreement or any agreement or instrument to which you are a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement;

(n) The execution and delivery of the Official Statement, this Purchase Agreement, the Bonds, the Undertaking, the Resolution and the other agreements contemplated hereby and by the Official Statement, and compliance with the provisions thereof, to the best of their knowledge following appropriate inquiry, will not conflict with or constitute on the District's part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the District is subject or by which the District is or may be bound, and to our knowledge all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the consummation of the transactions contemplated thereby have been obtained;

(o) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certifications may not be relied upon;

(p) All financial statements of the District included as a part of the Preliminary Official Statement and the Official Statement (the "Financial Statements"), fairly present the financial condition of the System as of the respective dates and the results of its operations for the respective periods therein set forth and have been prepared when so indicated in accordance with generally accepted accounting principles consistently applied and since the respective most recent dates as of which information is given in the Preliminary Official Statement or the Official Statement, there has not been any material change in the long-term debt of the District or any material adverse change in the general affairs, management, financial position, or results of operations of the System and no material transactions or obligations other than in the ordinary course of business have been entered into with respect to the System by the District, except as reflected in or contemplated by the Official Statement; and

(q) Any certificate signed by any of the District's authorized officers and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein. It is understood that the representations, warranties and covenants by the District contained in this Section 5 and elsewhere in this

Purchase Agreement shall not create any general obligation or liability of the District, and that any obligation or liability of the District hereunder or under the Resolution will be payable solely out of the Net Revenues and other income, charges and moneys derived by the District from, or in connection with the System, nor shall any member, official or employee of the District be personally liable therefor.

6. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and agreements of the District made herein. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) At or prior to the time of the Closing, the Resolution and the Undertaking, as approved by the Underwriter or its counsel, shall have been approved by the appropriate parties, shall have been duly executed, acknowledged, sealed and delivered, shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter;

(b) The Underwriter shall have the right to cancel its obligations hereunder to purchase the Bonds (such cancellation shall not constitute a default hereunder) by notifying the District in writing of its election to do so between the date hereof and the Closing Date, if at any time hereafter and prior to the Closing Date:

(i) Any legislation, rule or regulation shall be introduced in, or enacted by, the United States House of Representatives or the United States Senate or any committee thereof, or a decision by a court established under Article III of the Constitution of the United States of America, or the Tax Court of the United States, shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed, which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds;

(ii) Any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, department or agency of the State of West Virginia or political subdivision thereof, or a decision by any court of competent jurisdiction within the State of West Virginia shall have been rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds;

(iii) A stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other government agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering for sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all the underlying obligations, as contemplated hereby or by the Official Statement, is in violation of any provisions of the Securities Act of 1933, as amended and as then

in effect, or the registration provisions of the Securities and Exchange Act of 1934, as amended and as then in effect, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect;

(iv) Any event shall have occurred or information become known which, in the Underwriter's reasonable opinion, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or the Official Statement or the Underwriter shall have determined that the Preliminary Official Statement or the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(v) A general banking moratorium shall have been established by Federal, New York State or West Virginia authorities;

(vi) In the reasonable opinion of the Underwriter, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, has been adversely affected because (1) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, (2) the New York Stock Exchange, other national securities exchange or any governmental authority shall have imposed as to the Bonds or similar obligations any material restrictions not now in force, or increased materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter, or (3) war or any outbreak of hostilities or other national or international calamity or crisis shall have occurred or any armed conflict shall have occurred or escalated to such a magnitude as in the reasonable opinion of the Underwriter to have a materially adverse effect on the ability of the Underwriter to market the Bonds; or

(vii) There shall have been any materially adverse change in the affairs of the District; and

(c) At or prior to the Closing, the Underwriter and the District shall receive the following documents, in each case in form and substance satisfactory to us and our counsel:

(i) An opinion, dated the date of the Closing and addressed to the District and the Underwriter, of Steptoe & Johnson PLLC, Bond Counsel, in substantially the form attached as Appendix D to the Official Statement;

(ii) A supplemental bond counsel opinion, dated the date of the Closing and addressed to the Underwriter, of Steptoe & Johnson PLLC, Bond Counsel, to the effect that (i) this Purchase Agreement has been duly authorized, executed and delivered by, and (assuming due authorization, execution and delivery by the other parties and that it is a binding

agreement of the other parties in accordance with its terms) constitutes a binding agreement in accordance with its terms of, the District; (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; (iii) the statements contained in the Official Statement under the captions “Tax Matters,” “Security for the Series 2015 C Bonds,” “The Series 2015 C Bonds” (except for the statement referred to therein under “Book-Entry Only System” with respect to The Depository Trust Company), and “Financing Plan” are true and accurate in all material respects and present a fair and accurate summary and description of the matters summarized and described under each such caption; and (iv) their bond counsel opinion being delivered at Closing and the Resolution are in all material respects the same as the forms included as appendices to the Official Statement;

(iii) An opinion, dated the date of Closing and addressed to the Underwriter, of William F. Rohrbaugh, General Counsel to the District, to the effect that (i) the District is a public service district, public corporation and political subdivision of the State of West Virginia, (ii) the District has complied with all requirements of the Act that must be satisfied in connection with the issuance of the Bonds, (iii) no litigation is pending, or to his knowledge, threatened in any court in any way affecting the existence of the District or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection of Net Revenues of the System pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or this Purchase Agreement, or contesting the powers of the District with respect to the Bonds, the Resolution, the Undertaking or this Purchase Agreement or any transaction described in or contemplated by the Official Statement, (iv) that the Official Statement, as amended or supplemented to the date of Closing (except as aforesaid) contains no untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein regarding the District, in light of the circumstances under which they were made, not misleading, and (v) the statements contained in the Official Statement under the captions “The District, the Project and the System,” “Absence of Material Litigation,” “Financing Plan” and “Appendix B—The District and the System” insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Resolution, are accurate and present a fair summary of the matters referred to therein;

(iv) Two counterpart originals of a transcript of all proceedings relating to the authorization and issuance of the Bonds;

(v) An opinion, dated the date of the Closing and addressed to the Underwriter, of Jackson Kelly PLLC, Underwriter’s Counsel, to the effect that (i) this Purchase Agreement has been duly authorized, executed and delivered by, and (assuming due authorization, execution and delivery by the other parties and that it is a binding agreement of the other parties in accordance with its terms) constitutes a binding agreement in accordance with its

terms of, the Underwriter, and (ii) the Undertaking complies as to form in all material respects with the requirements of paragraph (b)(5) of the Rule;

(vi) A certificate, satisfactory to the Underwriter, of the Chairman of the District or any other of your duly authorized officer satisfactory to the Underwriter, dated as of the Closing, to the effect that: (i) the District has duly performed all of the obligations to be performed at or prior to the Closing and that each of its representations and warranties contained herein are true as of Closing, (ii) the District has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Bonds, the Undertaking, the Resolution and any and all such other agreements and documents as may be required to be executed, delivered and received in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement, (iii) to his knowledge no litigation is pending, or to his knowledge threatened, that might adversely affect the collection of the Net Revenues, the pledge of the Net Revenues to the Bonds, the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds or the Resolution, (iv) to the best of his knowledge following appropriate inquiry, the execution, delivery, receipt and due performance of the Bonds, the Undertaking, the Resolution and the other agreements contemplated hereby and by the Official Statement under the circumstances contemplated thereby and your compliance with the provisions thereof will not conflict with or constitute on your part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the District is subject or by which the District is or may be bound, and (v) except as described in the the Official Statement, he is aware of no material non-compliance with the covenants in all outstanding Resolutions which authorized bonds secured by the Net Revenues of the System;

(vii) Copies of this Purchase Agreement executed by the parties thereto;

(viii) An unappealable order of the Public Service Commission of West Virginia approving the project, the financing and the supporting rates;

(ix) Duly authorized and executed copies of the Undertaking, in substantially the form attached as Appendix E to the Official Statement and incorporated herein, which complies with the provisions of Rule 15c2-12(b)(5) in form and substance satisfactory to the Underwriter;

(x) A certificate of the District executed by an authorized officer thereof, dated the Closing Date and in form and substance satisfactory to the Underwriter and counsel to the Underwriter, to the effect that the District is obligated by such Undertaking and except as provided in the Official Statement is in full compliance with all of their prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5);

(xi) A certificate from Yount, Hyde & Barbour, P.C., Certified Public Accountants, that the District has Net Revenues sufficient to meet the rate coverage requirement of the Resolution and the rate coverage and parity requirements of the Prior Bonds and the Prior Resolutions;

(xii) A Certificate of the Registrar to the effect that all conditions precedent contained in the Resolution for the issuance of the Bonds have been met, and the Bonds are entitled to the benefit and security of the Resolution;

(xiii) The Resolution, certified by the Secretary of the District under the seal of the District, as having been duly adopted by the District and as being in full force and effect, with only such amendments, modifications or supplements as may have been agreed to by the Underwriter;

(xiv) An Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in the form satisfactory to Bond Counsel for filing, executed by the duly authorized officer of the District and evidence that the District has adopted post issuance compliance guidelines sufficient to allow the District to check boxes 43 and 44 on Form 8038-G;

(xv) The Insurance Policy guaranteeing the payment of the principal of and interest on the Bonds when due from the Bond Insurer;

(xvi) Evidence of “AA/Stable” rating from Standard & Poor’s Financial Services LLC, based on BAM Insurance Policy and “A-” rating based on underlying credit;

(xvii) Consent to use the District’s audit in the Preliminary Official Statement and Official Statement from Yount, Hyde & Barbour, P.C., Certified Public Accountants;

(xviii) A tax and arbitrage certificate of the District;

(xix) The Reserve Policy issued by the Bond Insurer;

(xx) Evidence of the issuance of the Series 2015 A Bonds and the Series 2015 B Bonds and the commitment of the State Grant completing the Project funding;

(xxi) To the extent required, the consent of the holders of the First Lien Bonds and Second Lien Bonds to the issuance of the Bonds on a parity with the First Lien Bonds and senior to the Second Lien Bonds; and

(xxii) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or its counsel, Jackson Kelly PLLC, reasonably may deem

necessary or advisable to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the District's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the District on or prior to the date of the Closing of all agreements then to be performed and all conditions then to be satisfied by the District;

All of the opinions, letters, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter and to Jackson Kelly PLLC, counsel to the Underwriter.

If the District shall be unable to satisfy or cause to be satisfied the conditions to the Underwriter's obligations in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and the Underwriter and the District shall not have any further obligations, claims or rights hereunder. However, the Underwriter may in its discretion waive in writing one or more conditions imposed by this Purchase Agreement for the protection of the Underwriter and proceed with the Closing.

7. The Underwriter shall be under no obligation to pay, and, if the Bonds are issued, the District shall pay or cause to be paid from the proceeds of the Bonds or other funds of the District, any fees and expenses incident to the performance of the District's obligations hereunder including (i) all expenses in connection with the printing and distribution of the Preliminary Official Statement, the Official Statement and any amendment or supplement to either; (ii) all expenses in connection with the preparation, printing, issuance and delivery of the Bonds; (iii) the fees and disbursements of Steptoe & Johnson PLLC, Bond Counsel; (iv) all advertising expenses in connection with the public offering of the Bonds; (v) the fees and disbursements of the Registrar including legal fees of legal counsel, if any; (vi) the fees and expenses of Jackson Kelly PLLC, counsel to the Underwriter; (vii) the fees and expenses of the accountant; (viii) Reserve Policy premium, (ix) Insurance Policy premium, (x) rating agency fees; and (xi) all other expenses and costs (including the fees and expenses of the District) for the authorization, issuance, sale and distribution of the Bonds.

8. The Underwriter shall pay from the underwriting spread all expenses incurred by it in connection with its public offering and distribution of the Bonds (except as set forth above), including all out-of-pocket expenses, travel and other expenses and filing fees.

9. For so long as the Underwriter, or dealers or banks, if any, participating in the distribution of the Bonds, is offering the Bonds which constitute the whole or a part of its unsold participations, the District will: (a) not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing or which shall be disapproved by counsel for the Underwriter, unless, in the

opinion of the counsel to the District, such amendment or supplement is required to make the Official Statement not misleading, and (b) if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of Bond Counsel or counsel for the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment or a supplement to the Official Statement (in form and substance satisfactory to the counsel for the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. The expense of preparing such amendment or supplement shall be borne by the District. For the purposes of this paragraph, the District will furnish such information with respect to itself as the Underwriter from time to time may request.

10. Neither the officials of the District nor its employees shall be personally liable for breach of any representation, agreement or warranty made by the District within this Purchase Agreement.

11. Any notice or other communication to be given under this Purchase Agreement may be given by delivering the same in writing as follows:

To the District:

Berkeley County Public Service Sewer District
65 District Way
Martinsburg, West Virginia 25401
Attention: General Manager

To the Underwriter:

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, West Virginia 25301

12. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All agreements of the District in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

13. This Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

[The remainder of this page intentionally left blank.]

14. The approval of the Underwriter when required hereunder or the determination of its satisfaction with any document referred to herein shall be in writing signed by the Representative and delivered to the District. This Purchase Agreement shall become legally effective upon its acceptance by the District, as evidenced by the signature of the Chairman of the District in the space provided hereinafter therefor.

Crews & Associates, Inc.

By: ABM
Its: Senior Managing Director

ACCEPTED AND APPROVED:

Berkeley County Public Service Sewer District

By: John C. Pugh
Its: Chairman

ACCEPTANCE DATE AND TIME:
February 5, 2015 at 2:00 p.m.

EXHIBIT A

\$16,970,000
Berkeley County Public Service Sewer District
Sewer Revenue Bonds (Tax-Exempt)
Series 2015 C

SERIAL BONDS

<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest Rates</u>	<u>Price</u>	<u>Yield</u>
2017	\$745,000	1.000%	100.000%	1.000%
2030	\$1,060,000	3.000%	97.552%	3.200%

TERM BONDS

\$1,315,000 4.50% Term Bond due October 1, 2029; Yield 2.70%; Price 113.78%*
\$4,222,000 4.50% Term Bond due October 2, 2032; Yield 2.85%; Price 112.549%*
\$9,630,000 3.25% Term Bond due October 1, 2035; Yield 3.42%; Price 97.495%

***Priced to October 1, 2023 per call**

Optional Redemption

The Series 2015 C Bonds maturing on and after October 1, 2024, are subject to redemption at the option of the District, prior to maturity, on or after October 1, 2023, in whole or in part at any time, as directed by the District in reverse order of maturity and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Series 2015 C Bonds maturing October 1, 2029, October 1, 2032 and October 1, 2035, are subject to annual mandatory redemption prior to maturity by random selection on October 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing 2029

<u>Year (October 1)</u>	<u>Principal Amount</u>
2028	\$635,000
2029*	\$680,000

*Final maturity.

Bonds Maturing 2032

<u>Year (October 1)</u>	<u>Principal Amount</u>
2031	\$1,885,000
2032*	\$2,335,000

*Final maturity.

Bonds Maturing 2035

<u>Year (October 1)</u>	<u>Principal Amount</u>
2033	\$2,470,000
2034	\$3,390,000
2035*	\$3,770,000

*Final maturity.

WV MUNICIPAL BOND COMMISSION

State Lottery Building
900 Pennsylvania Avenue, Suite 1117
Charleston, WV 25302
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 2/12/2015

ISSUE: <u>Berkeley County Public Service Sewer District</u>	
<u>Sewer Revenue Bonds, Series 2015 C (Tax-Exempt)</u>	
ADDRESS: <u>65 District Way, Martinsburg, WV 25401</u>	COUNTY: <u>Berkeley</u>
PURPOSE OF ISSUE:	
New Money: <u>x</u>	
Refunding: <u> </u>	
ISSUE DATE: <u>2/12/2015</u>	REFUNDS ISSUE(S) DATED: <u>NA</u>
ISSUE AMOUNT: <u>\$16,970,000</u>	CLOSING DATE: <u>2/12/2015</u>
1ST DEBT SERVICE DUE: <u>10/01/2015</u>	RATE: <u>1%-4.5%</u>
1ST DEBT SERVICE AMOUNT <u>see DSS</u>	1ST PRINCIPAL DUE <u>10/01/2015</u>
	PAYING AGENT: <u>Municipal Bond Commission</u>

BOND COUNSEL:	UNDERWRITERS COUNSEL
Firm: <u>Step toe & Johnson PLLC</u>	Firm: <u>Jackson Kelly</u>
Contact: <u>John Stump, Esquire</u>	Contact: <u>Samme Gee</u>
Phone: <u>(304) 353.8196</u>	Phone: <u>304.340.1318</u>
CLOSING BANK:	ESCROW TRUSTEE:
Bank: <u>United Bank, Inc.</u>	Firm: <u> </u>
Contact: <u>Catherine Barton</u>	Contact: <u> </u>
Phone: <u>304.267.0550 ext 10</u>	Phone: <u> </u>
KNOWLEDGEABLE ISSUER CONTACT	OTHER:
Contact: <u>Curtis Keller</u>	Agency: <u>Crews & Associates</u>
Position: <u>General Manager</u>	
Phone: <u>304.267.9468</u>	Contact: <u>Greg Isaacs</u>
	Position: <u>Senior Managing Director</u>
	Phone: <u>304.344.1733</u>

DEPOSITS TO MBC AT CLOSE			
By:	<u>x</u> Wire	Accrued Interest:	\$ <u> </u>
	<u> </u> Check	<u>x</u> Capitalized Interest:	\$ <u>597,959.44</u>
		Reserve Account:	\$ <u> </u>
		Other:	\$ <u> </u>

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

NOTES: The Series 2015 C Bonds Reserve Account will be funded with a Surety Bond

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED:

TRANSFERS REQUIRED:

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated February 12, 2015 (the "Agreement"), by and between Berkeley County Public Service Sewer District, West Virginia (the "Obligor") and BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM").

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. 2015R0107 (the "Reserve Policy") with respect to the Berkeley County Public Service Sewer District, West Virginia, Sewer Revenue Bonds, Series 2015 C (the "Series 2015 C Bonds" or "Insured Obligations") issued under the Resolution adopted by the Obligor on January 20, 2015 as supplemented by a Supplemental Parameters Resolution adopted by the Obligor on January 20, 2015, and a Certificate of Determinations executed by the Chairman on February 5, 2015 (collectively, the "Authorizing Documents"), which Series 2015 C Bonds are secured by the Net Revenue pledge of the Obligor and the other revenue and collateral described in the Authorizing Documents, and the payment to BAM of the Insurance Payment for the Reserve Policy, the Obligor and BAM hereby covenant and agree as follows:

1. The Obligor shall repay BAM any draws under the Reserve Policy and pay all Administrative Expenses (as defined below) incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, the Prime Rate shall be the prime or base-lending rate of such national bank as BAM shall designate.
2. Repayment of draws and payment of Administrative Expenses and the interest accrued thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregated of Policy Costs related to such draw. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due.
3. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.

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

terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Insured Obligations. Where deposits are required to be made by the Obligor with the Paying Agent to the debt service fund for the Insured Obligations more often than semi-annually, the Paying Agent shall give notice to BAM of any failure of the Obligor to make timely payment in full of such deposits within two business days of the date due.

11. The Obligor agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Documents and any other document executed in connection with the Insured Obligations ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Obligor agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.
12. The obligation of the Obligor to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Obligor and will be paid or performed strictly in accordance with this Agreement.
13. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Documents or any other document executed in connection with the Insured Obligations, the Obligor shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.
14. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2015R0107, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com; with a copy of such notice or other communication sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214.
15. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement. In the event of any conflict in the terms

of this Agreement and the Authorizing Documents, the terms of this Agreement shall, to the extent permitted by law of the State of West Virginia, control.

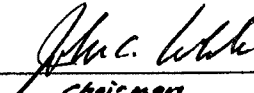
16. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Documents.
17. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.
18. This Agreement and the rights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

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

BERKELEY COUNTY PUBLIC SERVICE
SEWER DISTRICT, WEST VIRGINIA

By: _____

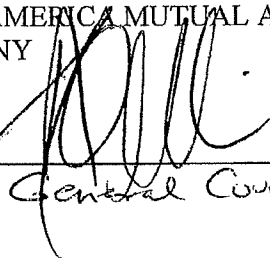
Title: _____


Chairman

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: _____

Title: _____


General Counsel



**MUNICIPAL BOND DEBT
SERVICE RESERVE
INSURANCE POLICY**

ISSUER: Berkeley County Public Service
Sewer District, West Virginia

Policy No: 2015R0107

MEMBER: Berkeley County Public Service
Sewer District, West Virginia

Effective Date: February 12, 2015

BONDS: \$16,970,000 in aggregate principal
amount of Sewer Revenue Bonds, Series 2015 C
(Tax-Exempt)

Risk Premium: \$13,880.78
Member Surplus Contribution: \$13,880.78
Total Insurance Payment: \$27,761.56

Maximum Policy Limit: \$1,682,518.96

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

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

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

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this

Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

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

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

Documents or Debt Service Reserve Agreement, if any, but in no event shall the Policy Limit exceed the Maximum Policy Limit set forth above. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of or, if this Policy is only providing a portion of the Reserve Account Requirement, in the same proportion as, each reduction in the Reserve Account Requirement, as provided in the Security Documents or Debt Service Reserve Agreement. **“Security Documents”** means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement and any additional or supplemental document executed in connection with the Bonds. **“Term”** means the period from and including the Effective Date until the earlier of (i) the maturity date for the Bonds and (ii) the date on which the Bonds are no longer outstanding under the Security Documents.

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

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

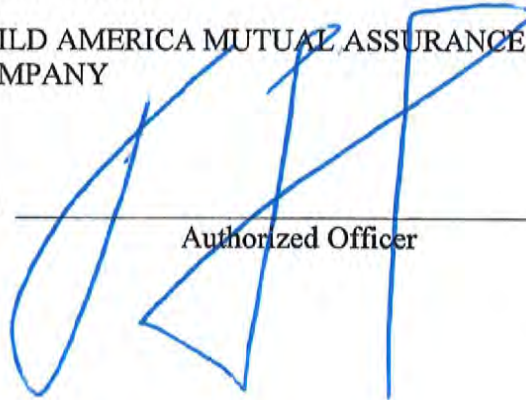
This Policy is being issued under and pursuant to and shall be construed under and governed by the laws of the State of New York, without regard to conflict of law provisions.

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

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

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: _____
Authorized Officer

A large, stylized handwritten signature in blue ink is written over the signature line and extends upwards into the company name area.

Schedule

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

EXHIBIT A

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

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

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

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: _____
Name:
Title:



MUNICIPAL BOND INSURANCE COMMITMENT

ISSUER: Berkeley County Public Service Sewer District, West Virginia

MEMBER: Berkeley County Public Service Sewer District, West Virginia

Effective Date: January 29, 2015

Expiration Date: March 29, 2015

BONDS: Sewer Revenue Bonds (Chesapeake Bay Project), Series 2015

in aggregate principal amount not to exceed \$17,375,000

Insurance Payment: 0.123% of the Total Debt Service on the Bonds

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

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

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

connection with the issuance and sale of the Bonds, or any other information submitted to BAM with respect to the issuance and sale of the Bonds, including the proposed debt service schedule of the Bonds, from information previously provided to BAM in writing.

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

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

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

7. BAM shall be provided with:

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

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

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

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

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

(f) Executed copies of all Security Documents, the Official Statement and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be

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

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

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

A-	Standard and Poor's
NR	Moody's Investors Service
NR	Fitch Ratings

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

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

11. Standard & Poor's Ratings Services will separately present a bill for its fees relating to the Bonds. There is no incremental Standard & Poor's fee for the BAM-Insured rating. Payment of such bill by the Member should be made directly to such rating agency. Payment of the rating fee is not a condition to the release of the Policy by BAM.

REPRESENTATION AND AGREEMENT BY BAM

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

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

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

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

(e) Refundings.

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

**BUILD AMERICA MUTUAL
ASSURANCE COMPANY**

Authorized Officer

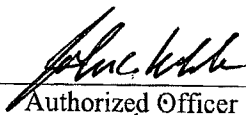
January 29, 2015

Date

AGREED AND ACCEPTED

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

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

By: 
Authorized Officer
CHIEF

Date

EXHIBIT A

DOCUMENT PROVISIONS

EXHIBIT A

GENERAL REVENUE BOND TRANSACTION DOCUMENT PROVISIONS

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

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

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

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

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

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

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

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

3) Trustee and Paying Agent.

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

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

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

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

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

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

5) Loan/Lease/Financing Agreement.

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

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

the Security Documents as if it were a party thereto.

7) Payment Procedure Under the Policy.

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

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

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

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

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

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

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

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

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

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

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

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

- 9) Debt Service Reserve Fund and Construction Fund.

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

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

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

- 11) BAM shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Policy) and any amounts due on the Insured Obligations as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not BAM has received a claim upon the Policy.

12) Definitions.

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

“Insured Obligations” shall mean the [bonds].

“Issuer” shall mean the [Authority].

“Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

“Obligor” shall mean the [_____].

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

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

EXHIBIT B

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



BUILD AMERICA MUTUAL ASSURANCE COMPANY

DOCUMENT, PRINTING AND DISCLOSURE INFORMATION FOR PUBLIC FINANCE TRANSACTIONS

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

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

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

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

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

INDEX

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

EXHIBIT 1**BAM DIRECTORY**

<u>Name</u>	<u>Title</u>	<u>Telephone</u>	<u>Email</u>
<i><u>BAM ATTORNEYS</u></i>			
Jeffrey Fried	Deputy Counsel	212-235-2514	jfried@buildamerica.com
<i><u>CLOSING COORDINATORS</u></i>			
Miranda Ganzer		212-235-2535	mganzer@buildamerica.com

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

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

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

TO BE PRINTED ON THE COVER OF THE OFFICIAL STATEMENT:

The following language should be used when insuring:

1. THE ENTIRE ISSUE:

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

2. CAPITAL APPRECIATION BONDS:

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

3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):

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

4. CERTIFICATES OR NOTES:

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

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

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

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

USE THE FOLLOWING LANGUAGE WHEN INSURING THE ENTIRE ISSUE:

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

BOND INSURANCE

BOND INSURANCE POLICY

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

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

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

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2014 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$492.2 million, \$38.0 million and \$454.2 million, respectively.

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

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

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

Additional Information Available from BAM

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

Obligor Disclosure Briefs. Subsequent to closing, BAM posts an Obligor Disclosure Brief on every issue insured by BAM, including the Bonds. BAM Obligor Disclosure Briefs provide information about the gross par insured by CUSIP, maturity and coupon; sector designation (e.g. general obligation, sales tax); a summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. The Obligor Disclosure Briefs are also easily accessible on BAM's website at buildamerica.com/obligor/.

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

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

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

1. CAPITAL APPRECIATION BONDS:

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

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

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

3. CERTIFICATES OR NOTES:

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

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

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

Specimen Municipal Bond Insurance Policy



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

STATEMENT OF INSURANCE
(Language for the Bond Form)

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

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

The following language should be used when insuring

1. THE ENTIRE ISSUE:

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

2. CAPITAL APPRECIATION BONDS:

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

3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):

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

4. CERTIFICATES OR NOTES:

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

EXHIBIT C

BAM LEGAL OPINION AND CERTIFICATE

[CLOSING DATE]

[ADDRESSEES (ISSUER, UNDERWRITER AND TRUSTEE)]

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

Very truly yours,

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Dated: [CLOSING DATE]

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

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

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

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

[dated as of the closing date]

Build America Mutual Assurance Company

By

Authorized Officer



MUNICIPAL BOND INSURANCE POLICY

ISSUER: Berkeley County Public Service Sewer District,
West Virginia

Policy No: 2015B0107

MEMBER: Berkeley County Public Service Sewer District,
West Virginia

Effective Date: February 12, 2015

BONDS: \$16,970,000 in aggregate principal
amount of Sewer Revenue Bonds, Series 2015 C (Tax-
Exempt)

Risk Premium:	\$17,082.56
Member Surplus Contribution:	\$17,082.56
Total Insurance Payment:	\$34,165.12

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

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

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date

of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

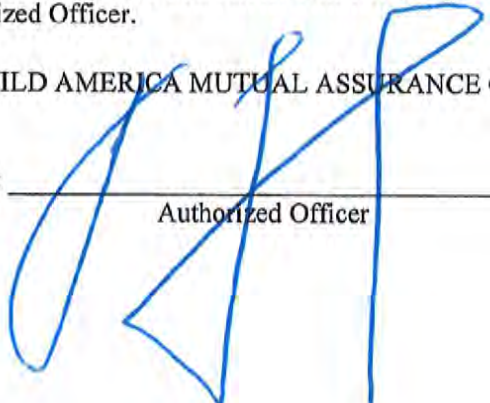
To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment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

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

IN WITNESS WHEREOF, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer



Schedule A

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)



February 12, 2015

Berkeley County Public Service Sewer District
65 District Way
Martinsburg, WV 25401

Crews & Associates, Inc.
First Security Center
521 President Clinton Avenue, Suite 800
Little Rock, AR 72201

West Virginia Municipal Bond Commission
1207 Quarrier Street, Suite 401
Charleston, WV 25301

RE: Bond Insurance Policy: Municipal Bond Insurance Policy No. 2015B0107
 DSR Policy: Debt Service Reserve Policy No. 2015R0107
 Member: Berkeley County Public Service Sewer District, West
 Virginia
 Bonds: Sewer Revenue Bonds, Series 2015 C (Tax-Exempt)

Date of the Official Statement: February 05, 2015

Ladies and Gentlemen:

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

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

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

the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.

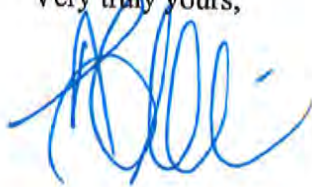
4. The issuance of the Policies qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policies are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

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

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

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

Very truly yours,

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

Final

\$16,970,000

Berkeley County PSSD, West Virginia

Sewer Revenue Bonds

Series 2015C

Sources & Uses

Dated 02/12/2015 | Delivered 02/12/2015

Sources Of Funds

Par Amount of Bonds	\$16,970,000.00
Reoffering Premium	443,594.50

Total Sources	\$17,413,594.50
----------------------	------------------------

Uses Of Funds

Deposit to Project Construction Fund	16,410,234.00
Deposit to Capitalized Interest (CIF) Fund	597,959.44
Total Underwriter's Discount (1.250%)	212,125.00
Costs of Issuance	130,000.00
Gross Bond Insurance Premium (12.3 bp)	34,165.12
Surety Bond	27,761.57
Rounding Amount	1,349.37

Total Uses	\$17,413,594.50
-------------------	------------------------

Final

\$16,970,000

Berkeley County PSSD, West Virginia

Sewer Revenue Bonds

Series 2015C

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/12/2015	-	-	-	-	-
10/01/2015	-	-	382,493.61	382,493.61	-
12/31/2015	-	-	-	-	382,493.61
04/01/2016	-	-	300,650.00	300,650.00	-
10/01/2016	-	-	300,650.00	300,650.00	-
12/31/2016	-	-	-	-	601,300.00
04/01/2017	-	-	300,650.00	300,650.00	-
10/01/2017	745,000.00	1.000%	300,650.00	1,045,650.00	-
12/31/2017	-	-	-	-	1,346,300.00
04/01/2018	-	-	296,925.00	296,925.00	-
10/01/2018	-	-	296,925.00	296,925.00	-
12/31/2018	-	-	-	-	593,850.00
04/01/2019	-	-	296,925.00	296,925.00	-
10/01/2019	-	-	296,925.00	296,925.00	-
12/31/2019	-	-	-	-	593,850.00
04/01/2020	-	-	296,925.00	296,925.00	-
10/01/2020	-	-	296,925.00	296,925.00	-
12/31/2020	-	-	-	-	593,850.00
04/01/2021	-	-	296,925.00	296,925.00	-
10/01/2021	-	-	296,925.00	296,925.00	-
12/31/2021	-	-	-	-	593,850.00
04/01/2022	-	-	296,925.00	296,925.00	-
10/01/2022	-	-	296,925.00	296,925.00	-
12/31/2022	-	-	-	-	593,850.00
04/01/2023	-	-	296,925.00	296,925.00	-
10/01/2023	-	-	296,925.00	296,925.00	-
12/31/2023	-	-	-	-	593,850.00
04/01/2024	-	-	296,925.00	296,925.00	-
10/01/2024	-	-	296,925.00	296,925.00	-
12/31/2024	-	-	-	-	593,850.00
04/01/2025	-	-	296,925.00	296,925.00	-
10/01/2025	-	-	296,925.00	296,925.00	-
12/31/2025	-	-	-	-	593,850.00
04/01/2026	-	-	296,925.00	296,925.00	-
10/01/2026	-	-	296,925.00	296,925.00	-
12/31/2026	-	-	-	-	593,850.00
04/01/2027	-	-	296,925.00	296,925.00	-
10/01/2027	-	-	296,925.00	296,925.00	-
12/31/2027	-	-	-	-	593,850.00
04/01/2028	-	-	296,925.00	296,925.00	-
10/01/2028	635,000.00	4.500%	296,925.00	931,925.00	-
12/31/2028	-	-	-	-	1,228,850.00
04/01/2029	-	-	282,637.50	282,637.50	-
10/01/2029	680,000.00	4.500%	282,637.50	962,637.50	-
12/31/2029	-	-	-	-	1,245,275.00

Final

\$16,970,000

Berkeley County PSSD, West Virginia

Sewer Revenue Bonds

Series 2015C

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/01/2030	-	-	267,337.50	267,337.50	-
10/01/2030	1,060,000.00	3.000%	267,337.50	1,327,337.50	-
12/31/2030	-	-	-	-	1,594,675.00
04/01/2031	-	-	251,437.50	251,437.50	-
10/01/2031	1,885,000.00	4.500%	251,437.50	2,136,437.50	-
12/31/2031	-	-	-	-	2,387,875.00
04/01/2032	-	-	209,025.00	209,025.00	-
10/01/2032	2,335,000.00	4.500%	209,025.00	2,544,025.00	-
12/31/2032	-	-	-	-	2,753,050.00
04/01/2033	-	-	156,487.50	156,487.50	-
10/01/2033	2,470,000.00	3.250%	156,487.50	2,626,487.50	-
12/31/2033	-	-	-	-	2,782,975.00
04/01/2034	-	-	116,350.00	116,350.00	-
10/01/2034	3,390,000.00	3.250%	116,350.00	3,506,350.00	-
12/31/2034	-	-	-	-	3,622,700.00
04/01/2035	-	-	61,262.50	61,262.50	-
10/01/2035	3,770,000.00	3.250%	61,262.50	3,831,262.50	-
12/31/2035	-	-	-	-	3,892,525.00
Total	\$16,970,000.00	-	\$10,806,518.61	\$27,776,518.61	-

Yield Statistics

Bond Year Dollars	\$300,084.81
Average Life	17.683 Years
Average Coupon	3.6011549%
Net Interest Cost (NIC)	3.5240202%
True Interest Cost (TIC)	3.5016631%
Bond Yield for Arbitrage Purposes	3.2806963%
All Inclusive Cost (AIC)	3.5889646%

IRS Form 8038

Net Interest Cost	3.3801996%
Weighted Average Maturity	17.606 Years

Final

\$16,970,000

Berkeley County PSSD, West Virginia

Sewer Revenue Bonds

Series 2015C

Net Debt Service Schedule -- Accrual Basis

Calendar Year	Principal	Coupon	Interest	Total P+I	CIF	Existing D/S	Net New D/S
2015	-	-	382,493.61	382,493.61	(382,493.61)	6,941,481.71	6,941,481.71
2016	-	-	601,300.00	601,300.00	(215,465.83)	6,550,638.93	6,936,473.10
2017	745,000.00	1.000%	601,300.00	1,346,300.00	-	6,742,725.00	8,089,025.00
2018	-	-	593,850.00	593,850.00	-	7,498,383.00	8,092,233.00
2019	-	-	593,850.00	593,850.00	-	7,451,317.00	8,045,167.00
2020	-	-	593,850.00	593,850.00	-	7,491,194.00	8,085,044.00
2021	-	-	593,850.00	593,850.00	-	7,482,816.00	8,076,666.00
2022	-	-	593,850.00	593,850.00	-	7,491,183.00	8,085,033.00
2023	-	-	593,850.00	593,850.00	-	7,493,339.00	8,087,189.00
2024	-	-	593,850.00	593,850.00	-	7,458,782.00	8,052,632.00
2025	-	-	593,850.00	593,850.00	-	7,475,420.00	8,069,270.00
2026	-	-	593,850.00	593,850.00	-	7,146,481.00	7,740,331.00
2027	-	-	593,850.00	593,850.00	-	6,873,666.00	7,467,516.00
2028	635,000.00	4.500%	593,850.00	1,228,850.00	-	5,946,603.00	7,175,453.00
2029	680,000.00	4.500%	565,275.00	1,245,275.00	-	5,929,935.00	7,175,210.00
2030	1,060,000.00	3.000%	534,675.00	1,594,675.00	-	5,579,899.00	7,174,574.00
2031	1,885,000.00	4.500%	502,875.00	2,387,875.00	-	4,788,781.00	7,176,656.00
2032	2,335,000.00	4.500%	418,050.00	2,753,050.00	-	4,425,836.00	7,178,886.00
2033	2,470,000.00	3.250%	312,975.00	2,782,975.00	-	4,395,617.00	7,178,592.00
2034	3,390,000.00	3.250%	232,700.00	3,622,700.00	-	3,554,890.00	7,177,590.00
2035	3,770,000.00	3.250%	122,525.00	3,892,525.00	-	3,286,765.00	7,179,290.00
-	\$16,970,000.00	-	\$10,806,518.61	\$27,776,518.61	(597,959.44)	\$132,005,752.64	\$159,184,311.81

Final

\$16,970,000

Berkeley County PSSD, West Virginia

Sewer Revenue Bonds

Series 2015C

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
10/01/2017	Serial Coupon	1.000%	1.000%	745,000.00	100.000%	-	-	-	745,000.00
10/01/2029	Term 1 Coupon	4.500%	2.700%	1,315,000.00	113.780% c	3.305%	10/01/2023	100.000%	1,496,207.00
10/01/2030	Serial Coupon	3.000%	3.200%	1,060,000.00	97.552%	-	-	-	1,034,051.20
10/01/2032	Term 2 Coupon	4.500%	2.850%	4,220,000.00	112.549% c	3.537%	10/01/2023	100.000%	4,749,567.80
10/01/2035	Term 3 Coupon	3.250%	3.420%	9,630,000.00	97.495%	-	-	-	9,388,768.50
Total	-	-	-	\$16,970,000.00	-	-	-	-	\$17,413,594.50

Bid Information

Par Amount of Bonds	\$16,970,000.00
Reoffering Premium or (Discount)	443,594.50
Gross Production	\$17,413,594.50
Total Underwriter's Discount (1.250%)	\$(212,125.00)
Bid (101.364%)	17,201,469.50
Total Purchase Price	\$17,201,469.50
Bond Year Dollars	\$300,084.81
Average Life	17.683 Years
Average Coupon	3.6011549%
Net Interest Cost (NIC)	3.5240202%
True Interest Cost (TIC)	3.5016631%

Final

\$16,970,000

Berkeley County PSSD, West Virginia

Sewer Revenue Bonds

Series 2015C

Proof of Reserve Fund Requirement

Date	Principal	Interest	TOTAL P+I
10/01/2015	-	382,493.61	382,493.61
10/01/2016	-	601,300.00	601,300.00
10/01/2017	745,000.00	601,300.00	1,346,300.00
10/01/2018	-	593,850.00	593,850.00
10/01/2019	-	593,850.00	593,850.00
10/01/2020	-	593,850.00	593,850.00
10/01/2021	-	593,850.00	593,850.00
10/01/2022	-	593,850.00	593,850.00
10/01/2023	-	593,850.00	593,850.00
10/01/2024	-	593,850.00	593,850.00
10/01/2025	-	593,850.00	593,850.00
10/01/2026	-	593,850.00	593,850.00
10/01/2027	-	593,850.00	593,850.00
10/01/2028	635,000.00	593,850.00	1,228,850.00
10/01/2029	680,000.00	565,275.00	1,245,275.00
10/01/2030	1,060,000.00	534,675.00	1,594,675.00
10/01/2031	1,885,000.00	502,875.00	2,387,875.00
10/01/2032	2,335,000.00	418,050.00	2,753,050.00
10/01/2033	2,470,000.00	312,975.00	2,782,975.00
10/01/2034	3,390,000.00	232,700.00	3,622,700.00
10/01/2035	3,770,000.00	122,525.00	3,892,525.00
Total	\$16,970,000.00	\$10,806,518.61	\$27,776,518.61

PROOF OF RESERVE FUND

MAXIMUM PERIODIC DEBT SERVICE

Omit First Period?	Yes
100 % of the Maximum Periodic Debt Service	3,892,525.00

AVERAGE PERIODIC DEBT SERVICE

Total P+I	27,776,518.61
Bond Years (Delivery Date)	20.64
125 % of the Average Periodic Debt Service	1,682,518.96

PERCENT OF PAR

10 % of Par	1,697,000.00
-------------	--------------

RESERVE REQUIREMENT

Computed Requirement	1,682,518.96
Proof's Requirement	1,682,518.96

Final

\$16,970,000

Berkeley County PSSD, West Virginia

Sewer Revenue Bonds

Series 2015C

Proof of Premium/5Yr Call Bond Selection of Call Dates/Prices

Maturity	Call Date	Call Price	PV at Bond Yield	Lowest?
10/01/2029	-	-	1,495,252.88	No
10/01/2029	10/01/2023	100.000%	1,434,653.29	Yes
10/01/2032	-	-	4,891,561.76	No
10/01/2032	10/01/2023	100.000%	4,603,982.42	Yes

Final

\$16,970,000

Berkeley County PSSD, West Virginia

Sewer Revenue Bonds

Series 2015C

Proof of D/S for Arbitrage Purposes

Date	Principal	Interest	Total
02/12/2015	-	-	-
10/01/2015	-	382,493.61	382,493.61
04/01/2016	-	300,650.00	300,650.00
10/01/2016	-	300,650.00	300,650.00
04/01/2017	-	300,650.00	300,650.00
10/01/2017	745,000.00	300,650.00	1,045,650.00
04/01/2018	-	296,925.00	296,925.00
10/01/2018	-	296,925.00	296,925.00
04/01/2019	-	296,925.00	296,925.00
10/01/2019	-	296,925.00	296,925.00
04/01/2020	-	296,925.00	296,925.00
10/01/2020	-	296,925.00	296,925.00
04/01/2021	-	296,925.00	296,925.00
10/01/2021	-	296,925.00	296,925.00
04/01/2022	-	296,925.00	296,925.00
10/01/2022	-	296,925.00	296,925.00
04/01/2023	-	296,925.00	296,925.00
10/01/2023	5,535,000.00	296,925.00	5,831,925.00
04/01/2024	-	172,387.50	172,387.50
10/01/2024	-	172,387.50	172,387.50
04/01/2025	-	172,387.50	172,387.50
10/01/2025	-	172,387.50	172,387.50
04/01/2026	-	172,387.50	172,387.50
10/01/2026	-	172,387.50	172,387.50
04/01/2027	-	172,387.50	172,387.50
10/01/2027	-	172,387.50	172,387.50
04/01/2028	-	172,387.50	172,387.50
10/01/2028	-	172,387.50	172,387.50
04/01/2029	-	172,387.50	172,387.50
10/01/2029	-	172,387.50	172,387.50
04/01/2030	-	172,387.50	172,387.50
10/01/2030	1,060,000.00	172,387.50	1,232,387.50
04/01/2031	-	156,487.50	156,487.50
10/01/2031	-	156,487.50	156,487.50
04/01/2032	-	156,487.50	156,487.50
10/01/2032	-	156,487.50	156,487.50
04/01/2033	-	156,487.50	156,487.50
10/01/2033	2,470,000.00	156,487.50	2,626,487.50
04/01/2034	-	116,350.00	116,350.00
10/01/2034	3,390,000.00	116,350.00	3,506,350.00
04/01/2035	-	61,262.50	61,262.50
10/01/2035	3,770,000.00	61,262.50	3,831,262.50
Total	\$16,970,000.00	\$8,855,768.61	\$25,825,768.61

Final

\$16,970,000

Berkeley County PSSD, West Virginia

Sewer Revenue Bonds

Series 2015C

Proof Of Bond Yield @ 3.2806963%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
02/12/2015	-	1.0000000x	-	-
10/01/2015	382,493.61	0.9795132x	374,657.54	374,657.54
04/01/2016	300,650.00	0.9637051x	289,737.93	664,395.47
10/01/2016	300,650.00	0.9481521x	285,061.93	949,457.40
04/01/2017	300,650.00	0.9328501x	280,461.38	1,229,918.78
10/01/2017	1,045,650.00	0.9177951x	959,692.41	2,189,611.19
04/01/2018	296,925.00	0.9029830x	268,118.23	2,457,729.42
10/01/2018	296,925.00	0.8884100x	263,791.13	2,721,520.55
04/01/2019	296,925.00	0.8740722x	259,533.88	2,981,054.43
10/01/2019	296,925.00	0.8599657x	255,345.32	3,236,399.75
04/01/2020	296,925.00	0.8460870x	251,224.37	3,487,624.12
10/01/2020	296,925.00	0.8324322x	247,169.92	3,734,794.04
04/01/2021	296,925.00	0.8189978x	243,180.91	3,977,974.95
10/01/2021	296,925.00	0.8057802x	239,256.27	4,217,231.22
04/01/2022	296,925.00	0.7927759x	235,394.97	4,452,626.20
10/01/2022	296,925.00	0.7799815x	231,595.99	4,684,222.19
04/01/2023	296,925.00	0.7673935x	227,858.32	4,912,080.51
10/01/2023	5,831,925.00	0.7550088x	4,403,154.45	9,315,234.96
04/01/2024	172,387.50	0.7428239x	128,053.55	9,443,288.51
10/01/2024	172,387.50	0.7308356x	125,986.92	9,569,275.44
04/01/2025	172,387.50	0.7190408x	123,953.65	9,693,229.09
10/01/2025	172,387.50	0.7074364x	121,953.20	9,815,182.29
04/01/2026	172,387.50	0.6960193x	119,985.02	9,935,167.31
10/01/2026	172,387.50	0.6847864x	118,048.62	10,053,215.92
04/01/2027	172,387.50	0.6737348x	116,143.46	10,169,359.38
10/01/2027	172,387.50	0.6628616x	114,269.05	10,283,628.43
04/01/2028	172,387.50	0.6521638x	112,424.89	10,396,053.32
10/01/2028	172,387.50	0.6416387x	110,610.49	10,506,663.81
04/01/2029	172,387.50	0.6312835x	108,825.38	10,615,489.18
10/01/2029	172,387.50	0.6210953x	107,069.07	10,722,558.26
04/01/2030	172,387.50	0.6110716x	105,341.11	10,827,899.36
10/01/2030	1,232,387.50	0.6012097x	740,923.31	11,568,822.67
04/01/2031	156,487.50	0.5915069x	92,563.44	11,661,386.11
10/01/2031	156,487.50	0.5819607x	91,069.58	11,752,455.69
04/01/2032	156,487.50	0.5725686x	89,599.83	11,842,055.52
10/01/2032	156,487.50	0.5633281x	88,153.80	11,930,209.33
04/01/2033	156,487.50	0.5542367x	86,731.11	12,016,940.44
10/01/2033	2,626,487.50	0.5452920x	1,432,202.56	13,449,143.00
04/01/2034	116,350.00	0.5364916x	62,420.80	13,511,563.80
10/01/2034	3,506,350.00	0.5278333x	1,850,768.44	15,362,332.24
04/01/2035	61,262.50	0.5193148x	31,814.52	15,394,146.76
10/01/2035	3,831,262.50	0.5109337x	1,957,521.05	17,351,667.81
Total	\$25,825,768.61	-	\$17,351,667.81	-

Derivation Of Target Amount

Par Amount of Bonds	\$16,970,000.00
Reoffering Premium or (Discount)	443,594.50
Bond Insurance Premium..... (12.3 bp)	(34,165.12)
Other Credit Enhancement Fees	(27,761.57)

Original Issue Proceeds **\$17,351,667.81**

Berkeley Cnty PSSD - Ches | SINGLE PURPOSE | 2/5/2015 | 10:34 AM

Crews & Associates, Inc.

Capital Markets Group

Final

\$16,970,000

Berkeley County PSSD, West Virginia

Sewer Revenue Bonds

Series 2015C

Proof of Premium Bond Yield Rule

Maturity Date	10/01/2029
Bond Type	Coupon

PRICE SUMMARY

Price to Maturity	121.6400000%
Price to Call (10/01/2023)	113.7800000%
Lowest Price	113.7800000%

CRITERIA 1

First Available Call Date	10/01/2023
Delivery Date	2/12/2015
Years to First Call	8.636 Years
Yield to Maturity	3.3045975%
Yield to Call	2.7000000%
Callable in 5 years and (YTM-YTC) gt/eq 0.125%	No

CRITERIA 2

Original Issue Premium	13.7800000%
Integer Years to First Call	8.000 Years
25% * Years to Call	2.000 Years
OIP > 25% * Years to Call?	Yes

CRITERIA 3

Stepped Coupon?	No
Price to Call Less than Price to Maturity?	Yes
Yield to Call Adjustment Necessary?	Yes

Final

\$16,970,000

Berkeley County PSSD, West Virginia

Sewer Revenue Bonds

Series 2015C

Proof of Premium Bond Yield Rule

Maturity Date	10/01/2032
Bond Type	Coupon

PRICE SUMMARY

Price to Maturity	122.7440000%
Price to Call (10/01/2023)	112.5490000%
Lowest Price	112.5490000%

CRITERIA 1

First Available Call Date	10/01/2023
Delivery Date	2/12/2015
Years to First Call	8.636 Years
Yield to Maturity	3.5372034%
Yield to Call	2.8500000%
Callable in 5 years and (YTM-YTC) gt/eq 0.125%	No

CRITERIA 2

Original Issue Premium	12.5490000%
Integer Years to First Call	8.000 Years
25% * Years to Call	2.000 Years
OIP > 25% * Years to Call?	Yes

CRITERIA 3

Stepped Coupon?	No
Price to Call Less than Price to Maturity?	Yes
Yield to Call Adjustment Necessary?	Yes

Final

\$16,970,000

Berkeley County PSSD, West Virginia

Sewer Revenue Bonds

Series 2015C

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Price	Issuance Price	Exponent	Bond Years
02/12/2015	-	-	-	-	-
10/01/2017	745,000.00	100.000%	745,000.00	2.6361111x	1,963,902.78
10/01/2028	635,000.00	113.780%	722,503.00	13.6361111x	9,852,131.19
10/01/2029	680,000.00	113.780%	773,704.00	14.6361111x	11,324,017.71
10/01/2030	1,060,000.00	97.552%	1,034,051.20	15.6361111x	16,168,539.46
10/01/2031	1,885,000.00	112.549%	2,121,548.65	16.6361111x	35,294,319.07
10/01/2032	2,335,000.00	112.549%	2,628,019.15	17.6361111x	46,348,037.73
10/01/2033	2,470,000.00	97.495%	2,408,126.50	18.6361111x	44,878,113.02
10/01/2034	3,390,000.00	97.495%	3,305,080.50	19.6361111x	64,898,927.93
10/01/2035	3,770,000.00	97.495%	3,675,561.50	20.6361111x	75,849,295.51
Total	\$16,970,000.00	-	\$17,413,594.50	-	\$306,577,284.40

IRS Form 8038

Weighted Average Maturity = Bond Years/Issue Price	17.606 Years
Total Interest from Debt Service	10,806,518.61
Reoffering (Premium) or Discount	(443,594.50)
Total Interest	10,362,924.11
NIC = Interest / (Issue Price * Average Maturity)	3.3801996%
Bond Yield for Arbitrage Purposes	3.2806963%