

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

SEWER REFUNDING REVENUE BONDS, SERIES 2017 B (BANK QUALIFIED)

BOND RESOLUTION

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Bond Resolution

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT (WEST VIRGINIA)

A RESOLUTION AUTHORIZING THE ADVANCE REFUNDING OF THE ISSUER'S OUTSTANDING SEWER REFUNDING REVENUE BONDS, SERIES 2013 A AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF THE SEWER REFUNDING REVENUE BOND, SERIES 2017 B (BANK QUALIFIED) OF THE BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$10,000,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNER OF SUCH BOND; AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX CERTIFICATE, REQUEST FOR PROPOSALS, AN ESCROW AGREEMENT, A TAX COMPLIANCE POLICY AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BOND AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, Berkeley County Public Service Sewer District (the "Issuer") presently owns and operates a sanitary sewerage collection, transportation and treatment system (as presently existing, and as rehabilitated, improved and extended in the future, collectively, the "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, the Series 2017 A Surplus Revenue Bonds and the Series 2013 A 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 Code of West Virginia, 1931, as amended (the "Act"), the Issuer is authorized to issue refunding revenue bonds for the purpose of refunding, paying or discharging all or any part of its outstanding revenue bonds, including interest thereon;

WHEREAS, the Issuer has determined and hereby determines that present value debt service savings will result from the Issuer's advance refunding of its outstanding Sewer Refunding Revenue Bonds, Series 2013 A (Bank Qualified), dated August 22, 2013, delivered August 22, 2013, issued in the original aggregate principal amount of \$9,615,000 (the "Series 2013 A Bonds");

WHEREAS, the Issuer has determined that it is in the best interests of the customers of Berkeley County Public Service Sewer District and the citizens of Berkeley County, West Virginia (the "County") to advance refund the Series 2013 A Bonds;

WHEREAS, the Issuer has determined that the aforementioned advance refunding of the Series 2013 A Bonds should be financed with the proceeds from the issuance of its Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified), in the original aggregate principal amount of not more than \$10,000,000 (the "Series 2017 B Bond"), such Series 2017 B Bond to be secured by and payable from the Net Revenues (as hereinafter defined) of the System on a parity with the First Lien Bonds and senior and prior to the Second Lien Bonds; and

WHEREAS, the Issuer has determined and hereby determines that it is in the best interests of the Issuer and its customers that the Series 2017 B Bond be sold to the Lender (as hereinafter defined) pursuant to the terms and provisions of Lender's resource to the Issuer's Request for Proposals (as hereinafter defined).

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

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

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

"Act" means Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2017 B Bond.

"Additional Parity Bonds" means additional Bonds issued subsequent to the Series 2017 B Bond payable from the Net Revenues of the System on a parity with the Series 2017 B Bond and the First Lien Bonds.

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

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

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

"Bond Year" means the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2017 B Bond, the Prior Bonds and any Additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

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

"Capitalized Interest" means monies whether from the proceeds of bonds or any other source deposited in the Sinking Fund for any series of Bonds of the Issuer and pledged to the payment of interest on such bonds.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2017 B Bond, substantially in the form set forth in EXHIBIT A - FORM OF SERIES 2017 B BOND, attached hereto.

"Certificate of Determinations" means the Certificate of Determinations for the Series 2017 B Bond.

"Chairman" means the Chairman of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2017 B Bond for the proceeds representing the original purchase price thereof.

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

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

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

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

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

"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.

"Escrow Agent" means the Commission, or any successor appointed by the Issuer under the Escrow Agreement.

"Escrow Agreement" means the agreement to be entered into between the Issuer and the Escrow Agent, providing for the payment of the outstanding principal of, and interest on, the Series 2013 A Bonds, and the payment of all interest thereon until such date, through the deposit therein of cash from, and securities purchased with, a portion of the proceeds of the Series 2017 B Bond, moneys of the Issuer in the various funds and accounts pledged to the Series 2013 A Bonds and other matters in connection therewith.

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

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

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

"First Lien Bonds" means collectively, the Issuer's: (1) Series 1986 B Bonds, (2) Series 1990 A Bonds, (3) Series 1994 A Bonds, (4) Series 1999 A Bonds, (5) Series 2000 A Bonds, (6) Series 2001 A Bonds, (7) Series 2001 B Bonds, (8) Series 2002 A Bonds, (9) Series 2002 B Bonds, (10) Series 2002 C Bonds, (11) Series 2002 D Bonds, (12) Series 2002 E Bonds, (13) Series 2003 A Bonds, (14) Series 2003 B Bonds, (15) Series 2004 A Bonds, (16) Series 2009 A Bonds, (17) Series 2009 B Bonds, (18) Series 2013 C Bonds, (19) Series 2013 D Bonds, (20) Series 2015 A Bonds, (21) Series 2015 B Bonds, (22) Series 2015 C Bonds, (23) Series 2016 A Bonds, and (24) Series 2016 B Bonds.

"First Lien State Bonds" means collectively, the Issuer's Series 1986 B Bonds, Series 1990 A Bonds, Series 1994 A 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 2009 B Bonds, Series 2013 D Bonds, Series 2015 A Bonds, Series 2015 B Bonds and Series 2016 A Bonds.

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and includes Capitalized Interest (as herein defined), any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments). Gross

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

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

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

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

"Lender" means the commercial lending institution, the bid from which submitted in response to the Request for Proposals, is determined by the Issuer, in its sole discretion, to be most advantageous to the District, as determined by a resolution supplemental hereto.

"Maximum Annual Debt Service" means, at the time of computation, the greatest aggregate amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2017 B Bond insuring the timely payment of the principal of and interest on all or any of the Series 2017 B Bond in accordance with the terms thereof.

"Municipal Bond Debt Service Reserve Insurance Policy" means the municipal bond debt service reserve insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2017 B Bond, or any municipal bond debt service reserve insurance policy obtained after issuance of the Series 2017 B Bond in the amount of the Reserve Account Requirement for the Series 2017 B Bond.

"Net Proceeds" means the face amount of the Series 2017 B Bond, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 2017 B Bond Reserve Account, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from investment of proceeds of the Series 2017 B Bond, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds of the Series 2017 B Bond and is not acquired in order to carry out the governmental purpose of the Series 2017 B Bond.

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

"Outstanding," when used with reference to 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 Bond at or prior to said date; (b) any Bond or Prior Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds respectively, for the purpose of consents, notices and the like, any Bond registered to the Issuer.

"Paying Agent" means the Commission and any other paying agent for the 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 1999 A Bonds, (6) Series 2000 A Bonds, (7) Series 2001 A Bonds, (8) Series 2001 B Bonds, (9) Series 2002 A Bonds, (10) Series 2002 B Bonds, (11) Series 2002 C Bonds, (12) Series 2002 D Bonds, (13) Series 2002 E Bonds, (14) Series 2003 A Bonds, (15) Series 2003 B Bonds, (16) Series 2004 A Bonds, (17) Series 2009 A Bonds, (18) Series 2009 B Bonds, (19) Series 2013 C Bonds, (20) Series 2013 D Bonds, (21) Series 2015 A Bonds, (22) Series 2015 B Bonds, (23) Series 2015 C Bonds, (24) Series 2016 A Bonds, and (25) Series 2016 B Bonds.

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

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

"Purchase Price," for the purpose of computation of the Yield of the Series 2017 B Bond, 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 2017 B Bond to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2017 B Bond of each maturity is sold or, if the Series 2017 B Bond are privately placed, the price paid by the first buyer of the Series 2017 B Bond 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 2017 B Bond for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2017 B Bond.

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

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

"Record Date" means the day of the month which shall be so stated in the Series 2017 B Bond, 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 the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the premium, if any, required to be paid to effect such redemption.

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

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Series 2017 B Bond, 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 by Section 4.01 hereof.

"Request for Proposals" means the Request for Proposals of the Issuer requesting bids with terms for the purchase of the Series 2017 B Bond from commercial lending institutions.

"Reserve Accounts" means, collectively, the respective reserve accounts created for the Series 2017 B Bond, the Prior Bonds and any hereinafter issued Additional Parity Bonds.

"Reserve Account Requirement" means the amount required to be on deposit in the respective Reserve Accounts for the Series 2017 B Bond, the Prior Bonds and any hereinafter issued Additional Parity Bonds.

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

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

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

"Secretary" means the Secretary 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 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 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 original 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 original 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 Bonds" means the Issuer's Sewer Revenue Bonds, Series 2015 A (West Virginia SRF Program), dated February 12, 2015, issued in the original aggregate principal amount of \$26,435,450.

"Series 2015 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 2015 B (West Virginia Infrastructure Fund), dated February 12, 2015, issued in the original aggregate principal amount of \$10,623,472.

"Series 2015 C Bonds" means the Issuer's Sewer Revenue Bonds, Series 2015 C (Tax-Exempt), dated February 12, 2015, issued in the original aggregate principal amount of \$16,970,000.

"Series 2016 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated February 24, 2016, issued in the original aggregate principal amount of \$163,871.

"Series 2016 B Bonds" means the Issuer's Sewer Refunding Revenue Bonds, Series 2016 B Bonds (Tax Exempt), dated April 21, 2016, issued in the original aggregate principal amount of \$29,300,000.

"Series 2017 A Surplus Revenue Bonds" means the Issuer's Sewer Surplus Revenue Bonds, Series 2017 A (West Virginia Infrastructure Fund), dated June 30, 2017, issued in the original aggregate principal amount of \$1,100,000.

"Series 2017 B Bond Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Series 2017 B Bond" means the Sewer Refunding Revenue Bond, Series 2017 B, of the Issuer, originally authorized to be issued pursuant to this Resolution and the Supplemental Resolution.

"Series 2017 B Bond Reserve Account" means the Series 2017 B Bond Reserve Account established in the Series 2017 B Bond Sinking Fund pursuant to Section 4.02 hereof.

"Series 2017 B Bond Reserve Account Requirement" means an amount equal to the lesser of (i) 10% of the original principal amount of the Series 2017 B Bond, (ii) the maximum annual debt service on the Series 2017 B Bond at the time of original issuance of the Series 2017 B Bond, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2017 B Bond.

"Series 2017 B Bond Sinking Fund" means the Series 2017 B Bond Sinking Fund established by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2017 B Bond and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following adoption of this Resolution, and any Certificate of Determinations provided for by such Supplemental Resolution, setting forth the final amounts, maturities, interest rates and other terms of the Series 2017 B Bond and authorizing the sale of the Series 2017 B Bond to the Lender; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the 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 or the Series 2017 B Bond, and which are pledged to the payment of the Series 2017 A Surplus Revenue Bonds.

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

"Term Bonds" means Series 2017 B Bond 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 Board hereby finds and determines as follows:

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

B. The Issuer now owns and operates a public sewerage collection, transportation and treatment system, the construction, extension, addition and improvement of which it has financed or

refinanced through the issuance of the Prior Bonds, the Series 2017 A Surplus Revenue Bonds and the Series 2013 A Bonds.

C. The Issuer has determined that present value debt service savings will result from the advance refunding of the Series 2013 A Bonds, and that it is in the best interest of the Issuer and its customers and residents of the County to advance refund the Series 2013 A Bonds.

D. It is deemed necessary for the Issuer to issue its Sewer Refunding Revenue Bonds, Series 2017 B (Bank Qualified), in the original aggregate principal amount of not more than \$10,000,000, in order to pay in full the outstanding principal balance of and all accrued interest on the Series 2013 A Bonds. The proceeds of the Series 2017 B Bond may also be applied to funding the Series 2017 B Bond Reserve Account, or purchasing a Municipal Bond Debt Service Reserve Insurance Policy therefore, and the payment of underwriter's discount; legal expenses; expenses for estimates of costs and revenues; rating agency fees, Municipal Bond Insurance Policy premiums; administrative expense; discount; initial fees for the services of registrar's, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2017 B Bond, rating agency fees; purchase municipal bond insurance policy and such other expenses as may be necessary or incidental to the financing herein authorized; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2017 B Bond or the repayment of indebtedness incurred by the Issuer for such purposes shall also be permitted.

E. It is in the best interest of the Issuer that the Series 2017 B Bond be sold to the Lender pursuant to the terms and provisions as shall be approved by Certificate of Determinations of the Issuer.

F. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2017 B Bond as to liens, pledge, 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 (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 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");

(5) 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");

- (6) 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");
- (7) 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");
- (8) 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");
- (9) 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");
- (10) 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");
- (11) 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");
- (12) 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");
- (13) 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");
- (14) 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");
- (15) 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");
- (16) 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");
- (17) 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");

(18) 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");

(19) 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");

(20) Sewer Revenue Bonds, Series 2015 A (West Virginia SRF Program), dated February 12, 2015, issued in the original aggregate principal amount of \$26,435,450 (the "Series 2015 A Bonds");

(21) Sewer Revenue Bonds, Series 2015 B (West Virginia Infrastructure Fund), dated February 12, 2015, issued in the original aggregate principal amount of \$10,623,472 (the "Series 2015 B Bonds");

(22) Sewer Revenue Bonds, Series 2015 C (Tax-Exempt), dated February 12, 2015, issued in the original aggregate principal amount of \$16,970,000 (the "Series 2015 C Bonds");

(23) Sewer Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated February 24, 2016, issued in the original aggregate principal amount of \$163,871 (the "Series 2016 A Bonds"); and

(24) Sewer Refunding Revenue Bonds, Series 2016 B (Tax Exempt), dated April 21, 2016, issued in the original aggregate principal amount of \$29,300,000 (the "Series 2016 B Bonds");

and senior and prior to 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 (the "Series 1990 B Bonds").

The Series 1986 B Bonds, the Series 1990 A Bonds, the Series 1994 A 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 2009 A Bonds, the Series 2009 B Bonds, the Series 2013 C Bonds, the Series 2013 D Bonds, the Series 2015 A Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2016 A Bonds and Series 2016 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 Issuer's Series 2017 A Surplus Revenue Bonds were issued with a lien on the Surplus Revenues of the System and are not secured by the Net Revenues of the System.

The Series 2017 B Bond shall be issued on a parity with the First Lien Bonds and senior and prior to the Second Lien Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2017 B Bond, 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 to the issuance of the Series 2017 B Bond on a parity with the First Lien State Bonds; (iii) the written consent of the Holders of the Second Lien Bonds to the issuance of the Series 2017 B Bond on a senior and prior basis to the Second Lien Bonds; and (iv) written consent of the Holders of the Series 2017 A Surplus Revenue Bonds to the issuance of the Series 2017 B Bonds. The Series 2009 A Bonds, Series 2013 C Bonds, Series 2015 C Bonds and Series 2016 B Bonds do not require written consent of the holders thereof for the issuance of the Series 2017 B Bond on a parity therewith. Other than the Prior Bonds, the Series 2017 A Surplus Revenue 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, Series 2017 A Surplus Revenue Bonds and the Prior Resolutions.

G. The Issuer derives Net Revenues from the System which are pledged for payment of the Prior Bonds and the Series 2013 A Bonds. Except for such pledge thereof to secure and pay the Prior Bonds and the Series 2013 A Bonds, said Net Revenues are not pledged or encumbered in any manner. The Issuer intends to issue the Series 2017 B Bond and to pledge for payment thereof the Net Revenues of the System. Upon issuance of the Series 2017 B Bond and defeasance of the Series 2013 A Bonds, the Series 2017 B Bond will be secured by a first lien on the Net Revenues of the System, on a parity with the First Lien Bonds and senior and prior to the Second Lien Bonds.

H. The estimated Gross Revenues to be derived in each year after the date hereof from the operation of the System will be sufficient to provide for Operating Expenses of the System, for the payment of interest on the Series 2017 B Bond and the Prior Bonds, and to pay the principal on the Series 2017 B Bond and the Prior Bonds as and when it becomes due, and reasonable reserves therefore, to provide an adequate renewal and replacement fund, as hereinafter provided, and to make all other payments provided for in this Resolution.

I. It is in the best interests of the Issuer and the customers thereof, and the citizens of the County, that the Issuer issue the Series 2017 B Bond, and secure the Series 2017 B Bond by a pledge and assignment of the Net Revenues derived from the System, the monies in the Series 2017 B Bond Reserve Account, unexpended proceeds of the Series 2017 B Bond and as further set forth herein.

J. The Series 2017 B Bond and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2017 B 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 2017 B Bond, 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 2017 B Bond will be timely done and duly performed.

L. The adoption of this Resolution, and the execution and issuance of the Series 2017 B Bond, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

M. The Issuer has complied with all requirements of West Virginia law relating to the operation of the System, the issuance of the Series 2017 B Bond and the advance refunding of the Series 2013 A Bonds or will have so complied prior to issuance of any thereof.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2017 B Bond by those who shall own or hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Registered Owner of any and all of such Series 2017 B Bond, all of which shall be of equal rank and without preference, priority or distinction between any one Series 2017 B Bond and any other Series 2017 B Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. All Series 2013 A Bonds Outstanding as of the date of issuance of the Series 2017 B Bond and all unpaid interest accrued thereon, if any, are hereby ordered to be advance refunded and defeased with securities deposited pursuant to the Escrow Agreement and paid in full on the earliest call date and the pledge of Net Revenues in favor of the Registered Owner of the Series 2013 A Bonds imposed by the Series 2013 A Bond Resolution authorizing the issuance of the Series 2013 A Bonds, the monies in the funds and accounts created by the Series 2013 A Bond Resolution pledged to payment of the Series 2013 A Bonds, and any other funds pledged by the Series 2013 A Bond Resolution to payment of the Series 2013 A Bonds are hereby ordered terminated, discharged and released upon such payment to the Registered Owner of the Series 2013 A Bonds. Contemporaneously with the deposit to escrow and defeasance of the Series 2013 A Bonds, the amounts on deposit in the sinking funds and reserve accounts, and all other funds and accounts created and maintained on behalf of or pledged to the Series 2013 A Bonds, shall be released from the lien created by the Series 2013 A Bond Resolution authorizing the issuance of the Series 2013 A Bonds.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Series 2017 B Bond shall be issued pursuant to this Resolution except as provided in this Article III. Any Series 2017 B Bond issued pursuant to this Resolution may be issued only as a fully registered Series 2017 B Bond without coupons, in the entire principal amount thereof (or such other denominations as may be set forth in a Supplemental Resolution). The Series 2017 B Bond shall be dated as of the date provided in a Supplemental Resolution. The Series 2017 B Bond 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 2017 B Bond has been paid, from the date thereof; provided however, that, if, as shown by the

records of the Registrar, interest on such Series 2017 B Bond shall be in default, any Series 2017 B Bond issued in exchange for the Series 2017 B Bond surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2017 B Bond surrendered.

The principal of and the premium, if any, on the Series 2017 B Bond 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 2017 B Bond shall be paid by wire transfer to the Registered Owner thereof at his address as it appears in the Bond Register at the close of business on the Record Date.

In the event the Series 2017 B Bond is redeemed in part, the bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Registered Owner thereof, another Series 2017 B Bond in the principal amount of the Series 2017 B Bond then Outstanding.

Section 3.02. Execution of Series 2017 B Bond. The Series 2017 B Bond shall be executed in the name of the Issuer by the Chairman, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary by his or her manual or facsimile signature; provided that all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed the Series 2017 B Bond shall cease to be such officer of the Issuer before the Bond so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bond had not ceased to hold such office. The Series 2017 B Bond may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bond shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2017 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in EXHIBIT A - FORM OF SERIES 2017 B BOND attached hereto and incorporated herein by reference with respect to such Series 2017 B Bond, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon the Series 2017 B Bond shall be conclusive evidence that such Series 2017 B Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration on the Series 2017 B 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 the Series 2017 B Bond.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2017 B Bond shall be, and have all of the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting the Series 2017 B Bond, shall be conclusively deemed to have agreed that such Series 2017 B Bond shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Series 2017 B Bond shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2017 B Bond remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2017 B Bond. The Series 2017 B Bond 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 the Series 2017 B 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.

In all cases in which the privilege of transferring or exchanging the Series 2017 B Bond is exercised, the Series 2017 B Bond shall be delivered in accordance with the provisions of this Resolution. All Series 2017 B Bond surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2017 B Bond, the initial exchange of Series 2017 B Bond and exchanges of the Series 2017 A Bond in the event of partial redemption of the Series 2017 A Bond shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For any other exchange of the Series 2017 B Bond, the Registrar may impose a service charge. For every such transfer or exchange of the Series 2017 B Bond, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange.

Section 3.05. Series 2017 B Bond Mutilated, Destroyed, Stolen or Lost. In case the Series 2017 B 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 a new Series 2017 B Bond in exchange and upon surrender and cancellation of, the mutilated Series 2017 B Bond, or in lieu of and substitution for the Series 2017 B Bond destroyed, stolen or lost, and upon the Registered Owner furnishing the Issuer and the Registrar proof of his ownership thereof and that the Series 2017 B 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 Registered Owner listed in the Bond Register shall constitute proof of ownership. The Series 2017 B Bond so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If the Series 2017 B Bond shall have matured or be about to mature, instead of issuing a substitute Series 2017 B Bond the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if the Series 2017 B Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2017 B Bond issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2017 B Bond be at any time found by any one.

Section 3.06. [RESERVED]

Section 3.07. Notice of Redemption. Unless waived by the Registered Owner of the Series 2017 B Bond, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy, or by other means as is normal and customary, of an official redemption notice by registered or certified mail at least 15 days and not more than 30 days prior to the date fixed for

redemption to the Registered Owner of the Series 2017 B Bond 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.

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

- (1) The Redemption Date,
- (2) The Redemption Price,
- (3) If less than the entirety of the Series 2017 B Bond is to be redeemed, the principal amount of the Series 2017 B Bond to be redeemed,
- (4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon the Series 2017 B Bond, or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (5) The place where the Series 2017 B Bond is to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar.

Official notice of redemption having been given as aforesaid, the Series 2017 B Bond, or the portion of the Series 2017 B Bond 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 2017 B Bond shall cease to bear interest. Upon surrender of such Series 2017 B Bond for redemption in accordance with said notice, such Series 2017 B Bond 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 the Series 2017 B Bond, there shall be prepared for the registered owner a new Series 2017 B Bond of the same maturity in the amount of the unpaid principal.

Failure to receive such notice or any defect therein shall not affect the validity of proceedings for the redemption of Series 2017 B Bond, and failure to provide such notice shall not affect the validity of proceedings for the redemption of any portion of the Series 2017 B Bond 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 the Series 2017 B Bond is registered as the owner of the Series 2017 B Bond for the purpose of receiving payment of the principal of, and interest on, the Series 2017 B Bond for all other purposes, whether or not the Series 2017 B Bond is overdue.

Section 3.09. [RESERVED]

Section 3.10. Authorization of Bonds. For the purposes of paying in full the entire outstanding principal of and all accrued interest on the Series 2013 A Bonds, funding the Series 2017 B Bond Reserve Account, or purchasing a Municipal Bond Debt Service Reserve Insurance Policy therefore, purchasing a Municipal Bond Insurance Policy, if any, and paying costs of issuance of the

Series 2017 B Bond and related costs, there shall be issued the Series 2017 B Bond of the Issuer, in an aggregate principal amount of not more than \$10,000,000. The Series 2017 B Bond shall be issued as a single bond and designated "Berkeley County Public Service Sewer District, Sewer Refunding Revenue Bond, Series 2017 B Bond (Bank Qualified)" and shall be issued in fully registered form, in such denomination as set forth in a Supplemental Resolution, not exceeding the aggregate principal amount of Series 2017 B Bond authorized herein. The Series 2017 B Bond shall be numbered BR-1. The Series 2017 B Bond shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such 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 2017 B Bond. The Series 2017 B Bond (if purchased by the Lender) shall initially be issued in the form of a single fully-registered bond in the aggregate principal amount of the Series 2017 B Bond, and shall be registered in the name of the Lender.

Notwithstanding any other provision of this Resolution to the contrary, the Issuer and the Paying Agent shall be entitled to treat and consider the Person in whose name the Series 2017 B Bond is registered in the records of the Registrar as the absolute owner of the Series 2017 B Bond for the purpose of payment of principal, premium, if any, and interest with respect to the Series 2017 B Bond, for the purpose of giving notices of redemption, sale, purchase or any event which would or could give rise to a sale or purchase right or option with respect to the Series 2017 B Bond for the purpose of making payment of any purchase price of the Series 2017 B Bond, for the purpose of registering transfers with respect to the Series 2017 B Bond, and for all other purposes whatsoever. The Issuer and Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2017 B Bond and the purchase price of the Series 2017 B Bond only to or upon the order of the respective Registered Owner, as shown in the records of the Registrar as provided in this Resolution, or its attorneys or legal representatives duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2017 B Bond to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the records of the Registrar, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Resolution.

Section 3.12. Delivery of Series 2017 B Bond. The Issuer shall execute and deliver the Series 2017 B Bond to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2017 B Bond to the Lender upon receipt of the documents set forth below:

- (1) The name in which the Series 2017 B Bond 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 2017 B Bond to the Lender;
- (3) Copies of this Resolution and the Supplemental Resolution certified by the Secretary;

(4) The unqualified approving opinion of Bond Counsel regarding the Series 2017 B Bond; and

(5) A copy of such other documents and certificates as the Lender may reasonably require.

Section 3.13. Form of Series 2017 B Bond. The definitive Series 2017 B Bond shall be in substantially the form set forth in EXHIBIT A – FORM OF SERIES 2017 B 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 2017 B Bond on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2017 B Bond 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 2017 B Bond. Upon the issuance and delivery of the Series 2017 B Bond, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on Series 2017 B Bond, if any, from the date thereof to the date of delivery thereof shall be deposited in the Series 2017 B Bond Sinking Fund and applied to payment of interest on the Series 2017 B Bond at the first interest payment date.

2. An amount of the proceeds of the Series 2017 B Bond equal to the amount, if any, set forth in the Supplemental Resolution shall be remitted to the Commission for deposit in the Series 2017 B Bond Reserve Account, or an amount of proceeds of the Series 2017 B Bond necessary to pay the premium for a Municipal Bond Debt Service Reserve Insurance Policy in an amount equal to the Reserve Account Requirement, as determined in the Certificate of Determinations.

3. An amount of the proceeds of the Series 2017 B Bond equal to the amount, if any, set forth in the Supplemental Resolution necessary to pay the premium for a Municipal Bond Insurance Policy, if any.

4. An amount of the proceeds of the Series 2017 B Bond along with funds in the Series 2013 A Bonds Reserve Account, as set forth in the Certificate of Determinations, shall be remitted to the Commission to pay the outstanding principal of, and all accrued interest on, the Series 2013 A Bonds to.

5. An amount of Series 2017 B Bond proceeds which, together with other monies or securities deposited therein, shall be equal to the Costs of Issuance of the Series 2017 B Bond shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2017 B Bond 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 2017 B Bond, such unapplied proceeds shall be transferred by the Issuer to the Series 2017 B Bond Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2017 B Bond. 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 2017 B Bond from which such proceeds are derived.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

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

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Operation and Maintenance Fund (established by the Prior Resolutions);
- (3) Renewal and Replacement Fund (established by the Prior Resolutions);
- (4) Costs of Issuance Fund; and
- (5) Rebate Fund.

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

1. Series 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 1999 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
10. Series 1999 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
11. Series 2000 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
12. Series 2000 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
13. Series 2001 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
14. Series 2001 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
15. Series 2002 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
16. Series 2002 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
17. Series 2002 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
18. Series 2002 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
19. Series 2002 C Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
20. Series 2002 C Bonds Reserve Account (established by Prior Resolutions and continued hereby);
21. Series 2002 D Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
22. Series 2002 D Bonds Reserve Account (established by Prior Resolutions and continued hereby);

23. Series 2002 E Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
24. Series 2002 E Bonds Reserve Account (established by Prior Resolutions and continued hereby);
25. Series 2003 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
26. Series 2003 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
27. Series 2003 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
28. Series 2003 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
29. Series 2004 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
30. Series 2004 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
31. Series 2009 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
32. Series 2009 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
33. Series 2009 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
34. Series 2009 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
35. Series 2013 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
36. Series 2013 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
37. Series 2013 C Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
38. Series 2013 C Bonds Reserve Account (established by Prior Resolutions and continued hereby);

39. Series 2015 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
40. Series 2015 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
41. Series 2015 B Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
42. Series 2015 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
43. Series 2015 C Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
44. Series 2015 C Bonds Reserve Account (established by Prior Resolutions and continued hereby);
45. Series 2016 A Bonds Sinking Fund (established by Prior Resolutions and continued hereby);
46. Series 2016 A Bonds Reserve Account (established by Prior Resolutions and continued hereby);
47. Series 2016 B Bonds, Sinking Funds (established by Prior Resolutions and continued hereby);
48. Series 2016 B Bonds Reserve Account (established by Prior Resolutions and continued hereby);
49. Series 2017 A Bond Sinking Fund (established by Prior Resolutions and continued hereby);
50. Series 2017 A Bond Reserve Account (established by Prior Resolutions and continued hereby);
51. Series 2017 B Bond Sinking Fund; and
52. Series 2017 Bonds Reserve Account;

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2017 B Bond 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, simultaneously transfer from the Revenue Fund and remit to the Commission (i) the amounts required by Prior Resolutions to pay interest on the Series 1990 A Bonds, Series 1994 A Bonds, Series 2002 D Bonds, Series 2002 E Bonds, Series 2003 A Bonds, Series 2003 B Bonds, Series 2009 A Bonds, Series 2009 B Bonds, Series 2013 B Bonds, Series 2013 C Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2016 A Bonds, and Series 2016 B Bonds; and (ii) commencing 7 months prior to the first interest payment date of the Series 2017 B Bond, for deposit in the Series 2017 B Bond Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2017 B Bond 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 2017 B Bond Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2017 B Bond Sinking Fund shall be reduced by the amount of accrued interest on the Series 2017 B Bond deposited therein, and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2017 B Bond Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2017 B Bond Sinking Fund.

(3) The Issuer shall next, each month, simultaneously transfer from the Revenue Fund and remit to the Commission (i) the amounts required by Prior Resolutions to pay principal on the Series 2009 A Bonds, Series 2013 B Bonds, Series 2013 C Bonds, Series 2015 C Bonds, Series 2016 A Bonds and Series 2016 B Bonds and the First Lien State Bonds; and (ii) commencing 13 months prior to the first principal payment date of the Series 2017 B Bond, for deposit in the Series 2017 B Bond Sinking Fund a sum equal to 1/12th of the amount (or 1/6th of the amount if the Series 2017 B Bond matures semiannually rather than annually) of principal which will mature or be redeemed and become due on the Series 2017 B Bond on the next ensuing principal payment date; provided, that in the event the period to elapse between the date of such initial deposit in the Series 2017 B Bond Sinking Fund and the next ensuing principal payment date is more or less than 13 months (or 7 months if the Series 2017 B Bond mature semiannually rather than annually), then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing principal payment 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 2017 B Bond Sinking Fund and not previously credited pursuant to the preceding paragraph.

Moneys in the Series 2017 B Bond Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2017 B Bond, whether by maturity or redemption prior to maturity. Moneys on deposit in the Series 2017 B Bond Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2017 B Bond when the funds on deposit in the Series 2017 B Bond Sinking Fund are insufficient therefore, and for no other purpose. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2017 B Bond Sinking Fund when the aggregate amount of funds therein, including the Series 2017 B Bond Reserve Account therein, is at least equal to the aggregate principal amount of Series 2017 B Bond then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

As and when Additional Parity Bonds ranking on a parity with the Series 2017 B Bond are issued, provision shall be made for additional deposits into the respective Sinking Funds sufficient to pay the interest on such Additional Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The payments into the Series 2017 B Bond Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution.

(4) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective Reserve Accounts for the First Lien Bonds the amounts required by the Prior Resolutions; and (ii) for deposit in the Series 2017 B Bond Reserve Account; if not funded through the purchase of a Municipal Bond Debt Service Reserve Insurance Policy, an amount sufficient to remedy any decrease in value of the Series 2017 B Bond Reserve Account below the Series 2017 B Bond Reserve Account Requirement or any withdrawal from the Series 2017 B Bond Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2017 B Bond Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2017 B Bond Reserve Account is less than the Series 2017 B Bond Reserve Account Requirement, or (b) any amount is withdrawn from the Series 2017 B Bond Reserve Account for deposit into the Series 2017 B Bond Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefore, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2017 B Bond Reserve Account to an amount equal to the Series 2017 B Bond Reserve Account Requirement to the full extent that such Gross Revenues are available;

provided however, that if the shortfall in the Series 2017 B Bond Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2017 B Bond 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 2017 B Bond Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2017 B Bond Reserve Account Requirement.

In the event the Series 2017 B Bond Reserve Account is funded through Municipal Bond Debt Service Reserve Insurance Policy, the Issuer shall be required to replace the Municipal Bond Debt Service Reserve Insurance Policy or fund the Series 2017 B Bond Reserve Account with cash only in the event that the Bond Insurer, or its successor or assign, ceases to be licensed by a state of the United States of America to provide such Municipal Bond Debt Service Reserve Policy or similar insurance product. In such event, the Issuer shall have twelve (12) months after becoming aware of such event to either provide a new Municipal Bond Debt Service Reserve Insurance Policy for, or deposit sufficient cash in, the Series 2017 B Bond Reserve Account to satisfy the Reserve Account Requirement therefore.

Amounts in, or pledged to, the Series 2017 B Bond Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2017 B Bond when due, when amounts in the Series 2017 B Bond Sinking Fund are insufficient therefore and for no other purpose.

(5) The Issuer shall next, 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, pro rata, with monies from the Renewal and Replacement Fund.

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

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

(8) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Sinking Fund for the Series 2017 A Surplus Revenue Bonds the amount required by the Prior Resolutions to pay principal of the Series 2017 A Surplus Revenue Bonds.

(9) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Reserve Account for the Series 2017 A Surplus Revenue Bonds the amount required by the Prior Resolutions.

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

B. The Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created or continued hereunder, and the Reserve Accounts therein, and all amounts required for said Sinking Funds shall be remitted to the Commission from said Revenue Fund and from the proceeds of the sale of the Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. Notwithstanding the foregoing, however, the Commission shall deposit all remittances in the fund or account in the priority established by this Resolution.

C. If on any monthly payment date the Net Revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03 and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

D. Principal and interest payments, and any payments made for the purpose of funding the Reserve Accounts, shall be made on a parity basis and pro-rata, with respect to the Prior Bonds, the Series 2017 B Bond and any Additional Parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such series of Bonds then Outstanding, if less than the full amount required hereby.

ARTICLE V

INVESTMENTS; ARBITRAGE; TAX CERTIFICATE AND REBATE; CONTINUING DISCLOSURE CERTIFICATE

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

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

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

(A) The Issuer shall, or shall cause the Commission to, semiannually transfer from each Reserve Account to the corresponding Sinking Fund any earnings on the moneys deposited therein and any other funds in excess of the applicable Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in each Reserve Account an amount at least equal to the applicable Reserve Account Requirement.

(B) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from a Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in a Reserve Account shall, at any time, be less than the applicable Reserve Account Requirement, and such deficiency shall be made up from the first available Net Revenues after required deposits to the applicable Sinking Fund and otherwise in accordance with Section 4.03(3).

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

(D) Notwithstanding the foregoing, all moneys deposited in any Sinking Fund, including any reserve account therein, may be invested by the Commission in the West Virginia "consolidated fund" managed by the West Virginia Board of

Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2017 B Bond in such manner and to such extent as may be necessary, so that such Series 2017 B Bond will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 2017 B Bond) so that the interest on the Series 2017 B Bond will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate and Rebate. The Issuer shall deliver a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2017 B Bond. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2017 B Bond 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 the Holder of the Series 2017 B Bond, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holder of the Series 2017 B Bond 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 2017 B Bond or the interest thereon, are Outstanding and unpaid.

Section 6.02. Series 2017 B Bond Not to be Indebtedness of the Issuer. The Series 2017 B Bond 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 moneys in the Series 2017 B Bond Sinking Fund and the Series 2017 B Bond Reserve Account therein and the unexpended proceeds of the Series 2017 B Bond, all as herein provided.

Section 6.03. Series 2017 B Bond Secured by Parity Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all of the Series 2017 B Bond issued hereunder shall be secured forthwith equally and ratably with each other 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 and senior and prior to the Second Lien Bonds. The payment of the debt service on the Series 2017 B Bond shall also be secured by the moneys in the Series 2017 B Bond Sinking Fund, including the Series 2017 B Bond Reserve Account therein. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2017 B Bond herein authorized, and to make the payments into the Series 2017 B Bond Sinking Fund, all moneys and securities in the Series 2017 B Bond Sinking Fund, including the Series 2017 B Bond Reserve Account therein, 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 and the Series 2017 B Bond herein authorized as the same become due and for the other purposes provided in this Resolution.

Section 6.04. Rates. Prior to the issuance of the Series 2017 B Bond, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Net 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 the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System; and (ii) to leave a balance each year equal to at least 115% of the Maximum Annual Debt Service on the Series 2017 B Bond, and all obligations issued on a parity with, or subordinate to, the Series 2017 B

Bond, including the Prior Bonds, and any Additional Parity Bonds as to the lien of the Series 2017 B Bond on the Net Revenues. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System.

The Issuer hereby covenants to commence adoption of such resolution or resolutions as shall be required to increase the rates and charges for the services and facilities of the System within 180 days following a determination of an Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

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

Section 6.06. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in the Prior Resolutions. Additionally, so long as the Series 2017 B Bond is 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 fully pay all the Bonds Outstanding, or to defease the pledge created by this Resolution, the Prior Resolutions and any resolutions authorizing Additional Parity Bonds. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the respective Sinking Funds, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the 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 \$1,000,000, the Issuer shall, 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 provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$1,000,000 but not in excess of \$10,000,000, 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, in excess of \$1,000,000 and not in excess of \$10,000,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of \$10,000,000 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 the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever payable from the Gross Revenues of the System. The Issuer shall not issue any other obligations whatsoever, except Additional Parity Bonds provided for in Section 6.08 hereof, payable from the Net 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 2017 B Bond and the First Lien Bonds; and all obligations hereafter issued by the Issuer payable from the Net 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 Net Revenues and in all other respects to the Series 2017 B Bond and the First Lien 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 2017 B Bond and the First Lien Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2017 B Bond 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 and requirements on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. In addition, no Additional Parity Bonds payable out of the Net Revenues of the System shall be issued after the issuance of any Bonds pursuant to this Resolution, except under the conditions and in the manner herein provided.

No such Additional Parity Bonds shall be issued except for the purpose of financing the costs of the design, acquisition, equipping or 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 refunding all, or any portion of, the Prior Bonds and any hereinafter issued Additional Parity Bonds, paying claims which may exist against the revenues or facilities of the System, or all of such purposes.

So long as the Series 2017 B Bond or the Prior Bonds are outstanding, no such Additional Parity Bonds shall be issued at any time, however, unless and until there has been procured a written statement by an Independent Certified Public Accountant, reciting the conclusion that the Net Revenues actually derived from the System during any 12 consecutive months in 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 Additional Parity Bonds, if any, shall not be less than 115% of the Maximum Annual Debt Service on the following:

- (1) The Prior Bonds then Outstanding;
- (2) The Series 2017 B Bond then Outstanding;
- (3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and
- (4) The Additional Parity Bonds then proposed to be issued.

Notwithstanding the foregoing, the Issuer shall be permitted to issue bonds which refund the Series 2017 B Bond, any Additional Parity Bonds hereafter issued or any Prior Bonds if, prior to the issuance of such refunding bonds, the Issuer shall have provided: (i) a verification report of an Independent Certified Public Accountant concluding that present value debt service savings shall be realized by the Issuer as a result of such refunding, after taking into account all costs of issuance of such refunding bonds, and (ii) a certificate of an Independent Certified Public Accountant reciting the conclusion that the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the issuance of such refunding bonds shall not be less than 115% of the Maximum Annual Debt Service on the following:

- (1) The Prior Bonds Outstanding after such refunding;
- (2) The Series 2017 B Bond Outstanding after such refunding;
- (3) Any Additional Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution which shall be Outstanding following such refunding; and
- (4) The Additional Parity Bonds for such refunding 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 Additional Parity Bonds and any increase in rates adopted by the Issuer, the time for appeal of which shall have expired (without successful appeal), prior to the date of delivery of such Additional Parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of an Independent Certified Public Accountant, procured by the Issuer prior to the issuance of such Additional Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of an Independent Certified Public Accountant, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Additional Parity Bonds and as a result of any capital improvements, additions, betterments or extensions to the System.

The term "Additional Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Series 2017 B Bond, and all the covenants and other

provisions of this Resolution (except as to details of such Additional Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2017 B Bond, the Prior Bonds and the Holders of any Additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created by this Resolution required for and on account of such Additional Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

The term "Additional Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Net Revenues of the System of which is subject to the prior and superior lien of the First Lien Bonds on such Net Revenues. The Issuer shall not issue any obligations whatsoever payable from the Net Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Net Revenues, with the Series 2017 B Bond, except in the manner and under the conditions provided in this section.

No Additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Resolution on account of the Bonds then Outstanding, if any (excluding the Renewal and Replacement Fund), and any other payments provided for in this Resolution shall have been made in full as required to the date of delivery of the Additional Parity Bonds.

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, initiated the process of implementing 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 2017 B Bond remains Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

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

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

System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

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

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

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

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

Section 6.10. 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 of the County and customers of, and the economy of, the Issuer, and in order to assure the rendering harmless of sewage and waterborne 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, 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 and every such owner, tenant or occupant shall, after a 30 day notice of the availability of sewerage services of the System, be charged the rates and charges established by the Issuer therefore.

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

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

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

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

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

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

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

Section 6.16. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2017 B Bond are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on such Series 2017 B

Bond during the term thereof is, under the terms of such Series 2017 B Bond or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2017 B Bond 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 2017 B Bond during the terms thereof is, under the terms of such Series 2017 B Bond 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 2017 B Bond used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2017 B Bond are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2017 B Bond 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 2017 B Bond to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2017 B Bond 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 2017 B Bond 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 6.17. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2017 B Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon the issuance of the Series 2017 B Bond and shall be on a parity with the statutory mortgage lien in favor of the Holders of the First Lien Bonds and senior and prior to the Second Lien Bonds.

Section 6.18. [RESERVED]

Section 6.19. Request for Proposals. The distribution of the Request for Proposals with respect to the Series 2017 B Bond shall be and the same is hereby approved. The form of the Request for Proposals shall be in such form as may be approved by the Supplemental Resolution, with such changes, insertions and deletions as the Chairman may approve.

Section 6.20. Covenants Regarding the Municipal Bond Insurance Policy and Municipal Bond Debt Service Reserve Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for the Series 2017 B Bond. 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 2017 B Bond. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2017 B Bond 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.

The Issuer may obtain a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2017 B Bond Reserve Account. In the event such Municipal Bond Debt Service Reserve Insurance Policy is obtained, certain additional covenants of the Issuer will be required by the Bond Insurer as a condition to insuring the Series 2017 B Bond. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to the Series 2017 B Bond 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.

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 2017 B Bond:

(A) If default by the Issuer 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 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 Registered Owner of any Bond;

(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 the Issuer defaults on the Prior Bonds or the Prior Resolutions, or any hereinafter issued Additional Parity or under the terms of any resolution approving any hereinafter issued Additional Parity Bonds.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Registered Owner of any Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights, provided, that all rights and remedies of the Registered Owner of the Series 2017 B Bond shall be on a parity with those of the Registered Owner of the First Lien Bonds and prior to the Second Lien Bonds, and, in particular:

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

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

(C) Bring suit upon the Bonds;

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

(E) By action or bill in equity enjoin any acts in violation of this Resolution or the rights of the Registered Owner of the Bonds; provided, that all rights and remedies of the Registered Owner of the Series 2017 B Bond shall be on a parity with those of the Registered Owner of the Prior Bonds.

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

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

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

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Registered Owner shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the 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 2017 B Bond issued pursuant to this Resolution and interest thereon and under any covenants of this Resolution for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

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

ARTICLE VIII

REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank. The Registrar, Paying Agent and Depository Bank (collectively, the "Fiduciaries") for the Series 2017 B Bond shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with each of the Fiduciaries in such form as shall be approved by the Chairman.

Section 8.02. Responsibilities of Fiduciaries. The recitals of fact in the Series 2017 B Bond shall be taken as statements of the Issuer, and the Fiduciaries shall not be responsible for their accuracy. The Fiduciaries shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of the Series 2017 B Bond by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2017 B Bond. The Fiduciaries 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 Fiduciaries May Act. Except as otherwise provided by Section 10.02, the Fiduciaries shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by them to be genuine and to have been signed or

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

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Fiduciaries from time to time reasonable compensation for all services, including the transfer of registration of Series 2017 B Bond, the first exchange of the Series 2017 B Bond and the exchange of Series 2017 B Bond in the event of partial redemption, incurred in the performance of their duties hereunder.

Section 8.05. [RESERVED]

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. Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Registered Owner of the Series 2017 B Bond by an instrument in writing signed and duly acknowledged by the Issuer or by such Registered Owner or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 8.08. 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 Registered Owner of a the Series 2017 B Bond by an instrument or concurrent instruments in writing signed by such Registered Owner or its attorney duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Registered Owner. Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Registered Owner. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Registered Owner may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, Trust Company or national banking association authorized to perform the duties imposed upon it by this Resolution.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any moneys, books and records held by it and relating to the Series 2017 B Bond 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 of the Series 2017 B Bond shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver the Series 2017 B Bond so authenticated, and, in case the Series 2017 B Bond shall have been prepared but not authenticated, any successor Registrar may authenticate such Series 2017 B Bond in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The Commission or any entity specified by Supplemental Resolution shall be the Paying Agent. Any alternate Paying Agent must be a bank, Trust Company or national banking association authorized to perform the duties imposed upon it by this Resolution. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof.

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 moneys available therefore.

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 Commission, a court of competent jurisdiction or a majority of the Registered Owner 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 Paying Agent, 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 Paying Agent.

All moneys 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 Registered Owner of the Series 2017 B Bond the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution and the pledges of the Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Registered Owner of the Series 2017 B Bond made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, 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. The Series 2017 B Bond 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 Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on the Series 2017 B Bond on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem the Series 2017 B Bond prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Series 2017 B Bond; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the 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 Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Resolution. This Resolution and any Supplemental Resolution may be amended or modified without the consent of Registered Owner or any other person, solely for the purpose of maintaining the tax-exempt status of the Series 2017 B Bond. Otherwise, no materially adverse amendment or modification to this Resolution, or of any Supplemental Resolution, may be made without the written consent of the Registered Owner, or its authorized representative, of the Series 2017 B Bond, before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of

payment of the principal of or interest on, the Series 2017 B Bond without the express written consent of the Registered Owner of the Series 2017 B Bond.

Section 10.02. Evidence of Signatures of Registered Owner and Ownership of Series 2017 B Bond. Any request, consent, revocation of consent or other instrument which this Resolution may require or permit to be signed and executed by the Registered Owner of the Series 2017 B Bond shall be signed or executed by such Registered Owner in person, by his attorney duly authorized in writing or his authorized representative. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney or authorized representative, shall be sufficient for any purpose of this Resolution if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

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

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

Any request, consent or other instrument executed by the Registered Owner of the Series 2017 B Bond shall bind any future Registered Owner of the Series 2017 B 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 Registered Owner, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Resolution shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Series 2017 B Bond. If the Series 2017 B Bond is purchased or paid in full it shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. The Series 2017 B Bond shall not be deemed Outstanding under this Resolution, nor shall a Series 2017 B Bond shall be issued in lieu thereof. The Series 2017 B Bond shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Series 2017 B Bond. Anything in this Resolution to the contrary notwithstanding, any moneys held by the Commission or a Paying Agent in trust for the payment and discharge of the Series 2017 B Bond which remains unclaimed for 1 year after the date on which the Series 2017 B Bond has become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Registered Owner of the Series 2017 B Bond shall look only to the Issuer for the payment of such Series 2017 B Bond; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Commission, or said Paying Agent shall send to the Registered Owner, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer.

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

ISSUER:

Berkeley County Public Service Sewer District
65 District Way
Martinsburg, West Virginia 25401
Attention: Chairman

PAYING AGENT:

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

REGISTRAR:

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

DEPOSITORY BANK:

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

FINANCIAL ADVISOR

Compass Municipal Advisors, LLC
360 East Vine Street, Suite 110
Lexington, Kentucky

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

Section 10.07. No Personal Liability. No member of the Board or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Series 2017 B 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 2017 B Bond issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent and the Registered Owner of the Series 2017 B Bond any right, remedy or claim under or by reason of this Resolution. All the covenants, stipulations, promises and agreements contained in this Resolution by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, and the Registered Owner of the Series 2017 B Bond.

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

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

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

Section 10.13. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Board were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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

Adopted this 3rd day of October, 2017.

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT



Chairman

CERTIFICATION

Certified a true, correct and complete copy of a Resolution duly adopted by BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT on October 3, 2017.

Dated: November 1, 2017.

[SEAL]

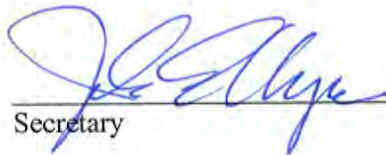

Secretary

EXHIBIT A

FORM OF SERIES 2017 B BOND

No. BR-1

\$ _____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT (WEST VIRGINIA)
SEWER REFUNDING REVENUE BOND, SERIES 2017 B (BANK QUALIFIED)

INTEREST RATE

MATURITY DATE

BOND DATE

October 1, 2026

_____, 2017

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public service district organized and existing under the laws of the State of West Virginia (the "Borrower"), for value received, hereby promises to pay, solely from the special funds provided therefore, as hereinafter set forth, to the Registered Owner specified above, or registered successor corporation (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 Borrower shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (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 Owner 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 Borrower maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of the Registered Owner by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in Charleston, West Virginia.

The proceeds of this "Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified)" (the "Bond") are to be used (i) to finance the costs of advance refunding the Issuer's Sewer Refunding Revenue Bonds, Series 2013 A, (ii) to fund the Series 2017 B Bond Reserve Account [or purchase debt service reserve policy], [(iii) purchase municipal bond insurance policy], and (iv) to pay certain costs of issuance of the Series 2017 B Bond and related costs. The Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on _____, 2017, and supplemented by a Supplemental Parameters Resolution adopted by the Issuer on _____, 2017 (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 Parity Bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owner of the Bond and the Registered Owner of any subsequently issued Additional Parity Bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Secretary in Berkeley County Public Service Sewer District, West Virginia.

The Bond is subject to redemption prior to stated maturity date, as provided in the Resolution and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bond is subject to redemption prior to maturity at the option of the Issuer on and after _____, _____, in whole or in part at any time, the following redemption prices (expressed as percentages of the principal amount of the Series 2017 B Bond to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bond, or portion thereof, 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 Bond, or portion thereof, 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 the Series 2017 B Bond.

[The Series 2017 B Bond is 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].]

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2017 B Bond as to liens, pledge, source of and security for payment, being the Issuer's:

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

(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 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");

(5) 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");

(6) 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");

(7) 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");

(8) 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");

(9) 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");

(10) 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");

(11) 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");

(12) 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");

(13) 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");

(14) 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");

(15) 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");

(16) 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");

(17) 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");

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

(19) 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");

(20) 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");

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

(22) SEWER REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 12, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,623,472 (THE "SERIES 2015 B BONDS");

(23) SEWER REVENUE BONDS, SERIES 2015 C (TAX-EXEMPT), DATED FEBRUARY 12, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$16,970,000 (THE "SERIES 2015 C BONDS");

(24) SEWER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 24, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$163,871 (THE "SERIES 2016 A BONDS"); AND

(25) SEWER REFUNDING REVENUE BONDS, SERIES 2016 B (TAX EXEMPT), DATED APRIL 21, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$29,300,000 (THE "SERIES 2016 B BONDS") (COLLECTIVELY, THE "FIRST LIEN BONDS").

AND SENIOR AND PRIOR TO 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 "SECOND LIEN BONDS").

THE FIRST LIEN BONDS AND SECOND LEIN BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS."

The Series 2017 B Bond and the interest thereon is payable only from and is secured by the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds and from moneys in the Series 2017 B Bond Sinking Fund and the Series 2017 B Bond Reserve Account established under the Resolution, and the unexpended proceeds of the Series 2017 B Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Resolution. This 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 moneys in the Series 2017 B Bond Sinking Fund and the Series 2017 B Bond Reserve Account and unexpended proceeds of the Series 2017 B Bond. Under the Resolution, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses 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 on the Series 2017 B Bond and all other obligations secured by a lien on or payable from such Net Revenues prior to or on a parity with the Series 2017 B Bond, including the Prior Bonds. The Issuer has entered into certain further covenants with the Registered Owner of the Series 2017 B Bond, for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of the Series 2017 B Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Series 2017 B Bond except for accrued interest thereon shall be applied solely to finance the advance refunding of the Issuer's outstanding Series 2013 A Bonds, fund a reserve account for the Series 2017 B Bond and pay costs of issuance of the Series 2017 B Bond, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owner of the Series 2017 B Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2017 B 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 2017 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2017 B Bond.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

(Manual or Facsimile Signature)
Chairman

ATTEST:

(Manual or Facsimile Signature)
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2017 B Bond is the fully registered Bond 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 2017 B Bond.

Dated: _____, 2017.

_____,
as Registrar

By _____
Its Authorized Officer

(Form of)

ASSIGNMENT TO SUCCESSOR CORPORATION

Social Security or Other Identifying Number of Assignee _____

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

_____ the within 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 to Corporate Successor must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Berkeley County Public Service Sewer District

Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified)

SUPPLEMENTAL PARAMETERS RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING PARAMETERS AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE SEWER REFUNDING REVENUE BOND, SERIES 2017 B (BANK QUALIFIED) OF BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BOND PURSUANT TO A REQUEST FOR PROPOSALS; APPOINTING A REGISTRAR AND PAYING AGENT FOR SUCH BOND; AUTHORIZING THE PURCHASE OF A MUNICIPAL BOND INSURANCE POLICY AND/OR MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND AMENDMENT AND/OR MODIFICATION OF THE RESOLUTION TO COMPLY THEREWITH; AND MAKING OTHER PROVISIONS AS TO THE BOND.

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

WHEREAS, the Governing Body has duly adopted and officially adopted on October 3, 2017, a Resolution (the “Resolution”) entitled:

A RESOLUTION AUTHORIZING THE ADVANCE REFUNDING OF THE ISSUER’S OUTSTANDING SEWER REVENUE BONDS, SERIES 2013 A AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, AND PAYING COSTS OF ISSUANCE AND RELATED COSTS, THROUGH THE ISSUANCE OF THE SEWER REFUNDING REVENUE BOND, SERIES 2017 B (BANK QUALIFIED) OF THE BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$10,000,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNER OF SUCH BOND; AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX CERTIFICATE, REQUEST FOR PROPOSALS, AN ESCROW AGREEMENT, A TAX COMPLIANCE POLICY AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BOND AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance by the Issuer of its Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified) in an aggregate principal amount not to exceed \$10,000,000 (the "Series 2017 B Bond" or "Bond") in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, the Issuer is advised that current market conditions are such that interest savings would be realized from the advance refunding of its outstanding Sewer Refunding Revenue Bonds, Series 2013 A (Bank Qualified), dated August 22, 2013, delivered August 22, 2013, issued in the original aggregate principal amount of \$9,615,000 (the "Series 2013 A Bonds") and the Issuer has determined that it is currently in the best interest of its customers to advance refund the Series 2013 A Bonds through the issuance of its Series 2017 B Bond;

WHEREAS, the Resolution further provided that the exact date, amount, maturity, interest rate, redemption provisions, purchase price and other terms of the Series 2017 B Bond should be established by Supplemental Resolution and/or a Certificate of Determinations, that a Registrar, Paying Agent and Depository Bank be designated, that a Request for Proposals, a Registrar Agreement, Escrow Agreement and a Tax Compliance Policy be approved and that other matters pertaining to the Series 2017 B Bond be provided for by a Supplemental Resolution of the Governing Body and/or a Certificate of Determinations, that additional covenants and provisions relating to the Series 2017 B Bond be provided therein, and as may be required by any Bond Insurer as a condition to providing a municipal bond insurance policy and/or a municipal bond debt service reserve insurance policy for the Series 2017 B Bond and that additional covenants and provisions relating to the Bond be provided therein, and that other matters pertaining to the Bond be provided for by a Supplemental Resolution of this Governing Body and/or a Certificate of Determinations;

WHEREAS, the Series 2017 B Bond is proposed to be sold to a single financial institution, to be held by such financial institution, which shall be selected by the Issuer from responses to a Request for Proposals (the "Request for Proposals");

WHEREAS, the Governing Body desires to adopt a tax compliance policy (the "Tax Compliance Policy") with respect to the Series 2017 B Bond;

WHEREAS, the Governing Body has determined that, in order to obtain the best possible savings for the Issuer in the current interest rate environment, the Chairman shall be empowered and authorized to execute the Certificate of Determinations, within the parameters set forth herein, at such time as the Chairman shall determine most advantageous to the Issuer, or not at all; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental parameters resolution (the "Supplemental Parameters Resolution") be adopted, that the Request for Proposals, the Tax Compliance Policy, the Escrow Agreement and the Registrar Agreement hereinafter provided for be approved by the Issuer, that the Chairman be authorized to execute the Certificate of

Determinations within the parameters hereby approved by the Governing Body, and that other matters relating to the Bond be herein provided for all in accordance with the Resolution;

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

Section 1. For the purposes of (i) advance refunding the Series 2013 A Bonds; (ii) paying the premium for a municipal bond insurance policy to secure the payment of the principal of, and interest on, the Series 2017 B Bond, if any; (iii) funding a debt service reserve account for the Series 2017 B Bond or paying the premium for a municipal debt service reserve insurance policy in an amount equal to the Reserve Requirement for the Series 2017 B Bond, and (iv) paying costs of issuance of the Series 2017 B Bond and related costs, the Governing Body of the Issuer hereby authorizes and orders the issuance of the Series 2017 B Bond in an aggregate principal amount not to exceed \$10,000,000.

Section 2. Pursuant to the Resolution and the Act, this Supplemental Parameters Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2017 B Bond. The Series 2017 B Bond shall be issued as a single bond in the aggregate principal amount not to exceed \$10,000,000, bear interest at a rate not to exceed 7%, payable semiannually, shall be dated such date, upon original issuance, shall mature in such principal amounts on such dates (with final maturity no later than November 1, 2047), shall be subject to such redemption provisions, all as shall subsequently be approved by the Chairman pursuant to the execution and delivery by the Chairman of a Certificate of Determinations with respect to the Bond, the form of which is attached hereto as EXHIBIT A and approved hereby (the "Certificate of Determinations"); and shall be substantially in the form set forth in the Resolution, provided however, that the specific terms of the Series 2017 B Bond shall be as determined, and approved, by the Chairman at the time of the execution of the Certificate of Determinations. All other provisions relating to the Series 2017 B Bond shall be as provided in the Resolution or by the Chairman in the Certificate of Determinations.

Section 3. The Request for Proposals, substantially in the form attached hereto as EXHIBIT B, is hereby approved. The Chairman is hereby empowered and authorized to make any modifications, insertions, or omissions to, and initiate the distribution of, the Request for Proposals on behalf of the District at such time, or times, as the Chairman shall determine to be most advantageous. The Chairman is further empowered and authorized to review and evaluate any and all responses from qualifying financial institutions (collectively, the "Proposals") received by the Issuer in response to the Request for Proposals, to select the Proposal which is most advantageous to the District and/or to reject any or all Proposals. The distribution of the Request for Proposals shall be conclusive evidence of any approval required by this Section.

Section 4. The Escrow Agreement by and between the West Virginia Municipal Bond Commission and the Issuer, dated the date of delivery of the Series 2017 B Bond, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved, and directed. The Chairman shall execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Escrow Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 5. Proceeds of the Bond shall be expended solely for the purposes set forth in the Resolution.

Section 6. The Issuer is advised and hereby finds that based upon the assumed principal amount, maturity schedule and interest rates for the Series 2017 B Bond presented to the Issuer by the Lender, the Series 2017 B Bond show a net present value debt service savings to the Issuer after deducting all expenses of the refunding of the Series 2013 A Bond and the costs of issuing the Series 2017 B Bond.

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

Section 8. The Issuer does hereby approve, simultaneously with the closing on the Series 2017 B Bond, the transfer of all of the monies from the Series 2013 A Bonds Reserve Account, held by the West Virginia Municipal Bond Commission to such fund or entity, as shall be determined by the Chairman in the Certificate of Determinations.

Section 9. The Registrar Agreement by and between the Issuer and the Registrar designated herein, substantially in the form to be approved pursuant to the execution and delivery by the Chairman of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved and directed. The Chairman shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Registrar Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 10. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Bond.

Section 11. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia, as the Paying Agent for the Series 2017 B Bond.

Section 12. The Issuer hereby appoints and designates United Bank, Inc., Martinsburg, West Virginia, as the Depository Bank for the Bond.

Section 13. The Issuer hereby appoints and designates United Bank, Inc., Charleston, West Virginia, as the Registrar.

Section 14. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates, required or desirable in connection with the Bond to the end that the Bond may be delivered on a timely basis to the Lender.

Section 15. Municipal Bond Insurance Policy. The Issuer may purchase a Municipal Bond Insurance Policy for the Series 2017 B Bond. In the event a Municipal Bond Insurance Policy is purchased, additional covenants and provisions of the Issuer may be required by the Bond Insurer

providing the Municipal Bond Insurance Policy as a condition to insuring the Series 2017 B Bond. These additional covenants and provisions shall be set forth in a Certificate of Determinations, shall apply to the Series 2017 B Bond, shall be supplemental to, and amendatory of, the Resolution and the Supplemental Resolution, and shall be controlling in the event any other provisions of the Resolution and this Supplemental Parameters Resolution may be in conflict therewith.

Section 16. Municipal Bond Debt Service Reserve Insurance Policy. The Issuer may purchase a Municipal Bond Debt Service Reserve Insurance Policy for the Series 2017 B Bond. In the event a Municipal Bond Debt Service Reserve Insurance Policy is purchased, additional covenants and provisions of the Bond Issuer may be required by the provider of the Municipal Bond Debt Service Reserve Insurance Policy as a condition to providing the Municipal Bond Debt Service Reserve Insurance Policy. These additional covenants and provisions shall be set forth in a Certificate of Determinations, shall apply to the Series 2017 B Bond, shall be supplemental to, and amendatory of, the Resolution and the Supplemental Resolution, shall be supplemental to, and amendatory of, the Resolution and the Supplemental Resolution, and shall be controlling in the event any other provisions of the Resolution and this Supplemental Parameters Resolution may be in conflict therewith.

Section 17. The issuance of the Series 2017 B Bond 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 18. The Issuer hereby covenants and agrees that it will not permit at any time or times any of the proceeds of the Series 2017 B Bond or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2017 B Bond or Prior Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and the regulations promulgated pursuant thereto. The Chairman of the Issuer is authorized and directed to execute and deliver such further instruments or agreements as shall be required to provide further assurances of the Issuer's compliance with this covenant.

Section 19. The Chairman and Secretary, and all other appropriate officers and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause the Series 2017 B Bond to be duly and properly issued by the Issuer and delivered to the Lender as herein authorized and to otherwise facilitate the transaction contemplated by this Supplemental Parameters Resolution, and no further authority shall be necessary to authorize any such officers or employees to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Blank]

Section 22. This Supplemental Parameters Resolution shall be effective immediately following adoption hereof.

Adopted this 3rd day of October, 2017.

BERKELEY COUNTY PUBLIC SERVICE
SEWER DISTRICT

By: 
Its: Chairman

[SEAL]

Attest:


Secretary

CERTIFICATION

Certified a true copy of a Supplemental Parameters Resolution duly adopted by the Public Service Board of BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT on October 3, 2017, which Supplemental Parameters Resolution has not been repealed, rescinded, modified, amended or revoked, as of the date hereof.

Dated: November 1, 2017.

By:  _____
Secretary

067740.00029

SUPPLEMENTAL PARAMETERS RESOLUTION - EXHIBIT A

FORM OF CERTIFICATE OF DETERMINATIONS

Berkeley County Public Service Sewer District
Sewer Refunding Revenue Bond, Series 2017 B
(Bank Qualified)

CERTIFICATE OF DETERMINATIONS

The undersigned, _____, Chairman of Berkeley County Public Service Sewer District (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on October 3, 2017 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified) (the "Series 2017 B Bond"), hereby finds and determines this ____ day of October, 2017 as follows:

1. The Series 2017 B Bond shall be dated _____, 2017, shall bear interest on _____ 1 and _____ 1 of each year commencing _____ 1, 20____.
2. The Series 2017 B Bond shall be issued in the aggregate principal amount of \$_____. The interest rate on the Series 2017 B Bond does not exceed 7%, being the maximum interest rate authorized by the Supplemental Parameters Resolution.
3. The payments of interest on, and principal of, the Series 2017 B Bond shall be as reflected on the debt service schedule as set forth on Schedule 1 attached hereto and incorporated herein.
4. The Series 2017 B Bond shall bear interest at the rate of _____, computed annually.
5. The Series 2017 B Bond shall be subject to optional redemption as set forth on Schedule 2 attached hereto and incorporated herein.
6. The Series 2017 B Bond shall be sold to _____ (the "Lender"), pursuant to the terms of the Lender's response to the Request for Proposals at an aggregate purchase price of \$_____.
7. The forms of the Tax Certificate, the Escrow Agreement and the Registrar Agreement attached hereto are hereby approved.
8. The Closing Memorandum identifying the sources and uses attached hereto is hereby approved.

9. The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by _____ ("Insurer") for the Series 2017 B Bond will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such insurance policy, and accordingly accepts the Municipal Bond Insurance Commitment (the "Insurance Commitment") dated _____, 2017. The Chairman's execution of the Insurance Commitment and delivery of the same to the Insurer, is hereby ratified and affirmed.
10. Pursuant to the Insurance Commitment and, as permitted by Section 17 of the Supplemental Resolution, the covenants and provisions which are required by the Insurer as a condition precedent to issuance of its Insurance Policy for the Series 2017 B Bond are attached hereto as "Certificate of Determinations - Exhibit A" and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to, the Resolution and applicable to the Series 2017 B Bond.
11. The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by the Insurer for the Series 2017 B Bond Reserve Account will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Debt Service Reserve Insurance Policy, and accordingly accepts the Municipal Bond Debt Service Reserve Policy Insurance Commitment (the "Reserve Commitment") dated _____, 2017. The Chairman's execution of the Reserve Commitment and delivery of the same to Insurer, is hereby ratified and affirmed.
12. Pursuant to the Reserve Commitment and, as permitted by Section 18 of the Supplemental Resolution, the covenants and provisions which are required by the Insurer as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy for the Series 2017 B Bond are attached hereto as "Certificate of Determinations - Exhibit B" and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to, the Resolution and applicable to the Series 2017 B Bond.
13. The undersigned hereby certifies that the foregoing terms and conditions of the Series 2017 B Bond are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2017 B Bond may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.

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

BERKELEY COUNTY PUBLIC SERVICE
SEWER DISTRICT

By: _____
Its: Chairman

067740.00029

7805771

SCHEDULE I
DEBT SERVICE SCHEDULE FOR SERIES 2017 B BOND

SCHEDULE 2

REDEMPTION PROVISIONS FOR SERIES 2017 B BOND

Optional Redemption

CERTIFICATE OF DETERMINATIONS - EXHIBIT A
MUNICIPAL BOND INSURANCE COMMITMENT

CERTIFICATE OF DETERMINATIONS - EXHIBIT B

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT

CERTIFICATE OF DETERMINATIONS - EXHIBIT C

Closing Memorandum

SUPPLEMENTAL PARAMETERS RESOLUTION - EXHIBIT B

FORM OF REQUEST FOR PROPOSALS

REQUEST FOR PROPOSALS

\$8,599,100*

**BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT (WEST VIRGINIA)
SEWER REFUNDING REVENUE BOND, SERIES 2017 B
(BANK QUALIFIED)**

NOTICE IS HEREBY GIVEN that electronic proposals, addressed to Berkeley County Public Service Sewer District (the “*District*”), will be received by the District, until 11:00 A.M. (local time) on

Wednesday, October 18, 2017 (the “*Date of Sale*”)

at which time said proposals will be publicly opened at the offices of the District, located at 232 N. Queen Street, Martinsburg, West Virginia 25401, for the purchase of a commercial loan to be evidenced by a \$8,599,100* Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified), of the District (the “*Bond*”).

Issuer: Berkeley County Public Service Sewer District.

Purposes: The Bond is being issued to (i) advance refund the District's Sewer Refunding Revenue Bonds, Series 2013 A (Bank Qualified); (ii) fund the Series 2017 B Bonds Reserve Account through either a deposit from the proceeds of the Bonds or the purchase of a Municipal Bond Debt Service Reserve Insurance Policy; and (iii) pay costs associated with issuing the Bond.

Tax Treatment: Tax-exempt, not subject to AMT (although certain corporations must take interest into account when determining adjusted current earnings). The District has covenanted and agreed that it will not take any actions which will, or fail to take any action which failure will, cause interest on the Bond to become includable in the income of holders of the Bond for federal income tax purposes pursuant to the provisions of Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”).

Bank Qualified: The Bond will be designated as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3)(B) of the Code.

* Preliminary, subject to change.

Legal Authority:

The Bond is being issued pursuant to the provisions of the Constitution and laws of the State of West Virginia, including, in particular, Chapter 16, Article 13A of the Code of the State of West Virginia of 1931, as amended (the "Enabling Act"); a bond resolution adopted by the Public Service Board of the District (the "Board") on October 3, 2017, as amended (as amended, the "Resolution"). Copies of the Resolution shall be made available upon request. All capitalized terms used but not otherwise defined shall have the meaning ascribed thereto in the Resolution.

Security:

The Bond will be a limited obligation of the District payable solely from and secured by a pledge of and lien upon the Net Revenues of the District's sanitary sewer collection, transmission and treatment system as currently, and in the future, exists (collectively, the "System"). As provided in the Enabling Act, the Bond shall be further secured by a statutory mortgage lien on the System. The District has no taxing authority and neither the State of West Virginia, nor Berkeley County, West Virginia, has pledged its respective taxing authority as security for the Bond.

Reserve Account:

The Bond shall also be secured by the Series 2017 B Bonds Debt Service Reserve Fund held by the West Virginia Municipal Bond Commission in an amount equal to the least of (i) 10% of the original principal amount of the Series 2017 B Bonds, (ii) the maximum annual debt service on the Series 2017 B Bonds at the time of original issuance of the Series 2017 B Bonds, or (iii) 125% of average annual Debt Service at the time of original issuance of the Series 2017 B Bonds (the "Series 2017 B Bonds Reserve Requirement"). The District anticipates obtaining a Commitment for a Municipal Bond Debt Service Reserve Insurance Policy in an amount equal to the Series 2017 B Bonds Reserve Requirement.

The Bond:

The Bond will be issued as a single bond, in registered form and will be dated as of the Date of Issue. Interest on the Bond will be a single, fixed rate of interest, computed on a 30/360 basis (calculated on the basis of a 360 day year consisting of twelve-30 day months). The District requests that bidders submit a bid for the Bond based on the maturity schedule attached as Exhibit A hereto. The District reserves the right to adjust the maturity schedule as provided in Adjustment of Maturity Schedule below.

Principal Payment Dates:

Semi-annual principal payments due on October 1 of each year, beginning October 1, 2018, until October 1, 2026, the final maturity date of the Bond.

Interest Payment Dates:

Annual interest payments due on each April/October, beginning April 1, 2018, until the Bond matures.

*Adjustment of Maturity
Schedule:*

After receipt of the proposals, the District reserves the right, in its sole discretion, either to decrease or increase the principal amount of the Bond maturing in any year. Such adjustment(s), if any, shall be made within 24 hours of the award of the Bond.

Redemption Provisions:

The Bond shall be subject to redemption upon those terms submitted by the bidder. If the proposal is silent as to redemption, it shall be understood that the Bond shall be subject to prepayment, in whole or in part, at any time at par. Redemption provisions may be considered by the District when making an award for the Bond.

Outstanding Parity Debt:

See **Exhibit B**, attached hereto.

Paying Agent:

West Virginia Municipal Bond Commission, Charleston, West Virginia.

Ratings:

No application has been made or will be made by the District for independent credit ratings for the Bond.

Award of the Bond:

Bids shall be final and binding upon the Bidders. The successful bidder will be notified of the award within seventy-two (72) hours from the Date of Sale. Bids shall not be contingent upon or subject to further underwriting approval. Bids are considered approved and final upon receipt by the District. While financing costs will be considered (determined on the basis of the true interest cost method), the District shall award the Bond to the bidder that provides terms deemed, in the sole discretion of the District and its advisors, to be most advantageous to the District. The District reserves the right to reject any and all proposals or to waive irregularities in any proposal. Any bid for less than one hundred percent (100%) of the principal amount of the Bond will be rejected. Each bid must clearly state any conditions, provisions or requirements that may be in addition to the stated terms and conditions set forth in this request. Following the award of the Bond, the District's Financial Advisor will provide to all bidders a tabulation of all bids received, showing the name of the bidder, the date and time the bid was received, the interest rate proposed, and any premium proposed. Bids, if any, rejected as non-conforming will be so identified in the tabulation.

No Gross Up Provisions:

The successful bidder will not be allowed to receive an after tax yield or gross up on the interest remaining on the then outstanding principal amount of the Bond upon the occurrence of a determination of taxability or in the event of a change in the successful bidder's corporate tax rate.

Anticipated Delivery:

The Bond is offered when, as and if issued. The Bond will be dated the date of delivery and is expected to be delivered on or about November 1, 2017. Delivery of a properly executed Bond will be made in Martinsburg, West Virginia, or such other place as is mutually agreed

upon by the District and the purchaser, at the expense of the District, accompanied by a transcript of the record of the proceedings, a Signature and No-Litigation Certificate, and the unqualified approving opinion of Steptoe & Johnson PLLC, as Bond Counsel ("Bond Counsel"). The proceeds of the Bond shall be made in immediately available Federal funds by wire transfer as directed by the District on or prior to closing. The amount of the payment shall be equal to the principal amount bid.

- Purchaser's Information:* The purchaser of the Bond shall be obligated to furnish, prior to the delivery of the Bond, such information as shall be necessary to enable the District to determine the "issue price" of the Bond as defined in the Code and to certify the same to Bond Counsel. The purchaser of the Bond will be expected to deliver an issue-price certificate to the District at closing.
- Certification of Lender:* The purchaser of the Bond shall execute a certification of lender addressed to the District, the Financial Advisor and Bond Counsel acknowledging certain matters related to its purchase of the Bond. The form of the certification of lender to be delivered at closing is attached hereto as Exhibit C.
- Financial Advisor:* Compass Municipal Advisors, LLC has acted as Financial Advisor to the District in connection with the issuance of the Bond. In this capacity, Compass Municipal Advisors, LLC provided technical assistance and assisted the District in preparing for this financing.
- Submission of Bids:* Proposals are due by Wednesday, October 18, 2017, at 11:00 A.M. (LOCAL TIME). Bids for the purchase of the Bond shall be submitted either by email or facsimile delivery as stated below.
- Email Delivery:* Bidders are strongly encouraged to submit bids to the District by email to the individuals listed below, which bids will constitute a qualifying bid pursuant to this Request for Proposals. Any delay in receipt of an email bid, or any incompleteness or illegible portions of any bid, will be the responsibility of the bidder.
- Facsimile Delivery:* Bidders may also submit bids to the District by facsimile transmission to the individuals listed below, which bids will constitute a qualifying bid pursuant to this Request for Proposals. Any delay in receipt of a facsimile bid, or any incompleteness or illegible portions of any bid, will be the responsibility of the bidder.

Contact Persons:

All proposals should provide in their reference line "Proposal for Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified)" of Berkeley County Public Service Sewer District" and should be directed to the District, with copies to the Bond Counsel and the Financial Advisor in accordance with the following information:

Curtis Keller, General Manager
Berkley County Public Service Sewer District
Email: cbkeller@bcpssd.com or Fax: 304.267.7478

John C. Stump, Bond Counsel
Steptoe & Johnson PLLC
Email: john.stump@steptoe-johnson.com or Fax: 304.353.8181

Brian Nurick, Managing Director
Michael George, Director
Compass Municipal Advisors, LLC
Email: proposals@compassmuni.com or Fax: 803.354.4899

*Audited Financial
Statements:*

The District's audited financial statements for the fiscal years ending June 30, 2016, June 30, 2015 and June 30, 2014 are available on EMMA.

Additional Information:

Any questions regarding this Request for Proposals should be directed in writing, via e-mail, to the District's Financial Advisor, Compass Municipal Advisors, LLC, with Brian Nurick (brian.nurick@compassmuni.com) or Michael George (michael.george@compassmuni.com). All questions will be answered via e-mail with a copy to each potential bidder.

REQUEST FOR PROPOSALS
Exhibit A

Principal Payment <u>Date</u>	<u>Principal Amount*</u>
10/1/2018	\$116,400
10/1/2019	1,031,000
10/1/2020	1,011,400
10/1/2021	1,048,400
10/1/2022	1,074,400
10/1/2023	1,095,500
10/1/2024	1,138,300
10/1/2025	1,116,400
10/1/2026	<u>917,300</u>
	\$8,599,100

* Preliminary, subject to change.

REQUEST FOR PROPOSALS
Exhibit B

Outstanding Bonds Secured by Net Revenue of the System

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2017 B Bonds as to liens, pledge, 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 (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 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");
- (5) 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");
- (6) 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");
- (7) 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");
- (8) 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");
- (9) 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");
- (10) 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");

- (11) 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");
- (12) 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");
- (13) 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");
- (14) 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");
- (15) 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");
- (16) 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");
- (17) 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");
- (18) 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");
- (19) 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");
- (20) 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");
- (21) Sewer Revenue Bonds, Series 2015 A (West Virginia SRF Program), dated February 12, 2015, issued in the original aggregate principal amount of \$26,435,450 (the "Series 2015 A Bonds");
- (22) Sewer Revenue Bonds, Series 2015 B (West Virginia Infrastructure Fund), dated February 12, 2015, issued in the original aggregate principal amount of \$10,623,472 (the "Series 2015 B Bonds");
- (23) Sewer Revenue Bonds, Series 2015 C (Tax-Exempt), dated February 12, 2015, issued in the original aggregate principal amount of \$16,970,000 (the "Series 2015 C Bonds");
- (24) Sewer Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated

February 24, 2016, issued in the original aggregate principal amount of \$163,871 (the "Series 2016 A Bonds"); and

(25) Sewer Refunding Revenue Bonds, Series 2016 B (Tax Exempt), dated April 21, 2016, issued in the original aggregate principal amount of \$29,300,000 (the "Series 2016 B Bonds").

The Series 2017 B Bonds shall be issued senior and prior to 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 (the "Series 1990 B Bonds").

REQUEST FOR PROPOSALS

Exhibit C

[LETTERHEAD OF LENDER]

[Closing Date]

Berkeley County Public
Sewer Service District
Martinsburg, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Compass Municipal Advisors, LLC
Lexington, Kentucky

Re: \$10,000,000 Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified) (the “**Bond**”)

Ladies and Gentlemen:

The undersigned, on behalf of [NAME OF LENDER], as purchaser of the above-referenced Bond (the “Lender”), has agreed to purchase the Bond issued by Berkeley County Public Service Sewer District, Martinsburg, West Virginia (the “District”) in order to refund the District previously issued Sewer Refunding Revenue Bonds, Series 2013 A (Bank Qualified).

The Lender hereby represents to you that:

- (1) The Bond is non-transferable or restricted to transfer to successors of the Lender.
- (2) [The Bond may be transferred through participation or syndication only.]
- (3) The financing arrangement between the Lender and the District is represented solely by the Bond, which is a contract between the parties thereto.
- (4) The Bond is not rated by a credit rating agency.
- (5) The Bond is not assigned a CUSIP number.
- (6) Assignment of Lender's rights under the Bond is subject to the terms and conditions of the Bond.
- (7) There is no agreement facilitating creation of a market for trading, such as a marketing or remarketing agreement or continuing disclosure agreement, with respect to the Bond or any obligations

thereunder.

- (8) The terms of the Bond have been negotiated between Lender and the District.
- (9) The obligations of the Lender under the Bond will be those of the Lender, not the securities affiliate of the Lender.
- (10) Lender will treat the transaction contemplated by the Bond as a loan, not a security, for accounting and regulatory purposes.
- (11) Registration of the Bond is in physical form, in name of the Lender.
- (12) The Lender has sufficient knowledge and experience in financial and business matters, including those involving loans to public bodies, to be able to evaluate the risks and merits of the credit represented by the purchase of the Bond.
- (13) The Lender understands that no official statement, prospectus, offering circular or other comprehensive offering statement containing material information with respect to the District and the Bond is being issued, and that, in due diligence, it has made its own inquiry and analysis with respect to the District, the Bond, and other material factors affecting the security for and payment of the District's obligations under the Bond.
- (14) The Lender acknowledges that it has either been supplied with or has access to information, including financial statements and other financial information, regarding the District, to which a reasonable lender would attach significance in making credit decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the District, the Bond and the security therefor, so that as a reasonable lender, it has been able to make its decision to purchase the Bond.
- (15) The Lender understands that the scope of engagement of Steptoe & Johnson PLLC, as Bond Counsel, with respect to the Bond has been limited to matters set forth in their opinion based on their view of such legal proceedings as they deem necessary to approve the validity and the tax-exempt status of the Bond.

[LENDER]

Berkeley County Public Service Sewer District
Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified)

CERTIFICATE OF DETERMINATIONS

The undersigned, John Kunkle, Chairman of Berkeley County Public Service Sewer District (the "Issuer"), in accordance with the Supplemental Parameters Resolution adopted by the Governing Body of the Issuer on October 3, 2017 (the "Supplemental Parameters Resolution"), with respect to the Issuer's Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified) (the "Series 2017 B Bond"), hereby finds and determines this 1st day of November, 2017 as follows:

1. The Series 2017 B Bond shall be dated November 1, 2017, shall bear interest payable on April 1 and October 1 of each year commencing April 1, 2018.
2. The Series 2017 B Bond shall be issued in the aggregate principal amount of \$8,587,000. The interest rate on the Series 2017 B Bond does not exceed 7%, being the maximum interest rate authorized by the Supplemental Parameters Resolution.
3. The payments of interest on, and principal of, the Series 2017 B Bond shall be as reflected on the debt service schedule as set forth on Schedule 1 attached hereto and incorporated herein.
4. The Series 2017 B Bond shall bear interest at the rate of 2.30%, computed annually.
5. The Series 2017 B Bond shall be subject to optional redemption as set forth on Schedule 2 attached hereto and incorporated herein.
6. The Series 2017 B Bond shall be sold to Branch Banking and Trust Company, Charlotte, North Carolina (the "Lender"), pursuant to the terms of the Lender's response to the Request for Proposals at an aggregate purchase price of \$8,587,000.
7. The forms of the Tax Certificate, the Escrow Agreement and the Registrar Agreement attached hereto are hereby approved.
8. The Closing Memorandum identifying the sources and uses attached hereto as "Certificate of Determinations – Exhibit B" is hereby approved.
9. The Issuer does hereby determine that the Municipal Bond Debt Service Reserve Insurance Policy offered by the Insurer for the Series 2017 B Bond Reserve Account will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Debt Service Reserve Insurance Policy, and accordingly accepts the Municipal Bond Debt Service Reserve Policy Insurance Commitment (the "Reserve Commitment") dated October 16, 2017. The Chairman's execution of the Reserve Commitment and delivery of the same to Insurer, is hereby ratified and affirmed.
10. Pursuant to the Reserve Commitment and, as permitted by Section 16 of the Supplemental Resolution, the covenants and provisions which are required by the Insurer as a condition precedent to issuance of its Municipal Bond Debt Service Reserve Insurance Policy for the Series 2017 B Bond are attached hereto as "Certificate of

Determinations - Exhibit A" and incorporated herein by reference as part hereof, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to, the Resolution and applicable to the Series 2017 B Bond.

11. The undersigned hereby certifies that the foregoing terms and conditions of the Series 2017 B Bond are within the parameters prescribed by the Supplemental Parameters Resolution, and the Series 2017 B Bond may be issued with such terms and conditions as authorized by the Supplemental Parameters Resolution.
12. The Issuer designates the Series 2017 B Bond as a "qualified tax exempt obligation" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than \$10,000,000 of tax exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2017. Therefore, the Series 2017 B Bond is a "qualified tax exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

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

BERKELEY COUNTY PUBLIC SERVICE
SEWER DISTRICT

By:  _____
Its: Chairman

SCHEDULE I

DEBT SERVICE SCHEDULE FOR SERIES 2017 B BOND

Berkeley County Public Sewer District, West Virginia

Sewer Advance Refunding Revenue Bond, Series 2017 B

FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17

(Competitive Bid - Bank Qualified)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
04/01/2018	-	-	82,292.08	82,292.08	82,292.08
10/01/2018	136,400.00	2.300%	98,750.50	235,150.50	235,150.50
04/01/2019	-	-	97,181.90	97,181.90	97,181.90
10/01/2019	1,023,700.00	2.300%	97,181.90	1,120,881.90	1,120,881.90
04/01/2020	-	-	85,409.35	85,409.35	85,409.35
10/01/2020	1,004,900.00	2.300%	85,409.35	1,090,309.35	1,090,309.35
04/01/2021	-	-	73,853.00	73,853.00	73,853.00
10/01/2021	1,042,800.00	2.300%	73,853.00	1,116,653.00	1,116,653.00
04/01/2022	-	-	61,860.80	61,860.80	61,860.80
10/01/2022	1,069,800.00	2.300%	61,860.80	1,131,660.80	1,131,660.80
04/01/2023	-	-	49,558.10	49,558.10	49,558.10
10/01/2023	1,091,900.00	2.300%	49,558.10	1,141,458.10	1,141,458.10
04/01/2024	-	-	37,001.25	37,001.25	37,001.25
10/01/2024	1,135,800.00	2.300%	37,001.25	1,172,801.25	1,172,801.25
04/01/2025	-	-	23,939.55	23,939.55	23,939.55
10/01/2025	1,164,900.00	2.300%	23,939.55	1,188,839.55	1,188,839.55
04/01/2026	-	-	10,543.20	10,543.20	10,543.20
10/01/2026	916,800.00	2.300%	10,543.20	927,343.20	927,343.20
04/01/2027	-	2.300%	-	-	-
Total	\$8,587,000.00	-	\$1,059,736.88	\$9,646,736.88	\$9,646,736.88

2017B REF | SINGLE PURPOSE | 10/18/2017 | 12:13 PM

Compass Municipal Advisors, LLC
BNurick - Public Finance

10/18/2017

SCHEDULE 2

REDEMPTION PROVISIONS FOR SERIES 2017 B BOND

Optional Redemption

On or after April 1, 2022, the principal balance of the Series 2017 B Bond may be prepaid in whole, at par on any date.

CERTIFICATE OF DETERMINATIONS - EXHIBIT A

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT



**MUNICIPAL BOND DEBT SERVICE RESERVE
INSURANCE COMMITMENT (STAND ALONE)**

ISSUER: Berkeley County Public Service
District, West Virginia

EFFECTIVE DATE: October 16, 2017

EXPIRATION DATE: January 15, 2018

MEMBER: Berkeley County Public Service District,
West Virginia

BONDS: Sewer Revenue Advanced Refunding
Bonds, Series 2017B

INSURANCE PAYMENT: 2.85% of Policy Limit

POLICY LIMIT: \$964,601.00. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement for 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 Debt Service Reserve 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 POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED OR WAIVED BY BAM, AND THE ISSUER AND MEMBER AGREE AS FOLLOWS:

1. The documents to be, or that have been, executed and delivered in connection with the issuance and sale of the Bonds and the issuance of the Policy (collectively, the "Security Documents") are in full force and effect and no default, breach or events of default (or event which with notice or the lapse of time would constitute an event of default) has occurred and is continuing under any of the Security Documents.

2. The Policy shall expire on the earlier of (a) final maturity date of the Bonds and (b) the date the Bonds are no longer outstanding under the Security Documents.

3. The applicable Security 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.

4. BAM shall be provided with:

(a) Copies of all drafts of the Security Document 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) A copy of the Debt Service Reserve Agreement between the Issuer and BAM (the "Agreement"), substantially in the form of **Exhibit B**, duly executed by the Issuer, subject only to such changes as shall be agreed to by BAM, as evidenced by BAM's execution thereof.

(c) Executed copies of all Security Documents and a legal opinion of nationally recognized bond counsel as to due authorization, validity and enforceability of the Security Documents, which legal opinion(s) shall be addressed to BAM. The foregoing shall be in form and substance acceptable to BAM. (For your information, the form of legal opinion to be delivered by BAM upon issuance of the Policy is attached hereto as **Exhibit C**.)

(d) An opinion(s) of nationally recognized bond counsel or other counsel acceptable to BAM, addressed and in form and substance satisfactory to BAM, (i) as to the due authorization, validity and enforceability of the Agreement, (ii) that the repayment of draws under the Policy and all Policy Costs are secured by and payable from Net Revenues (as such term is defined in the Security Documents) in accordance with the terms of the Agreement, (iii) if applicable, that the Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund or account (the "Reserve Fund") under the Security Documents, and (iv) as to such other matters as BAM shall reasonably request.

(e) 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 issuance of the Policy.

5. The Security Documents shall secure repayment of draws under the Policy and all Policy Costs consistent with the terms of the Agreement.

6. Promptly, but in no event more than thirty (30) days after the issuance of the Policy, BAM shall receive two (2) CD-ROMs, which contain the final closing transcript of proceedings with respect to the Bonds and the issuance of the Policy or if CD-ROMs are not available, such other electronic form as BAM shall accept.

7. 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, if any, and ten (10) days after the date of this Commitment.

REPRESENTATION AND AGREEMENT BY BAM

- (a) BAM is a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York.
- (b) BAM covenants that it will only insure obligations of states, political subdivisions, an integral part of states or political subdivisions or entities otherwise eligible for the exclusion of income under Section 115 of the Internal Revenue Code of 1986, as amended, or any successor thereto.
- (c) BAM covenants that it will not seek to convert to a stock insurance corporation.
- (d) The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

BUILD AMERICA MUTUAL ASSURANCE COMPANY



Authorized Officer

October 16, 2017

Date

AGREED AND ACCEPTED

The undersigned agrees and accepts the conditions set forth above and further agrees that (i) if the debt service reserve fund requirement for the Bonds is met by a credit instrument, such credit instrument shall be a Reserve Policy provided by BAM in accordance with the terms of this Commitment; (ii) it has made an independent investigation and decision as to whether to obtain the Policy 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 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 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 (i) through (vi) above and the representations and agreements of BAM shall survive the expiration or termination of this Commitment.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA

By: _____
Authorized Officer

Date

EXHIBIT A

DOCUMENT PROVISIONS

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

- (a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") and pay all related reasonable expenses incurred by BAM (the "Reserve Insurer"). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Reserve Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall be made from the first Net Revenues available after all required payments to the Sinking Fund for the Bonds and shall commence no later than the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

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

All cash and investments in the Debt Service Reserve Fund established for the Bonds and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other credit facility on deposit in the Debt Service Reserve Fund in lieu of cash ("Reserve Fund Credit Instrument").

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt Service Reserve Fund.

For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund 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.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

- (b) Draws under the Reserve Policy may only be used to make payments on Bonds covered under the Reserve Policy.
- (c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Bond Ordinance.
- (d) This Bond Ordinance shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The Issuer’s obligation to pay such amount shall expressly survive payment in full of the Bonds.
- (e) The Reserve Policy shall expire and terminate in accordance with the terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.
- (f) Any amendment, supplement, modification to, or waiver of this Bond Ordinance or any other document executed in connection with the Bonds (collectively, the “Security Documents”) that requires the consent of the Owners of the Bonds or adversely affects the rights or interest of the Reserve Insurer shall be subject to the prior written consent of the Reserve Insurer.
- (g) The Reserve Insurer 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.
- (h) 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 Bond Ordinance.
- (i) The Paying Agent shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph a hereof and shall provide notice to the Reserve Insurer 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 Bonds. Where deposits are required to be made by the Issuer with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to the Reserve Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.
- (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of

the Reserve Insurer'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 Bond Ordinance or any other Security Document ("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 the Reserve Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full.

- (k) Payments made by BAM under the Reserve Policy with respect to claims for interest on or principal of the Bonds shall not discharge the obligation of the Issuer with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest thereon. The issuer and the Trustee recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

- (l) In order to secure the Issuer's payment obligations with respect to Policy Cost, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Bonds) in all revenues and collateral pledged as security for the Bonds. Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Bonds, including following the occurrence of a default or event of default.

- (m) Notice and Other Information to be given to the Reserve Insurer.

(1) The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Bonds or the Trustee under the Security Documents.

(2) In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon the Debt Service Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.

(3) The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company
200 Liberty Street, 27th Floor

New York, NY 10281
Attention: Surveillance, Re: Policy No. _____
Telephone: (212) 235-2500
Telecopier: (212) 235-1542
Email: notices@buildamerica.com

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."

EXHIBIT B

FORM OF DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated _____, 2017 (the "Agreement"), by and between BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA (the "Issuer") and BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM").

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. _____ (the "Reserve Policy") with respect to the Issuer's Sewer Revenue Advanced Refunding Bonds, Series 2017B (the "Bonds") issued under a Bond Resolution duly adopted on _____ (collectively, the "Authorizing Document") and the payment to BAM of the Insurance Payment for the Reserve Policy, the Issuer and BAM hereby covenant and agree as follows:

1. The Issuer 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 5%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, 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 (as defined below) and the interest accrued thereon at the Late Payment Rate (collectively, "Policy Costs") shall be made from the first Net Revenues available after all required payments to the Sinking Fund for the Bonds and shall commence no later than the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate 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 Bonds (the "Reserve Fund") and any surplus fund or account shall be transferred to the debt service fund for payment of debt service on the Bonds before any drawing may be made on the Reserve Policy or on any alternative credit instrument on deposit in the Reserve Fund ("Alternate Credit Instrument"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Alternative Credit Instruments

(including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such Alternative Credit Instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to Alternative Credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Alternative Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

Draws under the Reserve Policy may only be used to make payments of principal of and interest on the Bonds.

5. The Reserve Policy shall terminate on the earlier to occur of _____ and the date the Bonds are no longer outstanding under the Authorizing Document.
6. If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document.
7. Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.
8. The Authorizing Document shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Issuer's obligation to pay such amounts shall expressly survive payment in full of the Bonds.
9. In order to secure the Issuer'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 Bonds) in all revenues and collateral pledged as security for the Bonds ("Pledged Collateral"). Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Bonds, including following the occurrence of a default or event of default. The Issuer shall not make payments from or pledge, assign or grant a security interest in the Pledged Collateral to any provider of an Alternate Credit Instrument that is senior or prior to the payments or security interest granted to BAM by this Paragraph 9.
10. The Issuer shall fully observe, perform and fulfill each of the provisions, covenants and agreements (as each of those provisions, covenants and agreements may be amended, supplemented, modified or waived with, if required by Paragraph 7 above, the prior

written consent of BAM) of the Authorizing Document applicable to it, with each of such provisions, covenants and agreements being expressly incorporated into this Agreement by reference solely for the benefit of BAM as if set forth directly herein.

11. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Authorizing Document.
12. The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Issuer with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to BAM of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.
13. Payments made by BAM under the Reserve Policy with respect to claims for interest on or principal of the Bonds shall not discharge the obligation of the Issuer with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest thereon. The Issuer and the Trustee recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.
14. The Issuer agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Document or any other document executed in connection with the Bonds ("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 Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.
15. The obligation of the Issuer to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Issuer and will be paid or performed strictly in accordance with this Agreement.
16. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Document or any other document executed in connection

with the Bonds, the Issuer shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.

17. Notice and Other Information to be given to the Reserve Insurer.

- a. The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Bonds or the Trustee under the Security Documents.
- b. In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon the Debt Service Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.
- c. The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

18. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com; with a copy of such notice or other communication sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214.

19. The Issuer agrees that any disclosure document or other document relating to the issuance or sale of the Bonds shall not contain any reference to BAM or the Reserve Policy, except as may be approved by BAM.

20. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement. In the event of any conflict in the terms of this Agreement and the Authorizing Document, the terms of this Agreement shall control.

21. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.

22. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.

23. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

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

BERKELEY COUNTY PUBLIC SERVICE DISTRICT,
WEST VIRGINIA

By: _____
Title:

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Title:

EXHIBIT C

FORM OF OPINION



[CLOSING DATE]

[ADDRESSEES (ISSUER, MEMBER AND TRUSTEE)]

Re:

DSR Policy: Debt Service Reserve Insurance Policy No. [POLICY NO.]
Member:
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 DSR 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 Member as a member of BAM until the Policy is 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.

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 transaction described above 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,

EXHIBIT 1

Specimen Municipal Bond Debt Service Reserve Insurance Policy



**MUNICIPAL BOND DEBT SERVICE
RESERVE INSURANCE POLICY
(SA)**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

Effective Date: _____

BONDS: [Bonds]

Risk Premium: \$ _____

MAXIMUM POLICY LIMIT: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

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

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

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) 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 and (b) 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.

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. 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, 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 or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be obtained from BAM upon request. "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 lesser of (i) the Maximum Policy Limit set forth above and (ii) 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"). 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. "Security Documents" means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement or any similar document and any additional or supplemental document executed in connection with the Bonds. "Term" means the period from and including the Effective Date until the Termination Date. "Termination Date" means the earlier to occur of (i) the date on which the Bonds are no longer outstanding under the Security Documents and (ii) _____ [date].

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

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

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor

New York, New York 10281

Telecopy: 212-235-1524 (attention: Claims)

SPECIMEN

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

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

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement 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:

CERTIFICATE OF DETERMINATIONS - EXHIBIT B

CLOSING MEMORANDUM

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT

Sewer Refunding Revenue Bond, Series 2017 B

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

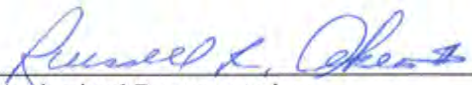
On this 1st day of November, 2017, the undersigned authorized representative of Branch Banking and Trust Company, Charlotte, North Carolina (the "Lender"), and the undersigned Chairman of the Berkeley County Public Service Sewer District (the "Issuer"), hereby certify as follows:

1. On November 1, 2017, at Martinsburg, West Virginia, the Lender received the Berkeley County Public Service Sewer District Sewer Refunding Revenue Bond, Series 2017 B, No. BR-1, issued as a single bond in the principal amount of \$8,587,000 (the "Series 2017 B Bond"), dated November 1, 2017. The Series 2017 B Bond represents the entire above-captioned bond issue.
2. At the time of such receipt, the Series 2017 B Bond had been executed and sealed by the designated officials of the Issuer.
3. The Issuer has received and hereby acknowledges receipt from the Lender of the sum of \$8,587,000, being the entire principal amount of the Series 2017 B Bond, there being no interest accrued thereon.

[Remainder of Page Intentionally Blank]

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

BRANCH BANKING & TRUST COMPANY

By: 
Its: Authorized Representative

BERKELEY COUNTY PUBLIC
SERVICE SEWER DISTRICT

By: 
Its: Chairman

Berkeley County Public Service Sewer District
Sewer Refunding Revenue Bond, Series 2017 B (Bank-Qualified)

DIRECTION TO AUTHENTICATE AND DELIVER SERIES 2017 B BOND

United Bank, Inc.
as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 1st day of November, 2017:

1. Bond No. BR-1, constituting the entire original issue of the Berkeley County Public Service Sewer District Sewer Refunding Revenue Bond, Series 2017 B, dated November 1, 2017, in the principal amount of \$8,587,000 (the "Series 2017 B Bond") executed by the Chairman and the Secretary of the Berkeley County Public Service Sewer District (the "Issuer") and bearing the official seal of the Issuer. The Series 2017 B Bond is authorized to be issued under and pursuant to a Bond Resolution adopted by the Issuer on October 3, 2017 and a Supplemental Resolution adopted by the Issuer on October 3, 2017 (collectively, the "Bond Legislation").
2. A copy of the Bond Legislation duly certified by the Secretary.
3. Signed, unqualified approving opinion of nationally recognized bond counsel designated by the Issuer and acceptable to the Lender.

You are hereby requested and authorized to deliver the Series 2017 B Bond to Branch Banking and Trust Company (the "Lender") upon payment to the Issuer of the sum of \$8,587,000, representing the entire principal amount of the Series 2017 B Bond. Prior to such delivery of the Series 2017 B Bond, you will please cause the Series 2017 B Bond to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

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

BERKELEY COUNTY PUBLIC
SERVICE SEWER DISTRICT

By: _____

Its:  Chairman

SPECIMEN

THIS BOND IS REGISTERED SOLELY WITH THE REGISTRAR, UNITED BANK, INC., AND IS NOT REGISTERED WITH THE DEPOSITORY TRUST COMPANY. THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE OR OTHER SECURITIES LAWS. THE OWNERSHIP INTEREST IN THIS BOND MAY NOT BE SYNDICATED, PARTICIPATED, REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF BY THE REGISTERED OWNER EXCEPT TO AN ENTITY WHICH CAN PROVIDE A "CERTIFICATE OF LENDER" SUBSTANTIALLY IN THE FORM PROVIDED BY THE INITIAL REGISTERED OWNER AT THE TIME OF PURCHASE FROM THE ISSUER. ANY REGISTRATION OF SUCH TRANSFER OR ASSIGNMENT TO ANY SUCH SUCCESSOR CORPORATION MUST BE SUBMITTED TO THE REGISTRAR. THIS BOND SHALL BE TREATED BY THE REGISTERED OWNER AS A COMMERCIAL LOAN FOR ACCOUNTING AND REGULATORY PURPOSES. THE REGISTERED OWNER OF THIS BOND BY ITS ACCEPTANCE HEREOF AGREES THAT IT WILL COMPLY WITH THE FOREGOING RESTRICTIONS.

No. BR-1

\$8,587,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT (WEST VIRGINIA)
SEWER REFUNDING REVENUE BOND, SERIES 2017 B (BANK QUALIFIED)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BOND DATE</u>
2.30%	October 1, 2026	November 1, 2017
REGISTERED OWNER:	BRANCH BANKING AND TRUST COMPANY	
PRINCIPAL AMOUNT:	EIGHT MILLION FIVE HUNDRED EIGHTY-SEVEN THOUSAND DOLLARS	

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public service district organized and existing under the laws of the State of West Virginia (the "Borrower"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered successor corporation (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 Borrower 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 April 1, 2018 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (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 Owner 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 Borrower maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of the Registered Owner by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner. Principal and premium, if any, shall be paid when due by the Paying Agent to the Registered Owner.

Interest shall be computed on the basis of a year of 360 days and 30 days in a month. The principal of this Bond shall be payable in 9 annual installments commencing on the 1st day of October, 2018 and on the 1st day of each October thereafter, to and including October 1, 2026. The semiannual interest installments and annual principal installments shall be due and payable as listed on the attached debt service schedule attached hereto as EXHIBIT A.

The proceeds of this "Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified)" (the "Bond") are to be used (i) to finance the costs of advance refunding the Issuer's Sewer Refunding Revenue Bonds, Series 2013 A, (ii) to fund the Series 2017 B Bond Reserve Account with the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy"), and (iii) to pay certain costs of issuance of the Series 2017 B Bond and related costs. The Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on October 3, 2017, and supplemented by a Supplemental Parameters Resolution adopted by the Issuer on October 3, 2017 and a Certificate of Determinations dated November 1, 2017 (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 Parity Bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owner of the Bond and the Registered Owner of any subsequently issued Additional Parity Bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Secretary in Martinsburg, West Virginia.

The Bond is subject to redemption prior to stated maturity date, as provided in the Resolution and as set forth below:

Optional Redemption. The Bond is subject to redemption prior to maturity at the option of the Issuer on and after April 1, 2022, in whole but not in part at any time at a redemption price equal to

the principal amount of the Series 2017 B Bond to be redeemed, plus interest accrued thereon to the date fixed for redemption.

Unless waived by the Registered Owner of the Series 2017 B Bond, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy, or by other means as is normal and customary, of an official redemption notice by registered or certified mail at least 15 days and not more than 30 days prior to the date fixed for redemption to the Registered Owner of the Series 2017 B Bond 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. Notice of redemption having been given as aforesaid, the Bond, or portion thereof, 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 Bond, or portion thereof, 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 the Series 2017 B Bond.

The Registered Owner of the Series 2017 B Bonds shall not be required to surrender the bond in order to receive payments during the term, including upon maturity.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2017 B Bond as to liens, pledge, source of and security for payment, being the Issuer's:

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

(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 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");

(5) 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");

(6) 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");

(7) 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");

(8) 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");

(9) 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");

(10) 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");

(11) 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");

(12) 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");

(13) 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");

(14) 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");

(15) 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");

(16) 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");

(17) 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");

(18) 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");

(19) 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");

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

(21) SEWER REVENUE BONDS, SERIES 2015 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 12, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$10,623,472 (THE "SERIES 2015 B BONDS");

(22) SEWER REVENUE BONDS, SERIES 2015 C (TAX-EXEMPT), DATED FEBRUARY 12, 2015, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$16,970,000 (THE "SERIES 2015 C BONDS");

(23) SEWER REVENUE BONDS, SERIES 2016 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED FEBRUARY 24, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$163,871 (THE "SERIES 2016 A BONDS"); AND

(24) SEWER REFUNDING REVENUE BONDS, SERIES 2016 B (TAX EXEMPT), DATED APRIL 21, 2016, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$29,300,000 (THE "SERIES 2016 B BONDS") (COLLECTIVELY, THE "FIRST LIEN BONDS").

In addition, there are outstanding obligations of the Issuer which are subordinate to the Series 2017 B 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" AND, TOGETHER WITH THE FIRST LIEN BONDS, THE "PRIOR BONDS").

In addition to the Net Revenue pledge of the Prior Bonds, there are outstanding obligations of the Issuer which are secured by the Surplus Revenues of the System, being the Issuer's:

(1) SEWER SURPLUS REVENUE BONDS, SERIES 2017 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JUNE 30, 2017, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,100,000 (THE "SERIES 2017 A BONDS").

The Series 2017 B Bond and the interest thereon is payable only from and is secured by the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds and senior and prior to the Second Lien Bonds and from moneys in the Series 2017 B Bond Sinking Fund and from the Reserve Policy pledged to the Series 2017 B Bond Reserve Account established under the Resolution, and the unexpended proceeds of the Series 2017 B Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on the Prior Bonds, the Series 2017 B Bond and any hereinafter issued Additional Parity Bonds 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 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 moneys in the Series 2017 B Bond Sinking Fund and from the Reserve Policy pledged to the Series 2017 B Bond Reserve Account and unexpended proceeds of the Series 2017 B Bond. Under the Resolution, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses 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 on the Series 2017 B Bond and all other obligations secured by a lien on or payable from such Net Revenues on a parity with or junior to the Series 2017 B Bond, including the Prior Bonds and any hereinafter issued Additional Parity Bonds. The Issuer has entered into certain further covenants with the Registered Owner of the Series 2017 B Bond, for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of the Series 2017 B Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Series 2017 B Bond except for accrued interest thereon shall be applied solely to finance the advance refunding of the Issuer's outstanding Series 2013 A Bonds, purchase the Reserve Policy pledged to the reserve account for the Series 2017 B Bond and pay costs of issuance of the Series 2017 B Bond, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owner of the Series 2017 B Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2017 B 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 2017 B Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Series 2017 B Bond.

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

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

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

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

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

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

[SEAL]



Chairman

Specimen

ATTEST:


Secretary

Specimen

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Series 2017 B Bond is the fully registered Bond 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 2017 B Bond.

Dated: November 1, 2017.

UNITED BANK, INC.,
as Registrar

By 
Its Authorized Officer

EXHIBIT A

Debt Service Schedule

Berkeley County Public Sewer District, West Virginia

Sewer Advance Refunding Revenue Bond, Series 2017 B

FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17

(Competitive Bid - Bank Qualified)

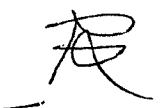
Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New Dis
04/01/2018	-	-	82,292.08	82,292.08	82,292.08
10/01/2018	136,400.00	2.300%	98,750.50	235,150.50	235,150.50
04/01/2019	-	-	97,181.90	97,181.90	97,181.90
10/01/2019	1,023,700.00	2.300%	97,181.90	1,120,881.90	1,120,881.90
04/01/2020	-	-	85,409.35	85,409.35	85,409.35
10/01/2020	1,004,900.00	2.300%	85,409.35	1,090,309.35	1,090,309.35
04/01/2021	-	-	73,853.00	73,853.00	73,853.00
10/01/2021	1,042,800.00	2.300%	73,853.00	1,116,653.00	1,116,653.00
04/01/2022	-	-	61,860.80	61,860.80	61,860.80
10/01/2022	1,069,800.00	2.300%	61,860.80	1,131,660.80	1,131,660.80
04/01/2023	-	-	49,558.10	49,558.10	49,558.10
10/01/2023	1,091,900.00	2.300%	49,558.10	1,141,458.10	1,141,458.10
04/01/2024	-	-	37,001.25	37,001.25	37,001.25
10/01/2024	1,135,800.00	2.300%	37,001.25	1,172,801.25	1,172,801.25
04/01/2025	-	-	23,939.55	23,939.55	23,939.55
10/01/2025	1,164,900.00	2.300%	23,939.55	1,188,839.55	1,188,839.55
04/01/2026	-	-	10,543.20	10,543.20	10,543.20
10/01/2026	916,800.00	2.300%	10,543.20	927,343.20	927,343.20
04/01/2027	-	2.300%	-	-	-
Total	\$8,587,000.00	-	\$1,059,736.88	\$9,646,736.88	\$9,646,736.88

2017B REF | SINGLE PURPOSE | 10/18/2017 | 12:13 PM

Compass Municipal Advisors, LLC

BNurick - Public Finance


10/18/2017

(Form of)

ASSIGNMENT TO SUCCESSOR CORPORATION

Social Security or Other Identifying Number of Assignee _____

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

_____ the within 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 to Corporate Successor must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

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: 11/1/2017

ISSUE: <u>Berkeley County Public Service Sewer District</u> <u>Sewer Refunding Revenue Bonds, Series 2017 B (Tax-Exempt)</u>																			
ADDRESS: <u>65 District Way, Martinsburg, WV 25401</u>		COUNTY: <u>Berkeley</u>																	
PURPOSE OF ISSUE: New Money: _____ Refunding: <u>x</u>																			
ISSUE DATE: <u>11/1/2017</u>		REFUNDS ISSUE(S) DATED: <u>8/22/2013</u>																	
ISSUE AMOUNT: <u>\$8,587,000</u>		CLOSING DATE: <u>11/1/2017</u>																	
1ST DEBT SERVICE DUE: <u>4/1/2018</u>		RATE: <u>2.30%</u>																	
1ST DEBT SERVICE AMOUNT <u>see DSS</u>		1ST PRINCIPAL DUE <u>10/1/2018</u>																	
		PAYING AGENT: <u>Municipal Bond Commission</u>																	
BOND COUNSEL: Firm: <u>Stephoe & Johnson PLLC</u> Contact: <u>John Stump, Esquire</u> Phone: <u>(304) 353.8196</u>		UNDERWRITERS COUNSEL Firm: _____ Contact: _____ Phone: _____																	
CLOSING BANK: Bank: <u>BB&T</u> Contact: <u>Rusty Akers</u> Phone: <u>304.353.1635</u>		ESCROW TRUSTEE: Firm: _____ Contact: _____ Phone: _____																	
KNOWLEDGEABLE ISSUER CONTACT Contact: <u>Curtis Keller</u> Position: <u>General Manager</u> Phone: <u>304.267.9468</u>		OTHER: Agency: _____ Contact: _____ Position: _____ Phone: _____																	
DEPOSITS TO MBC AT CLOSE <table style="width: 100%;"> <tr> <td style="width: 40%;">By: <u>x</u> Wire</td> <td style="width: 20%;">Accrued Interest:</td> <td style="width: 20%;">\$</td> <td style="width: 20%;">_____</td> </tr> <tr> <td><u> </u> Check</td> <td>Capitalized Interest:</td> <td>\$</td> <td>_____</td> </tr> <tr> <td></td> <td>Reserve Account:</td> <td>\$</td> <td>_____</td> </tr> <tr> <td><u>x</u> Other: Escrow Fund</td> <td></td> <td>\$</td> <td><u>8,456,244.76</u></td> </tr> </table>				By: <u>x</u> Wire	Accrued Interest:	\$	_____	<u> </u> Check	Capitalized Interest:	\$	_____		Reserve Account:	\$	_____	<u>x</u> Other: Escrow Fund		\$	<u>8,456,244.76</u>
By: <u>x</u> Wire	Accrued Interest:	\$	_____																
<u> </u> Check	Capitalized Interest:	\$	_____																
	Reserve Account:	\$	_____																
<u>x</u> Other: Escrow Fund		\$	<u>8,456,244.76</u>																
REFUNDS & TRANSFERS BY MBC AT CLOSE <table style="width: 100%;"> <tr> <td style="width: 40%;">By: <u> </u> Wire</td> <td style="width: 20%;">To Escrow Trustee</td> <td style="width: 20%;">\$</td> <td style="width: 20%;">_____</td> </tr> <tr> <td><u> </u> Check</td> <td>To Issuer</td> <td>\$</td> <td>_____</td> </tr> <tr> <td><u>x</u> IGT</td> <td>To Cons. Invest. Fund</td> <td>\$</td> <td>_____</td> </tr> <tr> <td><u>x</u> To Other: Escrow F</td> <td></td> <td>\$</td> <td><u>564,601.00</u></td> </tr> </table>				By: <u> </u> Wire	To Escrow Trustee	\$	_____	<u> </u> Check	To Issuer	\$	_____	<u>x</u> IGT	To Cons. Invest. Fund	\$	_____	<u>x</u> To Other: Escrow F		\$	<u>564,601.00</u>
By: <u> </u> Wire	To Escrow Trustee	\$	_____																
<u> </u> Check	To Issuer	\$	_____																
<u>x</u> IGT	To Cons. Invest. Fund	\$	_____																
<u>x</u> To Other: Escrow F		\$	<u>564,601.00</u>																
NOTES: <u>The Series 2017 B Bonds Reserve Account will be funded with a Surety Bond</u> _____ _____ _____																			
FOR MUNICIPAL BOND COMMISSION USE ONLY: DOCUMENTS REQUIRED: _____ TRANSFERS REQUIRED: _____ _____																			

Berkeley County Public Service Sewer District
Sewer Refunding Revenue Bond, Series 2017 B (Bank-Qualified)

REGISTRAR AGREEMENT

THIS AGREEMENT, dated as of the 1st day of November, 2017, by and between BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia (the "Issuer"), and UNITED BANK, INC., Charleston, West Virginia, a state banking corporation (the "Bank").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$8,587,000 aggregate principal amount of Sewer Refunding Revenue Bond, Series 2017 B (Bank-Qualified) (the "Series 2017 B Bond" or "Bond"), in fully registered form pursuant to a Bond Resolution enacted October 3, 2017, as supplemented by a Supplemental Parameters Resolution adopted October 3, 2017 (collectively, the "Bond Legislation");

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

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bond; and

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

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

1. Upon the execution of this Agreement by the Issuer and the Bank and during the term hereof, the Bank does accept and shall have and agrees to perform all of the powers and duties of Registrar, as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bond upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the excludability from gross income of interest on the Series 2017 B Bond for purposes of federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.
2. The Bank agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Bank's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.
3. The Bank shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Agreement, the Issuer hereby agrees to pay to the Bank, the compensation for services rendered as provided in the annexed fee schedule and reimbursement for reasonable expenses incurred in connection therewith.
5. It is intended that this Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.
6. The Issuer and the Bank each warrants and represents that it is duly authorized and empowered to execute and enter into this Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.
7. This Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:

Berkeley County Public Service Sewer District
65 District Way
Martinsburg, West Virginia 25402
Attention: General Manager

REGISTRAR:

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

8. The Bank is hereby requested and authorized to authenticate and deliver the Bond in accordance with the Bond Legislation.
9. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of any of the parties hereto shall be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.
10. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of Page Intentionally Blank]

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

BERKELEY COUNTY PUBLIC SERVICE SEWER
DISTRICT

By: 
Its: Chairman

UNITED BANK, INC.

By: 
Its: Authorized Officer

EXHIBIT A

Bond Legislation

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

FEE SCHEDULE

(On File with Issuer)



**STEPTOE &
JOHNSON**
P L L C
ATTORNEYS AT LAW

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

Writer's Contact Information

November 1, 2017

**Berkeley County Public Service Sewer District
Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified)**

Berkeley County Public Service Sewer District
Martinsburg, West Virginia

Branch Banking and Trust Company
Charlotte, North Carolina

West Virginia Water Development Authority
Charleston, West Virginia

Build America Mutual Assurance Company
New York, New York

Ladies and Gentlemen:

We are bond counsel to Berkeley County Public Service Sewer District, West Virginia (the "Issuer"), and in connection therewith have examined a record of proceedings and other matters set forth herein relating to the issuance by the Issuer of its \$8,587,000 principal amount of Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified) (the "Series 2017 B Bond").

The Series 2017 B Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on October 3, 2017, as supplemented by a Supplemental Parameters Resolution duly adopted by the Issuer on October 3, 2017 and Certificate of Determinations dated November 1, 2017 (collectively, the "Bond Resolution"). The Series 2017 B Bond is subject to all the terms and conditions of the Bond Resolution. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Bond Resolution when used herein.

The Series 2017 B Bond is issued in fully registered form, is dated November 1, 2017, upon original issuance, matures on October 1, 2026, with payments of principal due on October 1 each year commencing October 1, 2018 and bear interest payable each April 1 and October 1, commencing April 1, 2018, all as set forth in the Bond Resolution.

The Bond Resolution provides that the Series 2017 B Bond is issued for the purpose of:
(i) providing funds to advance refund the District's Sewer Refunding Revenue Bonds, Series 2013 A (Bank Qualified), dated August 22, 2013, issued in the original aggregate principal amount of \$9,615,000 (the "Series 2013 A Bonds"); (ii) funding the Series 2017 B Bond Reserve Account through the purchase of a municipal bond debt service reserve insurance policy (the "Reserve Policy") from Build America

Mutual Assurance Company ("BAM" or the "Bond Insurer"); and (iii) paying certain costs of issuance of the Series 2017 B Bond and related costs.

The Series 2017 B Bond has been sold to Branch Banking and Trust Company (the "Lender"), pursuant to a Commitment Letter dated October 18, 2017 and accepted by the Issuer.

In connection with our engagement, we have examined the law, the Bond Resolution, and such certified proceedings and other documents and matters as we deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon, and assumed compliance with the provisions of such certified proceedings and documents and have relied on the representations of the Issuer, the Lender and other entities contained in the Bond Resolution, and in the certified proceedings and other certifications of certain officials furnished to us, all without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants and representations of the Issuer and others set forth in the Bond Resolution, and such certifications and documents, we are of the opinion, under existing law, that:

1. The Issuer is a duly organized and validly existing public service district under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt the Bond Resolution, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2017 B Bond, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Bond Resolution, and has issued and delivered the Series 2017 B Bond to the Lender. The Bond Resolution is in full force and effect as of the date hereof.

4. The Series 2017 B Bond has been duly authorized, executed and delivered by the Issuer and, assuming proper authentication, constitutes a valid and legally enforceable limited obligation of the Issuer, payable solely from, and secured by a first lien on, the Net Revenues of the System.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2017 B Bond 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 1999 A (West Virginia SRF Program), dated October 28, 1999, issued in the original aggregate principal amount of \$30,707,296;

- (5.) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated May 25, 2000, issued in the original aggregate principal amount of \$937,500;
- (6.) Sewer Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 30, 2001, issued in the original aggregate principal amount of \$429,000;
- (7.) 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;
- (8.) Sewer Revenue Bonds, Series 2002 A (West Virginia SRF Program), dated May 9, 2002, issued in the original aggregate principal amount of \$750,000;
- (9.) Sewer Revenue Bonds, Series 2002 B (West Virginia SRF Program), dated July 11, 2002, issued in the original aggregate principal amount of \$456,548;
- (10.) 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;
- (11.) 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;
- (12.) 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;
- (13.) Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated August 14, 2003, issued in the original aggregate principal amount of \$252,922;
- (14.) Sewer Revenue Bonds, Series 2003 B (West Virginia SRF Program), dated August 14, 2003, issued in the original aggregate principal amount of \$330,862;
- (15.) 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;
- (16.) Sewer Revenue Bonds, Series 2009 A, dated July 31, 2009, issued in the original aggregate principal amount of \$2,695,000;
- (17.) 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;
- (18.) Sewer Refunding Revenue Bonds, Series 2013 C (Bank Qualified), dated December 19, 2013, issued in the original aggregate principal amount of \$2,880,000;

- (19.) 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;
- (20.) Sewer Revenue Bonds, Series 2015 A (West Virginia SRF Program), dated February 12, 2015, issued in the principal amount of \$26,435,450;
- (21.) Sewer Revenue Bonds, Series 2015 B (West Virginia Infrastructure Fund), dated February 12, 2015, issued in the principal amount of \$10,623,472;
- (22.) Sewer Revenue Bonds, Series 2015 C (Tax-Exempt), dated February 12, 2015, issued in the original aggregate principal amount of \$16,970,000;
- (23.) Sewer Revenue Bonds, Series 2016 A (West Virginia Infrastructure Fund), dated February 24, 2016, issued in the original aggregate principal amount of \$163,871; and
- (24.) Sewer Refunding Revenue Bonds, Series 2016 B (Tax Exempt), dated April 21, 2016, issued in the original aggregate principal amount of \$29,300,000 (the "Series 2016 B Bonds") (collectively, the "First Lien Bonds").

In addition, there are outstanding obligations of the Issuer which are subordinate to the Series 2017 B Bond 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" and, together with the First Lien Bonds, the "Prior Bonds").

In addition to the Net Revenue pledge of the Prior Bonds, there are outstanding obligations of the Issuer which are secured by the Surplus Revenues of the System, being the Issuer's:

- (1.) Sewer Surplus Revenue Bonds, Series 2017 A (West Virginia Infrastructure Fund), dated June 30, 2017, issued in the original aggregate principal amount of \$1,100,000 (the "Series 2017 A Bonds").

The Series 2017 B Bond is enforceable in accordance with its terms and the terms of the Bond Resolution, and is entitled to the benefits of the Bond Resolution and the Act.

5. We have examined an executed and authenticated Series 2017 B Bond of said issue, and in our opinion, said Series 2017 B Bond is in proper form and has been duly executed and authenticated.

6. The Debt Service Reserve Agreement, dated November 1, 2017, between the Bond Insurer and the Issuer has been duly authorized, executed and delivered by the Issuer and constitutes a valid, legal, binding and enforceable instrument of the Issuer in accordance with its terms.

7. The Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund for the Series 2017 B Bond (the "Reserve Fund") under the Bond Resolution.

8. The Series 2013 A Bonds, payment for which has been provided pursuant to the Bond Resolution, have been defeased, within the meaning and with the effect expressed in the Issuer's bond resolutions, as supplemented, pursuant to which they were issued, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 2013 A Bonds have been satisfied and discharged.

9. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently applied, the interest on the Series 2017 B Bond (including any original issue discount properly allocable to owner of the Series 2017 B Bond) is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that such interest is taken into account as an adjustment to current earnings for purposes of computing the Federal alternative minimum tax imposed on certain corporations.

Ownership of tax-exempt obligations, including the Series 2017 B Bond, may result in collateral federal income tax consequences to certain taxpayers. We offer no opinion as to such collateral tax consequences or any other federal tax consequences arising with respect to the Series 2017 B Bond. Any prospective purchaser of the Series 2017 B Bond should consult its own tax advisors as to any such consequences.

The opinions set forth 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 income tax regulations promulgated thereunder (collectively, the "Code"), as well as with certain certifications, covenants and representations contained in the documents, all of which must be satisfied (collectively, the "Tax Covenants") for interest on the Series 2017 B Bond to be or continue to be excluded from gross income for federal income tax purposes. Failure to comply with the Tax Covenants could cause the interest on the Series 2017 B Bond to be includable in gross income retroactive to the date of issuance of the Series 2017 B Bond.

10. Under the Act, the Series 2017 B Bond and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

11. The Series 2017 B Bond is an 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 2017 B Bond, to register any securities under said Securities Acts.

12. The Issuer has designated the Series 2017 B Bond as a "qualified tax exempt obligation" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than \$10,000,000 of tax exempt obligation (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2017. Therefore, the Series 2017 B Bond is a "qualified tax exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code.

13. The Series 2013 A Bonds have been defeased within the meaning and with the effect expressed in the resolutions authorizing the issuance of the Series 2013 A Bonds, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 2013 A Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the Receipt and Release of the Municipal Bond Commission and the Verification Report of AMTEC dated as of the date hereof, to the sufficiency of the monies on deposit to provide for the payment of the principal of, interest on, and premium, if any, of the Series 2013 A Bonds.

It is to be understood that the rights of the holder of the Series 2017 B Bond and the enforceability of the Series 2017 B Bond, the Bond Resolution, 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.

Certain terms may be changed and certain actions may be taken under the circumstances and subject to the terms and conditions set forth in the Bond Resolution. The opinions set forth above are qualified to the extent that we express no opinion as to whether, following any such change or the taking of any such action, interest on the Series 2017 B Bond will continue to be excluded from the gross incomes of the owners thereof for Federal income tax purposes.

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 Request for Proposals prepared and used in connection with the Request for Proposals to purchase the Series 2017 B Bond.

The opinions set forth above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions 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 or administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken or do occur. Our engagement with respect to the Series 2017 B Bond and the opinions set forth herein concludes with the delivery of this opinion, and we disclaim any obligation to update this letter.

This opinion is addressed to and is solely for the benefit of the addressees, together with their successors and/or assigns, and may not be relied upon by any other person without our express written consent.

Very truly yours,


STEPTOE & JOHNSON PLLC

WILLIAM F. ROHRBAUGH
ATTORNEY AT LAW
142 N. Queen Street
P.O. Box 3090
Martinsburg, WV 25402-3090

williamrohrbaugh@outlook.com
www.rohrbaughlaw.com

Tel. No. (304) 596-6640
Fax No. (304) 406-6294

November 1, 2017

Berkeley County Public Service Sewer District
Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified)

Berkeley County Public Service Sewer District
Martinsburg, West Virginia

Branch Banking and Trust Company
Charlotte, North Carolina

Ladies and Gentlemen:

I am counsel to Berkeley County Public Service Sewer District, in Berkeley County, West Virginia (the "Issuer"), in connection with the issuance and sale of the above-captioned bonds (the "Series 2017 B Bonds") to Branch Banking and Trust Company, Charlotte, North Carolina (the "Lender"). As such counsel, I have reviewed copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, the Bond Resolution of the Issuer duly adopted October 3, 2017, as supplemented by the Supplemental Resolution adopted October 3, 2017 and a Certificate of Determinations dated November 1, 2017 (collectively, the "Bond Legislation"), and other documents relating to the Series 2017 B Bonds. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation when used herein.

I am of the opinion that:

1. The Issuer has been duly created and is validly existing as a public service district and public corporation and political subdivision of the State of West Virginia.
 2. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
 3. The Bond Legislation has been duly adopted by the Issuer and is in full force and effect.
-

4. The execution and delivery of the Series 2017 B Bond and the consummation of the transactions contemplated by the Series 2017 B Bond and the Bond Legislation, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. It is to be understood that the rights of the holders of the Series 2017 B Bond and the enforceability of liens, pledges, rights or remedies with respect to the Series 2017 B Bond and the Bond Legislation are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations required by law for the operation of the System, the issuance of the Series 2017 B Bond and the advance refunding of the Series 2013 A Bonds.

7. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth by Resolution of the Issuer duly adopted September 1, 2015 and approved by the Berkeley County Council on September 17, 2015. Such rates are on file at the Public Service Commission of West Virginia as Sewer Tariff P.S.C. W. Va. No. 19.

8. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Series 2017 B Bond and the Bond Legislation, the operation of the System, the validity of the Series 2017 B Bond, the advance refunding of the Series 2013 A Bonds or pledge of the funds set forth in the Bond Legislation. The addressees hereof, together with their permitted successors and/or assigns, may rely on this opinion, but only with respect to the express matters set forth herein and based solely on the laws, facts and circumstances in effect as of the date hereof.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'William F. Rohrbaugh', written in a cursive style.

WILLIAM ROHRBAUGH, ESQUIRE

Berkeley County Public Service Sewer District
Sewer Refunding Revenue Bond, Series 2017 B (Bank-Qualified)

CERTIFICATE OF REGISTRAR

The United Bank, Inc., Charleston, West Virginia (the "Registrar"), as Registrar for the above-captioned bond (the "Series 2017 B Bond"), hereby certifies this 1st day of November, 2017 as follows, all capitalized terms used herein to have the same meanings set forth in the Bond Resolution of the Berkeley County Public Service Sewer District (the "Issuer") adopted October 3, 2017, as supplemented by Supplemental Resolution duly adopted by the Issuer on October 3, 2017 (collectively, the "Bond Legislation"):

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

2. The Registrar has duly authorized, by all necessary action, the authentication of the Series 2017 B Bond and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Bond Legislation, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Series 2017 B Bond, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his or her official capacity, was and is authorized to authenticate the Series 2017 B Bond for and on behalf of the Bank.

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

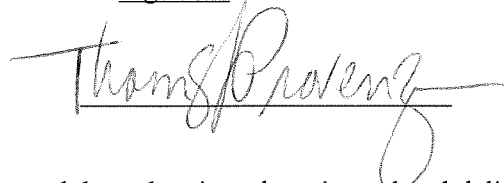
Name

Title

Signature

Thomas Provenzano

Vice President

A handwritten signature in black ink, appearing to read "Thomas Provenzano", written over a horizontal line.

5. The Series 2017 B Bond has been duly authenticated, registered and delivered to the Registrar, and the advance of the entire principal amount of the Series 2017 B Bond has been deposited as required by the Bond Legislation.

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

UNITED BANK, INC.

By: Michelle R. Wittekind
Its: Authorized Officer

067740.00029

**BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
(WEST VIRGINIA)
SEWER REFUNDING REVENUE BONDS, SERIES 2017 B, (BANK QUALIFIED)**

CERTIFICATE OF ISSUE PRICE

The undersigned, on this 1st day of November, 2017, on behalf of BRANCH BANKING AND TRUST COMPANY (the "Lender"), hereby certifies as set forth below with respect to the purchase of the above-captioned obligation (the "Bond").

1. ***Purchase of the Bond.*** On the date of this certificate, the Lender is purchasing the Bond for the amount of \$8,587,000. The Lender is not acting as an Underwriter with respect to the Bond. The Lender has no present intention to sell, reoffer, or otherwise dispose of the Bond (or any portion of the Bond or any interest in the Bond). The Lender has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Bond and the Lender has not agreed with the Issuer pursuant to a written agreement to sell the Bond to any person or persons other than the Lender or a related party to the Lender.

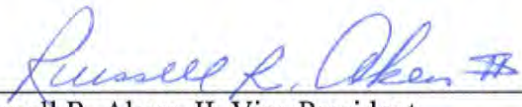
2. ***Defined Terms.***

(a) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(b) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bond to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bond to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bond to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Lender's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bond, and by Steptoe & Johnson PLLC in connection with rendering its opinion that the interest on the Bond is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bond.

BRANCH BANKING AND TRUST COMPANY



Russell R. Akers, II, Vice President

Berkeley County Public Service Sewer District

Sewer Refunding Revenue Bond, Series 2017 B (Bank-Qualified)

CERTIFICATE OF MUNICIPAL ADVISOR

The undersigned Brian Nurick, Managing Director of Compass Municipal Advisors, LLC (the "Municipal Advisor"), municipal advisor to the Berkeley County Public Service Sewer District (the "Issuer") in connection with the issuance of its Sewer Refunding Revenue Bond, -Series 2017 B (Bank-Qualified), in the aggregate principal amount of \$8,587,000, dated November 1, 2017 (the "Series 2017 B Bond"), hereby certifies the following on this 1st day of November, 2017:

1. The Municipal Advisor assisted the Issuer in arranging for a commercial bank to purchase the Series 2017 B Bond on October 18, 2017 (the "Commercial Loan"). Attached hereto as Exhibit A are the final financing schedules for the Series 2017 B Bond prepared by our firm.

2. The Municipal Advisor hereby confirms that the Issuer has purchased a municipal bond debt service reserve insurance policy (the "Surety Policy") from Build America Mutual Assurance Company ("BAM") in an amount equal to \$858,700, which is equal to the least of: (i) 10% of the principal amount of the Series 2017 B Bond; (ii) maximum amount of principal and interest payable on the Series 2017 B Bond in any year; or (iii) 125% of the average annual debt service on the Series 2017 B Bond payable in any year during the term of the Series 2017 B Bond. We are of the opinion that providing a debt service reserve account for the Series 2017 B Bond resulted in the Issuer receiving a lower interest rate on the Series 2017 B Bond than otherwise would have been available.

3. The Municipal Advisor hereby confirms that the proceeds of the Series 2017 B Bond in the amount of \$8,456,244.76, and an amount of \$564,601.00 on deposit in the Series 2013 A Bonds Reserve Account for the Issuer's Sewer Revenue Bonds, Series 2013 A, issued on August 22, 2013, in the original aggregate principal amount of \$9,615,000 and presently outstanding in the principal amount of \$8,840,000 (the "Series 2013 A Bonds"), and the interest earned thereon, is sufficient to pay the interest coming due on the Series 2013 A Bonds on April 1, 2018, and to pay in full the outstanding principal of and interest on the Series 2013 A Bonds on October 1, 2018.

4. The Municipal Advisor hereby confirms that the Municipal Bond Debt Service Reserve Insurance Policy offered by BAM for the Series 2017 B Bond resulted in the ability of the Issuer to use such Insurance Policy instead of using proceeds of the Series 2017 B Bond to fund the Series 2017 B Bond Reserve Account and the Insurance Policy offered by the Insurer for the Series 2017 B Bond Reserve Account will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Insurance Policy.

5. The Municipal Advisor hereby confirms that the remaining weighted

average maturity of the Series 2013 A Bonds is 5.084 years.

6. The Municipal Advisor hereby confirms that the weighted average maturity of the Series 2017 B Bond, based on the issue price of the Series 2017 B Bond on their date of issuance, is 5.366 years.

7. The Series 2017 B Bond is issued as fixed-rate bond.

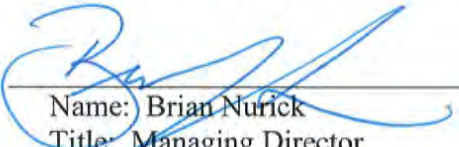
8. The Municipal Advisor has not and will not receive any compensation from the proceeds of the sale of the Series 2017 B Bond, including investment earnings thereon, in excess of its fee in the amount of \$45,081.75.

9. This certificate may be relied upon by the Issuer with respect to its representations, warranties and certifications in the Tax Certificate relating to the Series 2017 B Bond and by Steptoe & Johnson PLLC in rendering its opinions with respect to the Series 2017 B Bond, including its opinion that the interest on the Series 2017 B Bond is excludable from gross income for Federal income tax purposes.

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Dated the day and year first written above.

COMPASS MUNICIPAL ADVISORS, LLC

By: 
Name: Brian Nurick
Title: Managing Director

NOTICE OF DEFEASANCE

\$9,615,000

**Berkeley County Public Service Sewer District
Sewer Refunding Revenue Bonds, Series 2013 A (Bank-Qualified)
Dated August 22, 2013**

BONDS	MATURITY DATE	CUSIP*	INTEREST RATE	PRINCIPAL AMOUNT
AR-2	10/01/2018	084249 CC3	3.250%	830,000
AR-3	10/01/2019	084249 CD1	2.600%	895,000
AR-4	10/01/2020	084249 CE9	2.900%	930,000
AR-5	10/01/2021	084249 CF6	3.500%	975,000
AR-6	10/01/2022	084249 CG4	3.125%	1,010,000
AR-7	10/01/2023	084249 CH2	3.500%	1,045,000
AR-8	10/01/2024	084249 CJ8	3.650%	1,100,000
AR-9	10/01/2025	084249 CK5	3.625%	1,145,000
AR-10	10/01/2026	084249 CL3	3.750%	910,000

TO ALL REGISTERED OWNERS OF THE ABOVE CAPTIONED BONDS:

NOTICE IS HEREBY GIVEN that the Sewer Refunding Revenue Bonds, Series 2013 A (Bank-Qualified), maturing on or after October 1, 2018, of Berkeley County Public Service Sewer District (the "Issuer"), originally issued in the aggregate principal amount of \$9,615,000, and outstanding on the date hereof in the aggregate principal amount of \$8,840,000 (the "Series 2013 A Bonds"), have been advance refunded to their first redemption date, being October 1, 2019, and are deemed to have been paid in accordance with the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended, and the resolution of the District, as supplemented, authorizing the issuance of the Series 2013 A Bonds, and the lien on the Net Revenues of the System on behalf of the Series 2013 A Bonds has been released. Sufficient securities have been purchased and, together with certain cash amounts that may remain uninvested, are irrevocably credited to the West Virginia Municipal Bond Commission, as Escrow Agent, to pay (i) the interest on the Series 2013 A Bonds payable on April 1, 2018; (ii) the principal of and interest on the Series 2013 A Bonds due and payable on October 1, 2018; and (iii) on October 1, 2019, to redeem the then outstanding Series 2013 A Bonds in full in accordance with the redemption provisions thereof.

BERKELEY COUNTY PUBLIC SERVICE
SEWER DISTRICT

By: UNITED BANK, INC., REGISTRAR

Dated: November 1, 2017

**The above CUSIP Numbers are provided solely for the convenience of the bondholders. The Registrar does not certify as to their correctness or completeness.*

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REFUNDING REVENUE BOND, SERIES 2017 B (BANK-QUALIFIED)

ESCROW AGREEMENT

This ESCROW AGREEMENT, made and entered into as of November 1, 2017, by and between BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, Martinsburg, West Virginia (the "Issuer") and the WEST VIRGINIA MUNICIPAL BOND COMMISSION, Charleston, West Virginia (the "Escrow Agent").

W I T N E S E T H T H A T:

WHEREAS, the Issuer is authorized, by the Constitution and laws of the State of West Virginia, including Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"), to issue refunding revenue bonds for the purpose of refunding, paying or discharging all or any part of its outstanding revenue bonds, including interest thereon;

WHEREAS, the Issuer has determined and hereby determines that present value debt service savings would result from the Issuer's advance refunding of its outstanding Sewer Refunding Revenue Bonds, Series 2013 A (Bank-Qualified), dated August 22, 2013, issued in the original aggregate principal amount of \$9,615,000 (the "Series 2013 A Bonds");

WHEREAS, the Series 2013 A Bonds were issued pursuant to a Resolution of the Issuer duly adopted on June 18, 2013, as supplemented by Supplemental Resolution adopted June 18, 2013 (collectively, the "2013 Resolution");

WHEREAS, the Issuer has determined to issue its Sewer Refunding Revenue Bond, Series 2017 B (Bank-Qualified), dated November 1, 2017, in the original principal amount of \$8,587,000 (the "Series 2017 B Bond"), to provide funds, along with funds from the Series 2013 A Bonds Reserve Account, to legally defease its Series 2013 A Bonds maturing on or after October 1, 2018 by applying a portion of the proceeds of the Series 2017 B Bond and the Series 2013 A Bonds Reserve Account to purchase Government Securities to be deposited in the Escrow Fund herein described;

WHEREAS, the Issuer has determined to issue its Series 2017 B Bond, on November 1, 2017, pursuant to a Resolution duly adopted on October 3, 2017, as amended and supplemented by Supplemental Resolution duly adopted October 3, 2017 (collectively, the "Resolution"), and contemporaneously with the issuance of the Series 2017 B Bond, apply a portion of the proceeds thereof and certain moneys of the Issuer held by the Escrow Agent in the Series 2013 A Bonds Reserve Fund and to the purchase of United States Treasury Obligations (the "Government Securities") to be deposited, together with cash of \$0.76, in the Escrow Fund herein described;

WHEREAS, the Escrow Agent will cause to be purchased on behalf of the Issuer, with a portion of the proceeds of the Series 2017 B Bond and Issuer's Funds, the Government Securities described in the Verification Report, dated November 1, 2017, of AMTEC, a firm of independent certified public accountants, attached hereto as EXHIBIT A - VERIFICATION REPORT (the "Verification Report");

WHEREAS, the Government Securities and certain cash amounts shall be delivered to the Escrow Agent simultaneously with the delivery of the Series 2017 B Bond or are already on deposit with the Escrow Agent;

WHEREAS, the amounts deposited in the Escrow Fund being \$9,020,845.76, which will be held by the Escrow Agent shall be sufficient to insure the payment of the interest on the Series 2013 A Bonds on April 1, 2018 and the payment of the principal of and interest on the Series 2013 A Bonds on October 1, 2018, being the redemption date thereof (the "Redemption Date"), plus a redemption premium, if any, thereon (collectively, the "Redemption Price");

WHEREAS, the Issuer has found it desirable to appoint the Escrow Agent and the Escrow Agent has agreed to such appointment for the purposes of paying the required interest payment on April 1, 2018 and of making the required disbursements on the Redemption Date, the Redemption Price and holding, investing and reinvesting any cash balances which may at any time not be needed for immediate disbursement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and in order further to secure payment of the Series 2013 A Bonds, as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

1. There is hereby created and established with the Escrow Agent an irrevocable trust fund to be known as the Escrow Fund, to be held in the custody of the Escrow Agent, separate and apart from all other funds of the Issuer and the Escrow Agent. The deposit of moneys in the Escrow Fund shall constitute an irrevocable deposit of said moneys in trust for, and such moneys, together with any interest earned thereon, shall be applied, except as otherwise provided herein, to the payment of the Redemption Price on the Redemption Date, all in accordance with Paragraph 4 hereof.

2. On November 1, 2017 the Escrow Agent shall transfer \$564,601.00 from the Series 2013 A Bonds Reserve Account for deposit into the Escrow Fund.

3. On November 1, 2017, proceeds of the Series 2017 B Bond in the amount of \$8,456,244.76 are to be deposited in the Escrow Fund.

On November 1, 2017, the Issuer and the Escrow Agent shall cause proceeds in the amount of \$8,456,244.76 and a portion of the Series 2013 A Bonds Reserve Fund in the amount of \$564,601.00 to be deposited in the Escrow Fund, and thereupon \$9,020,845.00 applied to the purchase of the State Local Government Securities with \$0.76 remaining in

uninvested cash. The amount in the Escrow Fund shall be applied solely to the payment of the Series 2013 A Bonds. Attached hereto as Exhibit C is a list of the Government Securities purchased on November 1, 2017.

Series 2017 B Bond Proceeds deposited in Escrow Fund	\$8,456,244.76
<u>Transfer from Series 2013 A Bonds Reserve Account</u>	<u>564,601.00</u>
Amount to Purchase Government Securities	\$9,020,845.76

Following the funding of the Escrow Fund and after payment of fees of the Escrow Agent provided for in paragraph 6 below, monies remaining in the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be returned to the Issuer.

4. A. On April 1, 2018, the Escrow Agent shall pay from the Escrow Fund the required interest payment on the Series 2013 A Bonds in the amount of \$147,629.38.

B. On October 1, 2018, the Redemption Date, the Escrow Agent shall transfer \$8,987,629.38 (the "Redemption Price") from the Escrow Fund, to the bond holders. United Bank, Inc., as registrar for the Series 2013 A Bonds, will provide the holders of the Series 2013 A Bonds notice as is required by the 2013 A Resolution.

5. The holders of the Series 2013 A Bonds shall have an express lien on all moneys in the Escrow Fund until paid out, used and applied in accordance with this Agreement.

6. The Escrow Agent shall be entitled to fees for services rendered under this Escrow Agreement and reasonable expenses as set forth in EXHIBIT B - ESCROW AGENT FEES, attached hereto. The Issuer shall pay from the monies remaining on deposit in the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account therein following the purchase of Government Securities for the Escrow Fund, or from funds of the Issuer, to the Escrow Agent the amounts at the times set forth in EXHIBIT B. In no event shall such fees or expenses be paid from the Escrow Fund, nor shall the Escrow Agent or the paying agent have any lien whatsoever upon any of the moneys in the Escrow Fund for the payment of such fees or expenses.

7. The Issuer and the Escrow Agent independently hereby covenant that no part of the moneys at any time in the Escrow Fund shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 2013 A Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, or to be subject to treatment under Section 148 as an obligation not described in Section 103 of the Code.

8. The Escrow Agent shall not have any responsibility with respect to the sufficiency of this Escrow Agreement to effect payment, redemption or defeasance of the Series 2013 A Bonds. The liability of the Escrow Agent for the payment of the principal of, interest on and redemption premium, if any, on the Series 2013 A Bonds shall be limited to the payment of all amounts required to be paid pursuant to Paragraph 4 hereof. The Escrow Agent shall not be liable or responsible because of the failure of the Issuer to perform any act required of it by this Escrow Agreement. The Escrow Agent shall have no responsibility to the Issuer or any other

person in connection with this Escrow Agreement, except as specifically provided herein, and shall not be responsible for anything done or omitted to be done by it except for its own gross negligence or willful default in the performance of any obligation imposed on it hereunder.

9. By execution of this Escrow Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent represents that it has all requisite power, and has taken all action necessary to execute the trusts hereby created.

10. If the Escrow Agent is called upon by the terms of this Escrow Agreement to determine the occurrence of any event or contingency, the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may inquire and consult with the Issuer, at any time. The Escrow Agent may request an opinion of counsel for a determination of any legal issue which might arise in the performance of its duties hereunder and may act in accordance with the advice given in such opinion.

11. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Escrow Agreement.

12. The Escrow Agent may act upon any notice, request, waiver, consent, certificate, receipt, authorization, power of attorney or other instrument or document which the Escrow Agent in good faith believes to be genuine and correct and to have been signed or sent by the proper person or persons.

13. The Escrow Agent may resign or be removed by the Issuer, and thereby become discharged from the trusts hereby created, by notice given to the Issuer not less than thirty (30) days before such resignation or removal shall take effect. Such resignation or removal shall take effect immediately, however, upon the earlier appointment of a new Escrow Agent hereunder and acceptance of the trusts hereby created. The Escrow Agent shall continue to serve as Escrow Agent until a successor is appointed and the funds held hereunder transferred. The Escrow Agent shall provide a proper accounting to the Issuer of all funds deposited pursuant to this Escrow Agreement within 30 days of the appointment of a successor Escrow Agent. If no such appointment has been made at the end of the 30 day period, the Escrow Agent may petition a court of competent jurisdiction for appointment of a successor or temporary Escrow Agent. In the event of the resignation or removal of the Escrow Agent, the Escrow Agent shall rebate to the Issuer any fees theretofore paid in advance by the Issuer to the Escrow Agent for its services under this Escrow Agreement.

14. This Escrow Agreement is made for the benefit of the Issuer, the Escrow Agent and the holders from time to time of the Series 2013 A Bonds, except as otherwise expressly provided herein. This Escrow Agreement may be modified or amended at any time, provided, however, that no such modification or amendment shall be made which would materially adversely affect the interest of any of the holders of the Series 2013 A Bonds.

15. This Escrow Agreement shall terminate on the earlier of the date on which all the Outstanding Series 2013 A Bonds have been redeemed, paid in full and discharged, or on the second anniversary of the date of this Escrow Agreement.

In the event that any of the Series 2013 A Bonds have not been redeemed as of the termination of this Escrow Agreement of the second anniversary of the date hereof and any funds remain on deposit with the Escrow Agent upon such termination, such funds shall be returned to the Issuer to be distributed pursuant to the terms of the legislation for the Series 2013 A Bonds.

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

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

18. This Escrow Agreement is made in the State of West Virginia under the Constitution and laws of such State and is to be so construed.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

BERKELEY COUNTY PUBLIC SERVICE SEWER
DISTRICT

By: 
Its: Chairman

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Authorized Representative

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

**BERKELEY COUNTY PUBLIC SERVICE SEWER
DISTRICT**

By: _____
Its: Chairman

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By:  _____
Its: Authorized Representative

EXHIBIT A - VERIFICATION REPORT

EXHIBIT B - ESCROW AGENT FEES

On File with Issuer

EXHIBIT C – GOVERNMENT SECURITIES



TAX-EXEMPT COMPLIANCE

**BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, WEST VIRGINIA
SEWER ADVANCE REFUNDING REVENUE BOND, SERIES 2017B**

CASH FLOW AND YIELD VERIFICATION REPORT



TAX-EXEMPT COMPLIANCE

Berkeley County Public Service Sewer District ("Issuer") 65 District Way Martinsburg, WV 25401	Build America Mutual Assurance Company ("Bond Insurer") 200 Liberty Street, 27 th Floor New York, NY 10281
Step toe & Johnson PLLC ("Bond Counsel") 1250 Edwin Miller Blvd., Suite 300 Martinsburg, WV 25404	Compass Municipal Advisors, LLC ("Financial Advisor") 360 E. Vine Street, Suite 110 Lexington, KY 40507
BB&T Governmental Finance ("Purchaser") 352 State Route 34 Hurricane, WV 25526	Bowles Rice LLP ("Purchaser's Counsel") 7000 Hampton Center Morgantown, WV 26505
West Virginia Municipal Bond Commission ("Paying Agent" and "Escrow Agent") 900 Pennsylvania Avenue, Suite 1117 Charleston, WV 25302	

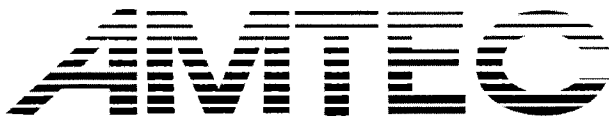
Berkeley County Public Service Sewer District, West Virginia Sewer Advance Refunding Revenue Bond, Series 2017 B

The Berkeley County Public Service Sewer District, West Virginia proposes to issue the above referenced Sewer Advance Refunding Revenue Bond, Series 2017 B (the "Bond"). The Bond is dated November 1, 2017 and will be issued on November 1, 2017. The Bond consists of an \$8,587,000 2.300% Term Bond due October 1, 2026.

A portion of the proceeds of the Bond will be used to purchase United States Treasury Securities – State and Local Government Series (the "Restricted Acquired Obligations"), along with United States Treasury Securities – State and Local Government Series purchased with funds transferred from amounts on deposit in the debt service reserve fund related to the hereinafter defined Refunded Bonds (the "Unrestricted Acquired Obligations," and together with the Restricted Acquired Obligations, the "Acquired Obligations"), along with an initial cash deposit, which will be placed in an irrevocable trust (the "Escrow Fund"), to be used solely to refund that portion of the Issuer's Sewer Refunding Revenue Bonds, Series 2013 A (the "Refunded Bonds") described below.

<u>Series</u>	<u>Principal Issued</u>	<u>Dated</u>	<u>Principal Refunded</u>	<u>Maturities Refunded</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2013A	\$9,615,000	8/22/13	\$830,000 \$8,010,000	10/1/18 10/1/19 to 10/1/26	N/A 10/1/18	NA 100%

At your request, we have independently calculated, based on information and assumptions as provided to us by the Financial Advisor: (1) the receipts from the Acquired Obligations, when combined with the initial cash deposit, will be sufficient to pay to and at maturity or early redemption, the principal and interest on the Refunded Bonds; and, (2) the "yields" to be considered by Bond Counsel in its determination that the Bond is not an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended. The term "yield" as used herein, means that discount rate which,



TAX-EXEMPT COMPLIANCE

when used in computing the present value of all payments of principal and interest on an obligation, compounded semiannually using a 30/360-day year basis, produces an amount equal to: in the case of the Bond, the issue price, less the surety bond premium; and, in the case of the Acquired Obligations, the purchase price of such securities.

At your request, we have independently verified the arithmetical accuracy of the computations based on schedules provided to us by the Financial Advisor. We have relied solely on the assumptions and information as provided to us by the Financial Advisor and have not made any study or evaluation of them, except as noted below. We express no opinion on the reasonableness of the assumptions, or the likelihood that the debt service requirements of the Refunded Bonds and Refunded Loans will be paid as described in the accompanying exhibits.

In the course of our engagement, we used excerpts from the Official Statement for the Refunded Bonds, as provided by the Financial Advisor, along with copies of the final subscription forms for the purchase of the Acquired Obligations. We compared the information on the Bond, the Refunded Bonds and the Acquired Obligations with certain information set forth in such documents with respect to prices, principal payment dates and amounts, interest payment dates and rates, yields, and redemption dates and prices. We found that the information on the Bond and the Refunded Bonds was in agreement with the above-mentioned information set forth in such documents. In addition, we have verified that, based upon the table of interest rates payable on United States Treasury Securities -- State and Local Government Series for use on October 18, 2017, the interest rates payable on the Acquired Obligations are at or below the maximum allowable interest rate for each maturity date.

In our opinion, based on the assumptions and information provided by the Financial Advisor, the computations in the schedules provided to us are arithmetically accurate. The computations in the accompanying exhibits prepared by us indicate that:

- (1) the receipts from the Acquired Obligations, along with a cash deposit of \$0.76, will be sufficient to pay to and at maturity or early redemption, the principal and interest on the Refunded Bonds.
- (2) the yield of the Bond is 2.3576701%; and, the yield of the Restricted Acquired Obligations is 1.3920101%.
- (3) the net present value savings is \$200,822.50, when discounted at the yield of the Bond, and the percentage of net present value savings based on the Refunded Bonds is 2.271748%.
- (4) the information on the SLGS Confirmation of Subscription has been verified as being in agreement with the attached schedules provided by the Financial Advisor.



TAX-EXEMPT COMPLIANCE

This report is intended solely for the use of the addressees hereto, and it should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. The terms of our engagement are such that we have no obligation to update this report or to verify any revised computations because of events and transactions occurring subsequent to the date of this report.

A handwritten signature of the word "AMTEC" in a cursive, slightly slanted script.

AMTEC
Avon, Connecticut
November 1, 2017

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Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

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SOURCES AND USES OF FUNDSBerkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Dated Date	11/01/2017
Delivery Date	11/01/2017

Sources:

Bond Proceeds:	
Par Amount	8,587,000.00
Other Sources of Funds:	
Transfer from Prior Issue DSR Funds	964,601.00
	9,551,601.00

Uses:

Project Fund Deposits:	
Project Fund	400,000.00
Refunding Escrow Deposits:	
Cash Deposit	0.76
SLGS Purchases	
	9,020,845.00
	9,020,845.76
Delivery Date Expenses:	
Cost of Issuance	106,282.29
Surety Bond Policy	
	24,472.95
	130,755.24
	9,551,601.00

BOND SUMMARY STATISTICS

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Dated Date	11/01/2017
Delivery Date	11/01/2017
Last Maturity	10/01/2026
Arbitrage Yield	2.357670%
True Interest Cost (TIC)	2.300182%
Net Interest Cost (NIC)	2.300000%
All-In TIC	2.609875%
Average Coupon	2.300000%
Average Life (years)	5.366
Weighted Average Maturity (years)	5.366
Duration of Issue (years)	5.024
Par Amount	8,587,000.00
Bond Proceeds	8,587,000.00
Total Interest	1,059,736.88
Net Interest	1,059,736.88
Total Debt Service	9,646,736.88
Maximum Annual Debt Service	1,206,291.25
Average Annual Debt Service	1,081,877.03
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
2026 Term Bond	8,587,000.00	100.000	2.300%	5.366
	8,587,000.00			5.366

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,587,000.00	8,587,000.00	8,587,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-106,282.29	
- Other Amounts		-24,472.95	-24,472.95
Target Value	8,587,000.00	8,456,244.76	8,562,527.05
Target Date	11/01/2017	11/01/2017	11/01/2017
Yield	2.300182%	2.609875%	2.357670%

BOND PRICING

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Bond Component	Maturity Date	Amount	Rate	Yield	Price
2026 Term Bond:					
	10/01/2018	136,400	2.300%	2.300%	100.000
	10/01/2019	1,023,700	2.300%	2.300%	100.000
	10/01/2020	1,004,900	2.300%	2.300%	100.000
	10/01/2021	1,042,800	2.300%	2.300%	100.000
	10/01/2022	1,069,800	2.300%	2.300%	100.000
	10/01/2023	1,091,900	2.300%	2.300%	100.000
	10/01/2024	1,135,800	2.300%	2.300%	100.000
	10/01/2025	1,164,900	2.300%	2.300%	100.000
	10/01/2026	916,800	2.300%	2.300%	100.000
		8,587,000			

Dated Date	11/01/2017	
Delivery Date	11/01/2017	
First Coupon	04/01/2018	
Par Amount	8,587,000.00	
Original Issue Discount		
Production	8,587,000.00	100.000000%
Underwriter's Discount		
Purchase Price	8,587,000.00	100.000000%
Accrued Interest		
Net Proceeds	8,587,000.00	

BOND DEBT SERVICE

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2017					
04/01/2018			82,292.08	82,292.08	
06/30/2018					82,292.08
10/01/2018	136,400	2.300%	98,750.50	235,150.50	
04/01/2019			97,181.90	97,181.90	
06/30/2019					332,332.40
10/01/2019	1,023,700	2.300%	97,181.90	1,120,881.90	
04/01/2020			85,409.35	85,409.35	
06/30/2020					1,206,291.25
10/01/2020	1,004,900	2.300%	85,409.35	1,090,309.35	
04/01/2021			73,853.00	73,853.00	
06/30/2021					1,164,162.35
10/01/2021	1,042,800	2.300%	73,853.00	1,116,653.00	
04/01/2022			61,860.80	61,860.80	
06/30/2022					1,178,513.80
10/01/2022	1,069,800	2.300%	61,860.80	1,131,660.80	
04/01/2023			49,558.10	49,558.10	
06/30/2023					1,181,218.90
10/01/2023	1,091,900	2.300%	49,558.10	1,141,458.10	
04/01/2024			37,001.25	37,001.25	
06/30/2024					1,178,459.35
10/01/2024	1,135,800	2.300%	37,001.25	1,172,801.25	
04/01/2025			23,939.55	23,939.55	
06/30/2025					1,196,740.80
10/01/2025	1,164,900	2.300%	23,939.55	1,188,839.55	
04/01/2026			10,543.20	10,543.20	
06/30/2026					1,199,382.75
10/01/2026	916,800	2.300%	10,543.20	927,343.20	
06/30/2027					927,343.20
	8,587,000		1,059,736.88	9,646,736.88	9,646,736.88

PROOF OF ARBITRAGE YIELD

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Date	Debt Service	Present Value to 11/01/2017 @ 2.3576701281%
04/01/2018	82,292.08	81,492.31
10/01/2018	235,150.50	230,152.04
04/01/2019	97,181.90	94,007.96
10/01/2019	1,120,881.90	1,071,641.28
04/01/2020	85,409.35	80,705.91
10/01/2020	1,090,309.35	1,018,263.01
04/01/2021	73,853.00	68,169.28
10/01/2021	1,116,653.00	1,018,706.60
04/01/2022	61,860.80	55,777.20
10/01/2022	1,131,660.80	1,008,481.19
04/01/2023	49,558.10	43,649.22
10/01/2023	1,141,458.10	993,647.07
04/01/2024	37,001.25	31,834.56
10/01/2024	1,172,801.25	997,280.33
04/01/2025	23,939.55	20,119.59
10/01/2025	1,188,839.55	987,499.14
04/01/2026	10,543.20	8,655.58
10/01/2026	927,343.20	752,444.76
	9,646,736.88	8,562,527.05

Proceeds Summary

Delivery date	11/01/2017
Par Value	8,587,000.00
Arbitrage expenses	-24,472.95
Target for yield calculation	8,562,527.05

PRIOR BOND DEBT SERVICE

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2017					
04/01/2018			147,629.38	147,629.38	
06/30/2018					147,629.38
10/01/2018	830,000	3.250%	147,629.38	977,629.38	
04/01/2019			134,141.88	134,141.88	
06/30/2019					1,111,771.26
10/01/2019	895,000	2.600%	134,141.88	1,029,141.88	
04/01/2020			122,506.88	122,506.88	
06/30/2020					1,151,648.76
10/01/2020	930,000	2.900%	122,506.88	1,052,506.88	
04/01/2021			109,021.88	109,021.88	
06/30/2021					1,161,528.76
10/01/2021	975,000	3.500%	109,021.88	1,084,021.88	
04/01/2022			91,959.38	91,959.38	
06/30/2022					1,175,981.26
10/01/2022	1,010,000	3.125%	91,959.38	1,101,959.38	
04/01/2023			76,178.13	76,178.13	
06/30/2023					1,178,137.51
10/01/2023	1,045,000	3.500%	76,178.13	1,121,178.13	
04/01/2024			57,890.63	57,890.63	
06/30/2024					1,179,068.76
10/01/2024	1,100,000	3.650%	57,890.63	1,157,890.63	
04/01/2025			37,815.63	37,815.63	
06/30/2025					1,195,706.26
10/01/2025	1,145,000	3.625%	37,815.63	1,182,815.63	
04/01/2026			17,062.50	17,062.50	
06/30/2026					1,199,878.13
10/01/2026	910,000	3.750%	17,062.50	927,062.50	
06/30/2027					927,062.50
	8,840,000		1,588,412.58	10,428,412.58	10,428,412.58

SUMMARY OF BONDS REFUNDED

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2013 A:					
SERIAL	10/01/2018	3.250%	830,000.00		
	10/01/2019	2.600%	895,000.00	10/01/2018	100.000
	10/01/2020	2.900%	930,000.00	10/01/2018	100.000
	10/01/2021	3.500%	975,000.00	10/01/2018	100.000
	10/01/2022	3.125%	1,010,000.00	10/01/2018	100.000
	10/01/2023	3.500%	1,045,000.00	10/01/2018	100.000
	10/01/2024	3.650%	1,100,000.00	10/01/2018	100.000
	10/01/2025	3.625%	1,145,000.00	10/01/2018	100.000
	10/01/2026	3.750%	910,000.00	10/01/2018	100.000
			8,840,000.00		

ESCROW REQUIREMENTS

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Period Ending	Principal	Interest	Principal Redeemed	Total
04/01/2018		147,629.38		147,629.38
10/01/2018	830,000.00	147,629.38	8,010,000.00	8,987,629.38
	830,000.00	295,258.76	8,010,000.00	9,135,258.76

ESCROW DESCRIPTIONS

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

	Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Nov 1, 2017:							
	SLGS	Certificate	04/01/2018	04/01/2018	146,900	1.200%	1.200%
	SLGS	Certificate	10/01/2018	10/01/2018	8,873,945	1.400%	1.400%
					9,020,845		

SLGS Summary

SLGS Rates File	18OCT17
Total Certificates of Indebtedness	9,020,845.00

ESCROW DESCRIPTIONS DETAIL

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
DSRF, Nov 1, 2017:						
SLGS	Certificate	04/01/2018	04/01/2018	15,708.06	1.200%	1.200%
SLGS	Certificate	10/01/2018	10/01/2018	948,892.94	1.400%	1.400%
				964,601.00		
BP, Nov 1, 2017:						
SLGS	Certificate	04/01/2018	04/01/2018	131,191.94	1.200%	1.200%
SLGS	Certificate	10/01/2018	10/01/2018	7,925,052.06	1.400%	1.400%
				8,056,244.00		
				9,020,845.00		

SLGS Summary

SLGS Rates File	18OCT17
Total Certificates of Indebtedness	9,020,845.00

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
11/01/2017	9,020,845	0.76	9,020,845.76
	9,020,845	0.76	9,020,845.76

ESCROW COST DETAIL

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Type of Security	Maturity Date	Par Amount	Rate	Total Cost	
DSRF:					
SLGS	04/01/2018	15,708.06	1.200%	15,708.06	
SLGS	10/01/2018	948,892.94	1.400%	948,892.94	
		964,601.00		964,601.00	
BP:					
SLGS	04/01/2018	131,191.94	1.200%	131,191.94	
SLGS	10/01/2018	7,925,052.06	1.400%	7,925,052.06	
		8,056,244.00		8,056,244.00	
		9,020,845.00		9,020,845.00	
Escrow	Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
DSRF	11/01/2017	964,601		964,601.00	1.392009%
BP	11/01/2017	8,056,244	0.76	8,056,244.76	1.392010%
		9,020,845	0.76	9,020,845.76	

ESCROW CASH FLOW

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Date	Principal	Interest	Net Escrow Receipts
04/01/2018	146,900.00	729.26	147,629.26
10/01/2018	8,873,945.00	113,683.74	8,987,628.74
	9,020,845.00	114,413.00	9,135,258.00

Escrow Cost Summary

Purchase date	11/01/2017
Purchase cost of securities	9,020,845.00

ESCROW CASH FLOW

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Prior Bonds - DSRF

Date	Principal	Interest	Net Escrow Receipts	Present Value to 11/01/2017 @ 1.3920093%
04/01/2018	15,708.06	77.98	15,786.04	15,695.06
10/01/2018	948,892.94	12,156.22	961,049.16	948,905.94
	964,601.00	12,234.20	976,835.20	964,601.00

Escrow Cost Summary

Purchase date	11/01/2017
Purchase cost of securities	964,601.00
Target for yield calculation	964,601.00

ESCROW CASH FLOW

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Prior Bonds - BP

Date	Principal	Interest	Net Escrow Receipts	Present Value to 11/01/2017 @ 1.3920101%
04/01/2018	131,191.94	651.28	131,843.22	131,083.37
10/01/2018	7,925,052.06	101,527.51	8,026,579.57	7,925,160.63
	8,056,244.00	102,178.79	8,158,422.79	8,056,244.00

Escrow Cost Summary

Purchase date	11/01/2017
Purchase cost of securities	8,056,244.00
Target for yield calculation	8,056,244.00

ESCROW SUFFICIENCY

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
11/01/2017		0.76	0.76	0.76
04/01/2018	147,629.38	147,629.26	-0.12	0.64
10/01/2018	8,987,629.38	8,987,628.74	-0.64	
	9,135,258.76	9,135,258.76	0.00	

SUMMARY OF REFUNDING RESULTS

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Dated Date	11/01/2017
Delivery Date	11/01/2017
Arbitrage yield	2.357670%
Escrow yield	1.392010%
Value of Negative Arbitrage	78,066.51
Bond Par Amount	8,587,000.00
True Interest Cost	2.300182%
Net Interest Cost	2.300000%
All-In TIC	2.609875%
Average Coupon	2.300000%
Average Life	5.366
Weighted Average Maturity	5.366
Duration	5.024
Par amount of refunded bonds	8,840,000.00
Average coupon of refunded bonds	3.479510%
Average life of refunded bonds	5.084
Remaining weighted average maturity of refunded bonds	5.052
PV of prior debt to 11/01/2017 @ 2.357670%	9,327,950.55
Net PV Savings	200,822.50
Percentage savings of refunded bonds	2.271748%
Percentage savings of refunding bonds	2.338681%

SAVINGS

Berkeley County Public Service Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 11/01/2017 @ 2.3576701%
06/30/2018	147,629.38	82,292.08	65,337.30	64,702.31
06/30/2019	1,111,771.26	332,332.40	779,438.86	762,449.32
06/30/2020	1,151,648.76	1,206,291.25	-54,642.49	-52,655.27
06/30/2021	1,161,528.76	1,164,162.35	-2,633.59	-2,842.24
06/30/2022	1,175,981.26	1,178,513.80	-2,532.54	-2,630.32
06/30/2023	1,178,137.51	1,181,218.90	-3,081.39	-3,022.38
06/30/2024	1,179,068.76	1,178,459.35	609.41	318.63
06/30/2025	1,195,706.26	1,196,740.80	-1,034.54	-1,017.19
06/30/2026	1,199,878.13	1,199,382.75	495.38	348.39
06/30/2027	927,062.50	927,343.20	-280.70	-227.76
	10,428,412.58	9,646,736.88	781,675.70	765,423.50

Savings Summary

PV of savings from cash flow	765,423.50
Less: Prior funds on hand	-964,601.00
Plus: Refunding funds on hand	400,000.00
Net PV Savings	200,822.50

Appendix I

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Sources & Uses

Dated 11/01/2017 | Delivered 11/01/2017

Sources Of Funds

Par Amount of Bonds	\$8,587,000.00
Transfers from Prior Issue DSR Funds	964,601.00
Total Sources	\$9,551,601.00

Uses Of Funds

Costs of Issuance	106,282.29
Surety Bond Policy	24,472.95
Deposit to Net Cash Escrow Fund	9,020,845.76
Deposit to Project Fund	400,000.00
Total Uses	\$9,551,601.00

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Compass Municipal Advisors, LLC
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Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
10/01/2018	Serial Coupon	2.300%	2.300%	136,400.00	100.000%	136,400.00
10/01/2019	Serial Coupon	2.300%	2.300%	1,023,700.00	100.000%	1,023,700.00
10/01/2020	Serial Coupon	2.300%	2.300%	1,004,900.00	100.000%	1,004,900.00
10/01/2021	Serial Coupon	2.300%	2.300%	1,042,800.00	100.000%	1,042,800.00
10/01/2022	Serial Coupon	2.300%	2.300%	1,069,800.00	100.000%	1,069,800.00
10/01/2023	Serial Coupon	2.300%	2.300%	1,091,900.00	100.000%	1,091,900.00
10/01/2024	Serial Coupon	2.300%	2.300%	1,135,800.00	100.000%	1,135,800.00
10/01/2025	Serial Coupon	2.300%	2.300%	1,164,900.00	100.000%	1,164,900.00
10/01/2026	Serial Coupon	2.300%	2.300%	916,800.00	100.000%	916,800.00
Total	-	-	-	\$8,587,000.00	-	\$8,587,000.00

Bid Information

Par Amount of Bonds	\$8,587,000.00
Gross Production	\$8,587,000.00
Bid (100.000%)	8,587,000.00
Total Purchase Price	\$8,587,000.00
Bond Year Dollars	\$46,075.52
Average Life	5.366 Years
Average Coupon	2.30000000%
Net Interest Cost (NIC)	2.30000000%
True Interest Cost (TIC)	2.3001823%

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
11/01/2017	-	-	-	-
04/01/2018	-	-	82,292.08	82,292.08
10/01/2018	136,400.00	2.300%	98,750.50	235,150.50
04/01/2019	-	-	97,181.90	97,181.90
10/01/2019	1,023,700.00	2.300%	97,181.90	1,120,881.90
04/01/2020	-	-	85,409.35	85,409.35
10/01/2020	1,004,900.00	2.300%	85,409.35	1,090,309.35
04/01/2021	-	-	73,853.00	73,853.00
10/01/2021	1,042,800.00	2.300%	73,853.00	1,116,653.00
04/01/2022	-	-	61,860.80	61,860.80
10/01/2022	1,069,800.00	2.300%	61,860.80	1,131,660.80
04/01/2023	-	-	49,558.10	49,558.10
10/01/2023	1,091,900.00	2.300%	49,558.10	1,141,458.10
04/01/2024	-	-	37,001.25	37,001.25
10/01/2024	1,135,800.00	2.300%	37,001.25	1,172,801.25
04/01/2025	-	-	23,939.55	23,939.55
10/01/2025	1,164,900.00	2.300%	23,939.55	1,188,839.55
04/01/2026	-	-	10,543.20	10,543.20
10/01/2026	916,800.00	2.300%	10,543.20	927,343.20
Total	\$8,587,000.00	-	\$1,059,736.88	\$9,646,736.88

Yield Statistics

Bond Year Dollars	\$46,075.52
Average Life	5.366 Years
Average Coupon	2.3000000%
Net Interest Cost (NIC)	2.3000000%
True Interest Cost (TIC)	2.3001823%
Bond Yield for Arbitrage Purposes	2.3576701%
All Inclusive Cost (AIC)	2.6098754%
IRS Form 8038	
Net Interest Cost	2.3000000%
Weighted Average Maturity	5.366 Years

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Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2018	82,292.08	82,292.08	147,629.38	65,337.30
06/30/2019	332,332.40	332,332.40	1,111,771.26	779,438.86
06/30/2020	1,206,291.25	1,206,291.25	1,151,648.76	(54,642.49)
06/30/2021	1,164,162.35	1,164,162.35	1,161,528.76	(2,633.59)
06/30/2022	1,178,513.80	1,178,513.80	1,175,981.26	(2,532.54)
06/30/2023	1,181,218.90	1,181,218.90	1,178,137.51	(3,081.39)
06/30/2024	1,178,459.35	1,178,459.35	1,179,068.76	609.41
06/30/2025	1,196,740.80	1,196,740.80	1,195,706.26	(1,034.54)
06/30/2026	1,199,382.75	1,199,382.75	1,199,878.13	495.38
06/30/2027	927,343.20	927,343.20	927,062.50	(280.70)
Total	\$9,646,736.88	\$9,646,736.88	\$10,428,412.58	\$781,675.70

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	765,423.50
Net PV Cashflow Savings @ 2.358%(Bond Yield)	765,423.50
Transfers from Prior Issue DSR Fund	(964,601.00)
Amount deposited into Construction Fund	400,000.00
Net Present Value Benefit	\$200,822.50
Net PV Benefit / \$8,840,000 Refunded Principal	2.272%
Net PV Benefit / \$8,587,000 Refunding Principal	2.339%

Refunding Bond Information

Refunding Dated Date	11/01/2017
Refunding Delivery Date	11/01/2017

***Net D/S Excludes: DSR**

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Compass Municipal Advisors, LLC
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Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Proof Of Bond Yield @ 2.3576701%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
11/01/2017	-	1.0000000x	-	-
04/01/2018	82,292.08	0.9902814x	81,492.31	81,492.31
10/01/2018	235,150.50	0.9787436x	230,152.04	311,644.36
04/01/2019	97,181.90	0.9673402x	94,007.96	405,652.32
10/01/2019	1,120,881.90	0.9560698x	1,071,641.28	1,477,293.60
04/01/2020	85,409.35	0.9449306x	80,705.91	1,557,999.51
10/01/2020	1,090,309.35	0.9339212x	1,018,263.01	2,576,262.52
04/01/2021	73,853.00	0.9230401x	68,169.28	2,644,431.80
10/01/2021	1,116,653.00	0.9122857x	1,018,706.60	3,663,138.39
04/01/2022	61,860.80	0.9016567x	55,777.20	3,718,915.60
10/01/2022	1,131,660.80	0.8911515x	1,008,481.19	4,727,396.79
04/01/2023	49,558.10	0.8807687x	43,649.22	4,771,046.01
10/01/2023	1,141,458.10	0.8705068x	993,647.07	5,764,693.08
04/01/2024	37,001.25	0.8603645x	31,834.56	5,796,527.64
10/01/2024	1,172,801.25	0.8503404x	997,280.33	6,793,807.97
04/01/2025	23,939.55	0.8404331x	20,119.59	6,813,927.56
10/01/2025	1,188,839.55	0.8306412x	987,499.14	7,801,426.70
04/01/2026	10,543.20	0.8209634x	8,655.58	7,810,082.29
10/01/2026	927,343.20	0.8113984x	752,444.76	8,562,527.05
Total	\$9,646,736.88	-	\$8,562,527.05	-

Derivation Of Target Amount

Par Amount of Bonds	\$8,587,000.00
Other Credit Enhancement Fees	(24,472.95)
Original Issue Proceeds	\$8,562,527.05

Berkeley County Public Sewer District, West Virginia
Sewer Refunding Revenue Bonds, Series 2013A

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
04/01/2018	-	-	147,629.38	147,629.38
10/01/2018	830,000.00	3.250%	147,629.38	977,629.38
04/01/2019	-	-	134,141.88	134,141.88
10/01/2019	895,000.00	2.600%	134,141.88	1,029,141.88
04/01/2020	-	-	122,506.88	122,506.88
10/01/2020	930,000.00	2.900%	122,506.88	1,052,506.88
04/01/2021	-	-	109,021.88	109,021.88
10/01/2021	975,000.00	3.500%	109,021.88	1,084,021.88
04/01/2022	-	-	91,959.38	91,959.38
10/01/2022	1,010,000.00	3.125%	91,959.38	1,101,959.38
04/01/2023	-	-	76,178.13	76,178.13
10/01/2023	1,045,000.00	3.500%	76,178.13	1,121,178.13
04/01/2024	-	-	57,890.63	57,890.63
10/01/2024	1,100,000.00	3.650%	57,890.63	1,157,890.63
04/01/2025	-	-	37,815.63	37,815.63
10/01/2025	1,145,000.00	3.625%	37,815.63	1,182,815.63
04/01/2026	-	-	17,062.50	17,062.50
10/01/2026	910,000.00	3.750%	17,062.50	927,062.50
Total	\$8,840,000.00	-	\$1,588,412.58	\$10,428,412.58

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/01/2017
Average Life	5.084 Years
Average Coupon	3.4795098%
Weighted Average Maturity (Par Basis)	5.084 Years
Weighted Average Maturity (Original Price Basis)	5.084 Years

Refunding Bond Information

Refunding Dated Date	11/01/2017
Refunding Delivery Date	11/01/2017

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Berkeley County Public Sewer District, West Virginia

Sewer Refunding Revenue Bonds, Series 2013A

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
04/01/2018	-	147,629.38	147,629.38	-	-	147,629.38	147,629.38
10/01/2018	8,840,000.00	147,629.38	8,987,629.38	830,000.00	3.250%	147,629.38	977,629.38
04/01/2019	-	-	-	-	-	134,141.88	134,141.88
10/01/2019	-	-	-	895,000.00	2.600%	134,141.88	1,029,141.88
04/01/2020	-	-	-	-	-	122,506.88	122,506.88
10/01/2020	-	-	-	930,000.00	2.900%	122,506.88	1,052,506.88
04/01/2021	-	-	-	-	-	109,021.88	109,021.88
10/01/2021	-	-	-	975,000.00	3.500%	109,021.88	1,084,021.88
04/01/2022	-	-	-	-	-	91,959.38	91,959.38
10/01/2022	-	-	-	1,010,000.00	3.125%	91,959.38	1,101,959.38
04/01/2023	-	-	-	-	-	76,178.13	76,178.13
10/01/2023	-	-	-	1,045,000.00	3.500%	76,178.13	1,121,178.13
04/01/2024	-	-	-	-	-	57,890.63	57,890.63
10/01/2024	-	-	-	1,100,000.00	3.650%	57,890.63	1,157,890.63
04/01/2025	-	-	-	-	-	37,815.63	37,815.63
10/01/2025	-	-	-	1,145,000.00	3.625%	37,815.63	1,182,815.63
04/01/2026	-	-	-	-	-	17,062.50	17,062.50
10/01/2026	-	-	-	910,000.00	3.750%	17,062.50	927,062.50
Total	\$8,840,000.00	\$295,258.76	\$9,135,258.76	\$8,840,000.00	-	\$1,588,412.58	\$10,428,412.58

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/01/2017
Average Life	5.084 Years
Average Coupon	3.4795098%
Weighted Average Maturity (Par Basis)	5.084 Years
Weighted Average Maturity (Original Price Basis)	5.084 Years

Refunding Bond Information

Refunding Dated Date	11/01/2017
Refunding Delivery Date	11/01/2017

2013A RF | SINGLE PURPOSE | 10/18/2017 | 12:15 PM

Compass Municipal Advisors, LLC
BNurick - Public Finance

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Operation of Deposit to Net Cash Escrow Fund

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
11/01/2017	-	-	-	0.76	-	0.76
04/01/2018	146,900.00	1.200%	729.26	147,629.26	147,629.38	0.64
10/01/2018	8,873,945.00	1.400%	113,683.74	8,987,628.74	8,987,629.38	-
Total	\$9,020,845.00	-	\$114,413.00	\$9,135,258.76	\$9,135,258.76	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	0.76
Cost of Investments Purchased with Bond Proceeds	9,020,845.00
Total Cost of Investments	\$9,020,845.76
Target Cost of Investments at bond yield	\$8,942,779.24
Actual positive or (negative) arbitrage	(78,066.52)
Yield to Receipt	1.3920102%
Yield for Arbitrage Purposes	2.3576701%

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Escrow Summary Cost

Maturity	Type	Coupon	Yield	\$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Deposit to Net Cash Escrow Fund								
04/01/2018	SLGS-CI	1.200%	1.200%	100.00000000%	146,900	146,900.00	-	146,900.00
10/01/2018	SLGS-CI	1.400%	1.400%	100.00000000%	8,873,945	8,873,945.00	-	8,873,945.00
Subtotal		-	-	-	\$9,020,845	\$9,020,845.00	-	\$9,020,845.00
Total		-	-	-	\$9,020,845	\$9,020,845.00	-	\$9,020,845.00

Deposit to Net Cash Escrow Fund

Cash Deposit	0.76
Cost of Investments Purchased with Bond Proceeds	9,020,845.00
Total Cost of Investments	\$9,020,845.76

Delivery Date 11/01/2017

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Deposit to Net Cash Escrow Fund PROOF OF YIELD @ 1.3920102%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
11/01/2017	-	1.00000000x	-	-
04/01/2018	147,629.26	0.9942367x	146,778.43	146,778.43
10/01/2018	8,987,628.74	0.9873646x	8,874,066.57	9,020,845.00
Total	\$9,135,258.00	-	\$9,020,845.00	-

Composition Of Initial Deposit

Cost of Investments Purchased with Bond Proceeds	9,020,845.00
Adjusted Cost of Investments	9,020,845.00

NEW ISSUE

RATING: Standard & Poors: "A-"

In the opinion of Steptoe & Johnson PLLC, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2013 A Bonds (i) is excludable from gross income of the owners thereof for Federal income tax purposes, assuming compliance with certain provisions described herein pertaining to the Internal Revenue Code of 1986 (the "Code"), as amended, and (ii) is not a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the Federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax on corporations, and (iii) under the laws of the State of West Virginia, the Series 2013 A Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Series 2013 A Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia. In addition, the Series 2013 A Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS: SERIES 2013 A BONDS" herein.

In the opinion of Steptoe & Johnson PLLC, Bond Counsel, (i) interest on the Series 2013 B Bonds is includable in the gross income of the holders thereof for Federal income tax purposes, and (ii) under existing laws of the State of West Virginia, the Series 2013 B Bonds, and the interest thereon, are exempt from taxation by the State of West Virginia, except for inheritance, estate and transfer taxes. See "TAX MATTERS: SERIES 2013 B BONDS" herein.

BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REFUNDING REVENUE BONDS
\$9,615,000 SERIES 2013 A (BANK-QUALIFIED)
\$1,950,000 SERIES 2013 B (TAXABLE)

Dated: Date of Delivery

Due: October 1, as shown below

The Series 2013 A Bonds (the "Series 2013 A Bonds") and the Series 2013 B Bonds (the "Series 2013 B Bonds," and together with the Series 2013 A Bonds, the "Series 2013 Bonds") are issuable only as fully registered bonds without coupons in denominations of \$5,000 and integral multiples thereof for any year of maturity. All of the Series 2013 Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2013 Bonds will be in book-entry form only. Semiannual interest on the Series 2013 Bonds is payable beginning April 1, 2014, and each April 1 and October 1 thereafter. So long as the Series 2013 Bonds are maintained under a book-entry system, payments of the principal of, premium, if any, and interest on the Series 2013 Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent, to DTC in accordance with the Resolution and any Supplemental Resolution, and the Paying Agent will have no obligation to make any payments to any beneficial owner of any Series 2013 Bonds. See "THE SERIES 2013 BONDS" and "BOOK-ENTRY ONLY SYSTEM."

The Series 2013 A Bonds are being issued by the Berkeley County Public Service Sewer District (the "District"), together with other funds available therefor, to: (i) provide funds to currently refund the District's Sewer Capacity Improvement Fee Revenue Bonds, Series 2006 A (the "CIF Bonds"), (ii) fund a debt service reserve account for the Series 2013 A Bonds, and (iii) pay certain costs of issuance of the Series 2013 Bonds and related costs. The Series 2013 B Bonds are being issued by the District, together with other funds available therefor, to: (i) provide funds to currently refund the CIF Bonds, (ii) fund a debt service reserve account for the Series 2013 B Bonds, and (iii) pay certain costs of issuance of the Series 2013 Bonds and related costs.

The Series 2013 Bonds are payable from and further secured by the Net Revenues derived from the existing sewer system of the District and any extensions, improvements and betterments thereto and from funds on deposit in the Series 2013 Bonds Sinking Funds and, with respect to the Series 2013 A Bonds, the Series 2013 A Bonds Reserve Account in the Series 2013 A Bonds Sinking Fund, and with respect to the Series 2013 B Bonds, the Series 2013 B Bonds Reserve Account in the Series 2013 B Bonds Sinking Fund, on parity with the First Lien Bonds and senior and prior to the Second Lien Bonds, as more fully described herein. The Series 2013 Bonds do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, and the District shall not be obligated to pay the principal of, premium, if any, and interest on the Series 2013 Bonds, except from the Net Revenues and such funds on deposit. Neither the full faith and credit nor the taxing power, if any, of the District shall be deemed to be pledged to, nor shall any tax be levied for, the payment of the principal of, premium, if any, or interest on the Series 2013 Bonds.

The Series 2013 Bonds are subject to redemption prior to maturity as described herein.

The District has designated the Series 2013 A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. The Series 2013 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. William F. Rohrbaugh, General Counsel to the District, will pass on certain legal matters for the District, including proceedings regarding the Public Service Commission of West Virginia. Jackson Kelly PLLC, Charleston, West Virginia, as counsel to the Underwriter, will pass upon certain legal matters for the Underwriter. It is expected that the Series 2013 Bonds will be available for delivery in New York, New York, on or about August 22, 2013.

Dated: August 5, 2013



**BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT
SEWER REFUNDING REVENUE BONDS**

Maturities, Amounts, Interest Rates, Prices & CUSIPS*

\$9,615,000 SERIES 2013 A (BANK-QUALIFIED)

Maturity	Amount	Interest Rate	Price	CUSIP
10/01/2017	\$ 775,000	3.250%	104.905%	084249CB5
10/01/2018	\$ 830,000	3.250%	104.552%	084249CC3
10/01/2019	\$ 895,000	2.600%	100.000%	084249CD1
10/01/2020	\$ 930,000	2.900%	100.000%	084249CE9
10/01/2021	\$ 975,000	3.500%	101.874%**	084249CF6
10/01/2022	\$1,010,000	3.125%	98.630%	084249CG4
10/01/2023	\$1,045,000	3.500%	100.000%	084249CH2
10/01/2024	\$1,100,000	3.650%	100.000%	084249CJ8
10/01/2025	\$1,145,000	3.625%	98.311%	084249CK5
10/01/2026	\$ 910,000	3.750%	98.468%	084249CL3

\$1,950,000 SERIES 2013 B (TAXABLE)

Maturity	Amount	Interest Rate	Price	CUSIP
10/01/2014	\$ 520,000	3.000%	101.365%	084249CM1
10/01/2015	\$ 690,000	3.000%	101.019%	084249CN9
10/01/2016	\$ 740,000	3.000%	100.000%	084249CP4

* CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers on the cover page hereof are being provided solely for the convenience of the Owners of the Series 2013 Bonds only at the time of issuance of the Series 2013 Bonds and neither the Underwriter nor the District make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2013 Bonds.

** Priced to the optional redemption date of October 1, 2018.

have no right to receive physical possession of the Series 2013 Bonds and payments of principal of, redemption price, if any, and interest on the Series 2013 Bonds will be made as described herein under "BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, interest on the Series 2013 Bonds will be payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by the Registrar as of the 15th day of the month preceding such interest payment date or, in the event of a default in the payment of the Series 2013 Bonds, that special record date to be fixed by the Registrar by notice given to the owners not less than 10 days prior to said special record date (the "Record Date"). If the book-entry system is discontinued, principal of, premium, if any, and interest on the Series 2013 Bonds will be payable to the owner thereof upon surrender thereof at the principal office of the Paying Agent.

So long as the Series 2013 Bonds are maintained under a book-entry system, transfers of ownership interests in the Series 2013 Bonds will be made as described herein under "BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, ownership of any Series 2013 Bond may be transferred upon surrender thereof to the Registrar, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney or legal representative. Upon any such transfer of a Series 2013 Bond, there will be issued another Series 2013 Bond or Series 2013 Bonds, at the option of the transferee, of the same aggregate principal amount, series, maturity and interest rate as said Series 2013 Bond. For every exchange or transfer of Series 2013 Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. The District shall pay any service charge of the Registrar and any applicable tax or other governmental charge.

Extraordinary Redemption

The Series 2013 Bonds shall also be subject to redemption if there should occur any damage to or destruction of the System or any condemnation of title to or the use of the System, the applicable Series 2013 Bonds shall be subject to redemption at any time at the redemption price of 100% of the principal amount thereof plus accrued interest to the Redemption Date from any condemnation awards or insurance proceeds which are not used to repair, rebuild or rearrange the System.

Optional Redemption

The Series 2013 A Bonds maturing on and after October 1, 2019, are subject to redemption at the option of the District, prior to maturity, on or after October 1, 2018, in whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) of 100%, plus interest accrued to the date fixed for redemption.

Berkeley County Public Service Sewer District
Sewer Refunding Revenue Bond, Series 2017 B (Bank Qualified)

RECEIPT AND RELEASE OF SERIES 2013 A BONDS

The undersigned authorized representative of the West Virginia Municipal Bond Commission (the "Paying Agent") hereby certifies this 1st day of November, 2017 as follows:

On the 1st day of November, 2017, the Paying Agent received the Paying Agent fee in the amount of \$2,129.56 and also received the sum of \$8,456,244.76 from the proceeds of the Sewer Refunding Revenue Bond, Series 2017 B issued by the Berkeley County Public Service Sewer District (the "Issuer") and such amount, together with funds then on deposit with the Paying Agent in the Series 2013 A Bonds Debt Service Reserve Fund in the amount of \$564,601 (total of \$9,020,845.76) will be used to purchase securities which, along with \$.76 in cash, will be sufficient based upon the verification report of AMTEC dated November 1, 2017 addressed to the Issuer and the Paying Agent (among others) to: (i) pay the interest payable on the Berkeley County Public Service Sewer District Sewer Refunding Revenue Bonds, Series 2013 A (Bank Qualified), dated August 22, 2013, issued in the original aggregate principal amount of \$9,615,000 (the "Series 2013 A Bonds") on April 1, 2018; (ii) pay the entire outstanding principal of, premium on, if any, and all accrued interest on the, on October 1, 2018, the Redemption Date for the Series 2013 A Bonds, (iii) pay the fees of the Paying Agent; and (iv) discharge the liens, pledges and encumbrances securing such Series 2013 A Bonds.

WITNESS my signature the day and year first written above.

WEST VIRGINIA MUNICIPAL
BOND COMMISSION


By: _____
Its Authorized Representative



**MUNICIPAL BOND DEBT SERVICE RESERVE
INSURANCE COMMITMENT (STAND ALONE)**

ISSUER:	Berkeley County Public Service District, West Virginia	EFFECTIVE DATE:	October 16, 2017
		EXPIRATION DATE:	January 15, 2018
MEMBER:	Berkeley County Public Service District, West Virginia		
BONDS:	Sewer Revenue Advanced Refunding Bonds, Series 2017B		

INSURANCE PAYMENT: 2.85% of Policy Limit

POLICY LIMIT: \$964,601.00. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement for 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 Debt Service Reserve 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 POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED OR WAIVED BY BAM, AND THE ISSUER AND MEMBER AGREE AS FOLLOWS:

1. The documents to be, or that have been, executed and delivered in connection with the issuance and sale of the Bonds and the issuance of the Policy (collectively, the "Security Documents") are in full force and effect and no default, breach or events of default (or event which with notice or the lapse of time would constitute an event of default) has occurred and is continuing under any of the Security Documents.

2. The Policy shall expire on the earlier of (a) final maturity date of the Bonds and (b) the date the Bonds are no longer outstanding under the Security Documents.

3. The applicable Security 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.

4. BAM shall be provided with:

(a) Copies of all drafts of the Security Document 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) A copy of the Debt Service Reserve Agreement between the Issuer and BAM (the "Agreement"), substantially in the form of **Exhibit B**, duly executed by the Issuer, subject only to such changes as shall be agreed to by BAM, as evidenced by BAM's execution thereof.

(c) Executed copies of all Security Documents and a legal opinion of nationally recognized bond counsel as to due authorization, validity and enforceability of the Security Documents, which legal opinion(s) shall be addressed to BAM. The foregoing shall be in form and substance acceptable to BAM. (For your information, the form of legal opinion to be delivered by BAM upon issuance of the Policy is attached hereto as **Exhibit C**.)

(d) An opinion(s) of nationally recognized bond counsel or other counsel acceptable to BAM, addressed and in form and substance satisfactory to BAM, (i) as to the due authorization, validity and enforceability of the Agreement, (ii) that the repayment of draws under the Policy and all Policy Costs are secured by and payable from Net Revenues (as such term is defined in the Security Documents) in accordance with the terms of the Agreement, (iii) if applicable, that the Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund or account (the "Reserve Fund") under the Security Documents, and (iv) as to such other matters as BAM shall reasonably request.

(e) 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 issuance of the Policy.

5. The Security Documents shall secure repayment of draws under the Policy and all Policy Costs consistent with the terms of the Agreement.

6. Promptly, but in no event more than thirty (30) days after the issuance of the Policy, BAM shall receive two (2) CD-ROMs, which contain the final closing transcript of proceedings with respect to the Bonds and the issuance of the Policy or if CD-ROMs are not available, such other electronic form as BAM shall accept.

7. 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, if any, and ten (10) days after the date of this Commitment.

REPRESENTATION AND AGREEMENT BY BAM

- (a) BAM is a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York.
- (b) BAM covenants that it will only insure obligations of states, political subdivisions, an integral part of states or political subdivisions or entities otherwise eligible for the exclusion of income under Section 115 of the Internal Revenue Code of 1986, as amended, or any successor thereto.
- (c) BAM covenants that it will not seek to convert to a stock insurance corporation.
- (d) The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

A handwritten signature in black ink, appearing to be 'JJP' or similar, written over a horizontal line.

Authorized Officer

October 16, 2017

Date

AGREED AND ACCEPTED

The undersigned agrees and accepts the conditions set forth above and further agrees that (i) if the debt service reserve fund requirement for the Bonds is met by a credit instrument, such credit instrument shall be a Reserve Policy provided by BAM in accordance with the terms of this Commitment; (ii) it has made an independent investigation and decision as to whether to obtain the Policy 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 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 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 (i) through (vi) above and the representations and agreements of BAM shall survive the expiration or termination of this Commitment.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA

By: _____


Authorized Officer

10/14/17

Date

EXHIBIT A

DOCUMENT PROVISIONS

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

- (a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the “Reserve Policy”) and pay all related reasonable expenses incurred by BAM (the “Reserve Insurer”). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Reserve Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall be made from the first Net Revenues available after all required payments to the Sinking Fund for the Bonds and shall commence no later than the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

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

All cash and investments in the Debt Service Reserve Fund established for the Bonds and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other credit facility on deposit in the Debt Service Reserve Fund in lieu of cash (“Reserve Fund Credit Instrument”).

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt Service Reserve Fund.

For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund 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.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

- (b) Draws under the Reserve Policy may only be used to make payments on Bonds covered under the Reserve Policy.
- (c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Bond Ordinance.
- (d) This Bond Ordinance shall not be discharged until all Policy Costs owing to the Reserve Insurer shall have been paid in full. The Issuer’s obligation to pay such amount shall expressly survive payment in full of the Bonds.
- (e) The Reserve Policy shall expire and terminate in accordance with the terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.
- (f) Any amendment, supplement, modification to, or waiver of this Bond Ordinance or any other document executed in connection with the Bonds (collectively, the “Security Documents”) that requires the consent of the Owners of the Bonds or adversely affects the rights or interest of the Reserve Insurer shall be subject to the prior written consent of the Reserve Insurer.
- (g) The Reserve Insurer 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.
- (h) 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 Bond Ordinance.
- (i) The Paying Agent shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph a hereof and shall provide notice to the Reserve Insurer 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 Bonds. Where deposits are required to be made by the Issuer with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to the Reserve Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.
- (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of

the Reserve Insurer'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 Bond Ordinance or any other Security Document ("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 the Reserve Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Reserve Insurer until the date the Reserve Insurer is paid in full.

(k) Payments made by BAM under the Reserve Policy with respect to claims for interest on or principal of the Bonds shall not discharge the obligation of the Issuer with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest thereon. The issuer and the Trustee recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

(l) In order to secure the Issuer's payment obligations with respect to Policy Cost, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Bonds) in all revenues and collateral pledged as security for the Bonds. Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Bonds, including following the occurrence of a default or event of default.

(m) Notice and Other Information to be given to the Reserve Insurer.

(1) The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Bonds or the Trustee under the Security Documents.

(2) In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon the Debt Service Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.

(3) The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company
200 Liberty Street, 27th Floor

New York, NY 10281

Attention: Surveillance, Re: Policy No. _____

Telephone: (212) 235-2500

Telecopier: (212) 235-1542

Email: notices@buildamerica.com

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."

EXHIBIT B

FORM OF DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated _____, 2017 (the "Agreement"), by and between BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA (the "Issuer") and BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM").

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. _____ (the "Reserve Policy") with respect to the Issuer's Sewer Revenue Advanced Refunding Bonds, Series 2017B (the "Bonds") issued under a Bond Resolution duly adopted on _____ (collectively, the "Authorizing Document") and the payment to BAM of the Insurance Payment for the Reserve Policy, the Issuer and BAM hereby covenant and agree as follows:

1. The Issuer 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 5%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, 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 (as defined below) and the interest accrued thereon at the Late Payment Rate (collectively, "Policy Costs") shall be made from the first Net Revenues available after all required payments to the Sinking Fund for the Bonds and shall commence no later than the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate 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 Bonds (the "Reserve Fund") and any surplus fund or account shall be transferred to the debt service fund for payment of debt service on the Bonds before any drawing may be made on the Reserve Policy or on any alternative credit instrument on deposit in the Reserve Fund ("Alternate Credit Instrument"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Alternative Credit Instruments

(including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each such Alternative Credit Instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to Alternative Credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Alternative Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

Draws under the Reserve Policy may only be used to make payments of principal of and interest on the Bonds.

5. The Reserve Policy shall terminate on the earlier to occur of _____ and the date the Bonds are no longer outstanding under the Authorizing Document.
6. If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document.
7. Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.
8. The Authorizing Document shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Issuer's obligation to pay such amounts shall expressly survive payment in full of the Bonds.
9. In order to secure the Issuer'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 Bonds) in all revenues and collateral pledged as security for the Bonds ("Pledged Collateral"). Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Bonds, including following the occurrence of a default or event of default. The Issuer shall not make payments from or pledge, assign or grant a security interest in the Pledged Collateral to any provider of an Alternate Credit Instrument that is senior or prior to the payments or security interest granted to BAM by this Paragraph 9.
10. The Issuer shall fully observe, perform and fulfill each of the provisions, covenants and agreements (as each of those provisions, covenants and agreements may be amended, supplemented, modified or waived with, if required by Paragraph 7 above, the prior

written consent of BAM) of the Authorizing Document applicable to it, with each of such provisions, covenants and agreements being expressly incorporated into this Agreement by reference solely for the benefit of BAM as if set forth directly herein.

11. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Authorizing Document.
12. The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Issuer with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall give notice to BAM of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.
13. Payments made by BAM under the Reserve Policy with respect to claims for interest on or principal of the Bonds shall not discharge the obligation of the Issuer with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest thereon. The Issuer and the Trustee recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.
14. The Issuer agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Document or any other document executed in connection with the Bonds ("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 Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.
15. The obligation of the Issuer to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Issuer and will be paid or performed strictly in accordance with this Agreement.
16. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Document or any other document executed in connection

with the Bonds, the Issuer shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.

17. Notice and Other Information to be given to the Reserve Insurer.

- a. The Issuer will provide the Reserve Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Bonds or the Trustee under the Security Documents.
- b. In addition, the Issuer shall provide the Reserve Insurer with the following notices and other information: (i) notice of any draw upon the Debt Service Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.
- c. The Reserve Insurer shall be entitled to receive such additional information as it may reasonably request.

18. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com; with a copy of such notice or other communication sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214.

19. The Issuer agrees that any disclosure document or other document relating to the issuance or sale of the Bonds shall not contain any reference to BAM or the Reserve Policy, except as may be approved by BAM.

20. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement. In the event of any conflict in the terms of this Agreement and the Authorizing Document, the terms of this Agreement shall control.

21. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.

22. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.

23. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

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

BERKELEY COUNTY PUBLIC SERVICE DISTRICT,
WEST VIRGINIA

By: _____
Title:

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Title:

EXHIBIT C

FORM OF OPINION



[CLOSING DATE]

[ADDRESSEES (ISSUER, MEMBER AND TRUSTEE)]

Re:

DSR Policy: Debt Service Reserve Insurance Policy No. [POLICY NO.]
Member:
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 DSR 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 Member as a member of BAM until the Policy is 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.

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 transaction described above 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,

EXHIBIT 1

Specimen Municipal Bond Debt Service Reserve Insurance Policy



**MUNICIPAL BOND DEBT SERVICE
RESERVE INSURANCE POLICY
(SA)**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

Effective Date: _____

BONDS: [Bonds]

Risk Premium: \$ _____

MAXIMUM POLICY LIMIT: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

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

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

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) 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 and (b) 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.

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. 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, 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 or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be obtained from BAM upon request. "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 lesser of (i) the Maximum Policy Limit set forth above and (ii) 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"). 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. "Security Documents" means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement or any similar document and any additional or supplemental document executed in connection with the Bonds. "Term" means the period from and including the Effective Date until the Termination Date. "Termination Date" means the earlier to occur of (i) the date on which the Bonds are no longer outstanding under the Security Documents and (ii) _____ [date].

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

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

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor

New York, New York 10281

Telecopy: 212-235-1524 (attention: Claims)

SPECIMEN

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

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

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement 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 DEBT
SERVICE RESERVE
INSURANCE POLICY (SA)**

ISSUER: Berkeley County Public Service Sewer
District, West Virginia

Policy No: 2017N0033

MEMBER: Berkeley County Public Service
Sewer District, West Virginia

Effective Date: November 01, 2017

BONDS: Sewer Refunding Revenue Bonds,
Series 2017 B

Risk Premium: \$8,587.00
Member Surplus Contribution: \$15,885.95
Total Insurance Payment: \$24,472.95

MAXIMUM POLICY LIMIT: \$858,700.00

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 disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) 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 and (b) 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.

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. 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, 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 or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be

obtained from BAM upon request. **“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 lesser of (i) Maximum Policy Limit set forth above and (ii) the dollar amount of the debt service reserve fund (or the portion thereof) required to be maintained for the Bonds by the Security Documents from time to time (the “Reserve Account Requirement”). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement applicable to the Bonds, as provided in the Security Documents. **“Security Documents”** means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement or any similar document and any additional or supplemental document executed in connection with the Bonds. **“Term”** means the period from and including the Effective Date until the Termination Date. **“Termination Date”** means the earlier to occur of (i) the date on which the Bonds are no longer outstanding under the Security Documents and (ii) October 1, 2026.

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 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

A handwritten signature in black ink, consisting of stylized, overlapping loops and vertical strokes, positioned above the signature line.

By: _____
Authorized Officer

Schedule

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor

New York, New York 10281

Telecopy: 212-235-1524 (attention: Claims)

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, or if not defined therein, in the Debt Service Reserve Agreement.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Debt Service Reserve Agreement 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:

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated November 1, 2017 (the "Agreement"), by and between BERKELEY COUNTY PUBLIC SERVICE SEWER DISTRICT, WEST VIRGINIA (the "Issuer") and BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM").

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. 2017N0033 (the "Reserve Policy") with respect to the Issuer's Sewer Refunding Revenue Bonds, Series 2017 B (Bank Qualified) (the "Bonds") issued under a Bond Resolution duly adopted on October 3, 2017, as supplemented by a Supplemental Parameters Resolution duly adopted on October 3, 2017 and a Certificate of Determinations dated as of, and executed by the Chairman on November 1, 2017 (collectively, the "Authorizing Document") and the payment to BAM of the Insurance Payment for the Reserve Policy, the Issuer and BAM hereby covenant and agree as follows:

1. The Issuer 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 5%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate, 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 (as defined below) and the interest accrued thereon at the Late Payment Rate (collectively, "Policy Costs") shall be made from the first Net Revenues available after all required payments to the Sinking Fund for the Bonds and shall commence no later than the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12th of the aggregate 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 Bonds (the "Reserve Fund") and any surplus fund or account shall be transferred to the debt service fund for payment of debt service on the Bonds before any drawing may be made on the Reserve Policy or on any alternative credit instrument on deposit in the Reserve Fund ("Alternate Credit Instrument"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Alternative Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to available coverage under each

such Alternative Credit Instrument) after applying available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to Alternative Credit instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Alternative Credit Instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

Draws under the Reserve Policy may only be used to make payments of principal of and interest on the Bonds.

5. The Reserve Policy shall terminate on the earlier to occur of October 1, 2026 and the date the Bonds are no longer outstanding under the Authorizing Document.
6. If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document.
7. Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.
8. The Authorizing Document shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Issuer's obligation to pay such amounts shall expressly survive payment in full of the Bonds.
9. In order to secure the Issuer'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 Bonds) in all revenues and collateral pledged as security for the Bonds ("Pledged Collateral"). Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Bonds, including following the occurrence of a default or event of default. The Issuer shall not make payments from or pledge, assign or grant a security interest in the Pledged Collateral to any provider of an Alternate Credit Instrument that is senior or prior to the payments or security interest granted to BAM by this Paragraph 9.
10. The Issuer shall fully observe, perform and fulfill each of the provisions, covenants and agreements (as each of those provisions, covenants and agreements may be amended, supplemented, modified or waived with, if required by Paragraph 7 above, the prior written consent of BAM) of the Authorizing Document applicable to it, with each of such provisions, covenants and agreements being expressly incorporated into this Agreement by reference solely for the benefit of BAM as if set forth directly herein.
11. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Authorizing Document.

12. The Paying Agent 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 Bonds. Where deposits are required to be made by the Issuer with the Paying Agent to the debt service fund for the Bonds more often than semi-annually, the Paying Agent shall give notice to BAM of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.
13. Payments made by BAM under the Reserve Policy with respect to claims for interest on or principal of the Bonds shall not discharge the obligation of the Issuer with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest thereon. The Issuer and the Paying Agent recognize and agree that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.
14. The Issuer agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Document or any other document executed in connection with the Bonds ("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 Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.
15. The obligation of the Issuer to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Issuer and will be paid or performed strictly in accordance with this Agreement.
16. So long as a default or event of default has occurred and is continuing under this Agreement, the Authorizing Document or any other document executed in connection with the Bonds, the Issuer shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.
17. Notice and Other Information to be given to BAM.
 - a. The Issuer 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 Bonds or the Paying Agent under the Security Documents.
 - b. In addition, the Issuer shall provide BAM with the following notices and other information: (i) notice of any draw upon the Debt Service Reserve Fund within two (2) business days after

knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof.

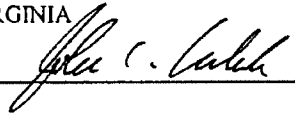
c. BAM shall be entitled to receive such additional information as it may reasonably request.

18. 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. 2017N0033, 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.
19. The Issuer agrees that any disclosure document or other document relating to the issuance or sale of the Bonds shall not contain any reference to BAM or the Reserve Policy, except as may be approved by BAM.
20. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement. In the event of any conflict in the terms of this Agreement and the Authorizing Document, the terms of this Agreement shall control.
21. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.
22. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.

23. 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: _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Title: _____

23. 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:

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By:  _____
Title: Deputy General Counsel



BAM

November 01, 2017

Berkeley County Public Service Sewer District
65 District Way
Martinsburg, WV 25401

West Virginia Municipal Bond Commission
900 Pennsylvania Avenue, Suite 1117
Charleston, WV 25302

RE: DSR Policy: Debt Service Reserve Policy No. 2017N0033
Member: Berkeley County Public Service Sewer District, West Virginia
Bonds: Sewer Refunding Revenue Bonds, Series 2017B

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 DSR 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 Member as a member of BAM until the Policy is 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.

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 transaction described above 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 black ink, consisting of a stylized 'J' followed by a large 'P' and a vertical line.



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

BAM Policy No.: 2017N0033

BONDS: Berkeley County Public Service Sewer District, West Virginia
Sewer Refunding Revenue Bonds, Series 2017 B

The undersigned hereby certifies on behalf of BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), in connection with the issuance by BAM of its Policy referenced above (the "Policy") in respect of the Bonds referenced above (the "Bonds") that:

(i) 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;

(ii) 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;

(iii) 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;

(iv) 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);

(v) 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;

(vi) (a) BAM has not paid any dividends to date, (b) BAM's Board of Directors has resolved that BAM's priorities for surplus, as it accumulates, will be to preserve capital strength and claims paying resources for the benefit of its members and secondarily to return value by reducing premiums charged for its insurance, and (c) BAM has no current expectation that any dividends will be paid;

(vii) BAM does not expect that a claim will be made on the Policy; and

(viii) Neither the Issuer nor any other Obligor is entitled to a refund of the Insurance Payment 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: November 01, 2017

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Sources & Uses

Dated 11/01/2017 | Delivered 11/01/2017

Sources Of Funds

Par Amount of Bonds	\$8,587,000.00
Transfers from Prior Issue DSR Funds	964,601.00
Total Sources	\$9,551,601.00

Uses Of Funds

Costs of Issuance	106,282.29
Surety Bond Policy	24,472.95
Deposit to Net Cash Escrow Fund	9,020,845.76
Deposit to Project Fund	400,000.00
Total Uses	\$9,551,601.00

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Detail Costs Of Issuance

Dated 11/01/2017 | Delivered 11/01/2017

COSTS OF ISSUANCE DETAIL

Financial Advisor	\$45,081.75
Bond Counsel	\$45,000.00
Bank Counsel	\$5,000.00
Eserow Agent	\$2,500.00
Verification Agent	\$3,500.00
Registrar	\$650.00
Municipal Bond Commission	\$2,000.00
Contingency	\$2,550.54
TOTAL	\$106,282.29

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
10/01/2018	Serial Coupon	2.300%	2.300%	136,400.00	100.000%	136,400.00
10/01/2019	Serial Coupon	2.300%	2.300%	1,023,700.00	100.000%	1,023,700.00
10/01/2020	Serial Coupon	2.300%	2.300%	1,004,900.00	100.000%	1,004,900.00
10/01/2021	Serial Coupon	2.300%	2.300%	1,042,800.00	100.000%	1,042,800.00
10/01/2022	Serial Coupon	2.300%	2.300%	1,069,800.00	100.000%	1,069,800.00
10/01/2023	Serial Coupon	2.300%	2.300%	1,091,900.00	100.000%	1,091,900.00
10/01/2024	Serial Coupon	2.300%	2.300%	1,135,800.00	100.000%	1,135,800.00
10/01/2025	Serial Coupon	2.300%	2.300%	1,164,900.00	100.000%	1,164,900.00
10/01/2026	Serial Coupon	2.300%	2.300%	916,800.00	100.000%	916,800.00
Total	-	-	-	\$8,587,000.00	-	\$8,587,000.00

Bid Information

Par Amount of Bonds	\$8,587,000.00
Gross Production	\$8,587,000.00
Bid (100.000%)	8,587,000.00
Total Purchase Price	\$8,587,000.00
Bond Year Dollars	\$46,075.52
Average Life	5.366 Years
Average Coupon	2.30000000%
Net Interest Cost (NIC)	2.30000000%
True Interest Cost (TIC)	2.3001823%

2017B REF | SINGLE PURPOSE | 10/18/2017 | 12:15 PM

Compass Municipal Advisors, LLC
 BNurick - Public Finance

Berkeley County Public Sewer District, West Virginia

Sewer Advance Refunding Revenue Bond, Series 2017 B

FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17

(Competitive Bid - Bank Qualified)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
11/01/2017	-	-	-	-
04/01/2018	-	-	82,292.08	82,292.08
10/01/2018	136,400.00	2.300%	98,750.50	235,150.50
04/01/2019	-	-	97,181.90	97,181.90
10/01/2019	1,023,700.00	2.300%	97,181.90	1,120,881.90
04/01/2020	-	-	85,409.35	85,409.35
10/01/2020	1,004,900.00	2.300%	85,409.35	1,090,309.35
04/01/2021	-	-	73,853.00	73,853.00
10/01/2021	1,042,800.00	2.300%	73,853.00	1,116,653.00
04/01/2022	-	-	61,860.80	61,860.80
10/01/2022	1,069,800.00	2.300%	61,860.80	1,131,660.80
04/01/2023	-	-	49,558.10	49,558.10
10/01/2023	1,091,900.00	2.300%	49,558.10	1,141,458.10
04/01/2024	-	-	37,001.25	37,001.25
10/01/2024	1,135,800.00	2.300%	37,001.25	1,172,801.25
04/01/2025	-	-	23,939.55	23,939.55
10/01/2025	1,164,900.00	2.300%	23,939.55	1,188,839.55
04/01/2026	-	-	10,543.20	10,543.20
10/01/2026	916,800.00	2.300%	10,543.20	927,343.20
Total	\$8,587,000.00	-	\$1,059,736.88	\$9,646,736.88

Yield Statistics

Bond Year Dollars	\$46,075.52
Average Life	5.366 Years
Average Coupon	2.3000000%

Net Interest Cost (NIC)	2.3000000%
True Interest Cost (TIC)	2.3001823%
Bond Yield for Arbitrage Purposes	2.3576701%
All Inclusive Cost (AIC)	2.6098754%

IRS Form 8038

Net Interest Cost	2.3000000%
Weighted Average Maturity	5.366 Years

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Compass Municipal Advisors, LLC
BNurick - Public Finance

Berkeley County Public Sewer District, West Virginia

Sewer Advance Refunding Revenue Bond, Series 2017 B

FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17

(Competitive Bid - Bank Qualified)

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2018	82,292.08	82,292.08	147,629.38	65,337.30
06/30/2019	332,332.40	332,332.40	1,111,771.26	779,438.86
06/30/2020	1,206,291.25	1,206,291.25	1,151,648.76	(54,642.49)
06/30/2021	1,164,162.35	1,164,162.35	1,161,528.76	(2,633.59)
06/30/2022	1,178,513.80	1,178,513.80	1,175,981.26	(2,532.54)
06/30/2023	1,181,218.90	1,181,218.90	1,178,137.51	(3,081.39)
06/30/2024	1,178,459.35	1,178,459.35	1,179,068.76	609.41
06/30/2025	1,196,740.80	1,196,740.80	1,195,706.26	(1,034.54)
06/30/2026	1,199,382.75	1,199,382.75	1,199,878.13	495.38
06/30/2027	927,343.20	927,343.20	927,062.50	(280.70)
Total	\$9,646,736.88	\$9,646,736.88	\$10,428,412.58	\$781,675.70

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	765,423.50
Net PV Cashflow Savings @ 2.358%(Bond Yield)	765,423.50
Transfers from Prior Issue DSR Fund	(964,601.00)
Amount deposited into Construction Fund	400,000.00
Net Present Value Benefit	\$200,822.50
Net PV Benefit / \$8,840,000 Refunded Principal	2.272%
Net PV Benefit / \$8,587,000 Refunding Principal	2.339%

Refunding Bond Information

Refunding Dated Date	11/01/2017
Refunding Delivery Date	11/01/2017

***Net D/S Excludes: DSR**

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Compass Municipal Advisors, LLC

BNurick - Public Finance

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Proof Of Bond Yield @ 2.3576701%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
11/01/2017	-	1.0000000x	-	-
04/01/2018	82,292.08	0.9902814x	81,492.31	81,492.31
10/01/2018	235,150.50	0.9787436x	230,152.04	311,644.36
04/01/2019	97,181.90	0.9673402x	94,007.96	405,652.32
10/01/2019	1,120,881.90	0.9560698x	1,071,641.28	1,477,293.60
04/01/2020	85,409.35	0.9449306x	80,705.91	1,557,999.51
10/01/2020	1,090,309.35	0.9339212x	1,018,263.01	2,576,262.52
04/01/2021	73,853.00	0.9230401x	68,169.28	2,644,431.80
10/01/2021	1,116,653.00	0.9122857x	1,018,706.60	3,663,138.39
04/01/2022	61,860.80	0.9016567x	55,777.20	3,718,915.60
10/01/2022	1,131,660.80	0.8911515x	1,008,481.19	4,727,396.79
04/01/2023	49,558.10	0.8807687x	43,649.22	4,771,046.01
10/01/2023	1,141,458.10	0.8705068x	993,647.07	5,764,693.08
04/01/2024	37,001.25	0.8603645x	31,834.56	5,796,527.64
10/01/2024	1,172,801.25	0.8503404x	997,280.33	6,793,807.97
04/01/2025	23,939.55	0.8404331x	20,119.59	6,813,927.56
10/01/2025	1,188,839.55	0.8306412x	987,499.14	7,801,426.70
04/01/2026	10,543.20	0.8209634x	8,655.58	7,810,082.29
10/01/2026	927,343.20	0.8113984x	752,444.76	8,562,527.05
Total	\$9,646,736.88	-	\$8,562,527.05	-

Derivation Of Target Amount

Par Amount of Bonds	\$8,587,000.00
Other Credit Enhancement Fees	(24,472.95)
Original Issue Proceeds	\$8,562,527.05

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Compass Municipal Advisors, LLC
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Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Price	Issuance Price	Exponent	Bond Years
11/01/2017	-	-	-	-	-
10/01/2018	136,400.00	100.0000%	136,400.00	0.9166667x	125,033.33
10/01/2019	1,023,700.00	100.0000%	1,023,700.00	1.9166667x	1,962,091.67
10/01/2020	1,004,900.00	100.0000%	1,004,900.00	2.9166667x	2,930,958.33
10/01/2021	1,042,800.00	100.0000%	1,042,800.00	3.9166667x	4,084,300.00
10/01/2022	1,069,800.00	100.0000%	1,069,800.00	4.9166667x	5,259,850.00
10/01/2023	1,091,900.00	100.0000%	1,091,900.00	5.9166667x	6,460,408.33
10/01/2024	1,135,800.00	100.0000%	1,135,800.00	6.9166667x	7,855,950.00
10/01/2025	1,164,900.00	100.0000%	1,164,900.00	7.9166667x	9,222,125.00
10/01/2026	916,800.00	100.0000%	916,800.00	8.9166667x	8,174,800.00
Total	\$8,587,000.00	-	\$8,587,000.00	-	\$46,075,516.67

IRS Form 8038

Weighted Average Maturity = Bond Years/Issue Price	5.366 Years
Total Interest from Debt Service	1,059,736.88
Total Interest	1,059,736.88
NIC = Interest / (Issue Price * Average Maturity)	2.30000000%
Bond Yield for Arbitrage Purposes	2.3576701%

Berkeley County Public Sewer District, West Virginia
Sewer Refunding Revenue Bonds, Series 2013A

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
04/01/2018	-	-	147,629.38	147,629.38
10/01/2018	830,000.00	3.250%	147,629.38	977,629.38
04/01/2019	-	-	134,141.88	134,141.88
10/01/2019	895,000.00	2.600%	134,141.88	1,029,141.88
04/01/2020	-	-	122,506.88	122,506.88
10/01/2020	930,000.00	2.900%	122,506.88	1,052,506.88
04/01/2021	-	-	109,021.88	109,021.88
10/01/2021	975,000.00	3.500%	109,021.88	1,084,021.88
04/01/2022	-	-	91,959.38	91,959.38
10/01/2022	1,010,000.00	3.125%	91,959.38	1,101,959.38
04/01/2023	-	-	76,178.13	76,178.13
10/01/2023	1,045,000.00	3.500%	76,178.13	1,121,178.13
04/01/2024	-	-	57,890.63	57,890.63
10/01/2024	1,100,000.00	3.650%	57,890.63	1,157,890.63
04/01/2025	-	-	37,815.63	37,815.63
10/01/2025	1,145,000.00	3.625%	37,815.63	1,182,815.63
04/01/2026	-	-	17,062.50	17,062.50
10/01/2026	910,000.00	3.750%	17,062.50	927,062.50
Total	\$8,840,000.00	-	\$1,588,412.58	\$10,428,412.58

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/01/2017
Average Life	5.084 Years
Average Coupon	3.4795098%
Weighted Average Maturity (Par Basis)	5.084 Years
Weighted Average Maturity (Original Price Basis)	5.084 Years

Refunding Bond Information

Refunding Dated Date	11/01/2017
Refunding Delivery Date	11/01/2017

2013A RF | SINGLE PURPOSE | 10/18/2017 | 12:15 PM

Compass Municipal Advisors, LLC
BNurick - Public Finance

Berkeley County Public Sewer District, West Virginia
Sewer Refunding Revenue Bonds, Series 2013A

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
04/01/2018	-	147,629.38	147,629.38	-	-	147,629.38	147,629.38
10/01/2018	8,840,000.00	147,629.38	8,987,629.38	830,000.00	3.250%	147,629.38	977,629.38
04/01/2019	-	-	-	-	-	134,141.88	134,141.88
10/01/2019	-	-	-	895,000.00	2.600%	134,141.88	1,029,141.88
04/01/2020	-	-	-	-	-	122,506.88	122,506.88
10/01/2020	-	-	-	930,000.00	2.900%	122,506.88	1,052,506.88
04/01/2021	-	-	-	-	-	109,021.88	109,021.88
10/01/2021	-	-	-	975,000.00	3.500%	109,021.88	1,084,021.88
04/01/2022	-	-	-	-	-	91,959.38	91,959.38
10/01/2022	-	-	-	1,010,000.00	3.125%	91,959.38	1,101,959.38
04/01/2023	-	-	-	-	-	76,178.13	76,178.13
10/01/2023	-	-	-	1,045,000.00	3.500%	76,178.13	1,121,178.13
04/01/2024	-	-	-	-	-	57,890.63	57,890.63
10/01/2024	-	-	-	1,100,000.00	3.650%	57,890.63	1,157,890.63
04/01/2025	-	-	-	-	-	37,815.63	37,815.63
10/01/2025	-	-	-	1,145,000.00	3.625%	37,815.63	1,182,815.63
04/01/2026	-	-	-	-	-	17,062.50	17,062.50
10/01/2026	-	-	-	910,000.00	3.750%	17,062.50	927,062.50
Total	\$8,840,000.00	\$295,258.76	\$9,135,258.76	\$8,840,000.00	-	\$1,588,412.58	\$10,428,412.58

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/01/2017
Average Life	5.084 Years
Average Coupon	3.4795098%
Weighted Average Maturity (Par Basis)	5.084 Years
Weighted Average Maturity (Original Price Basis)	5.084 Years

Refunding Bond Information

Refunding Dated Date	11/01/2017
Refunding Delivery Date	11/01/2017

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Compass Municipal Advisors, LLC
BNurick - Public Finance

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Operation of Deposit to Net Cash Escrow Fund

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
11/01/2017	-	-	-	0.76	-	0.76
04/01/2018	146,900.00	1.200%	729.26	147,629.26	147,629.38	0.64
10/01/2018	8,873,945.00	1.400%	113,683.74	8,987,628.74	8,987,629.38	-
Total	\$9,020,845.00	-	\$114,413.00	\$9,135,258.76	\$9,135,258.76	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	0.76
Cost of Investments Purchased with Bond Proceeds	9,020,845.00
Total Cost of Investments	\$9,020,845.76
Target Cost of Investments at bond yield	\$8,942,779.24
Actual positive or (negative) arbitrage	(78,066.52)
Yield to Receipt	1.3920102%
Yield for Arbitrage Purposes	2.3576701%

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

Escrow Summary Cost

Maturity	Type	Coupon	Yield	\$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Deposit to Net Cash Escrow Fund								
04/01/2018	SLGS-CI	1.200%	1.200%	100.00000000%	146,900	146,900.00	-	146,900.00
10/01/2018	SLGS-CI	1.400%	1.400%	100.00000000%	8,873,945	8,873,945.00	-	8,873,945.00
Subtotal		-	-	-	\$9,020,845	\$9,020,845.00	-	\$9,020,845.00
Total		-	-	-	\$9,020,845	\$9,020,845.00	-	\$9,020,845.00

Deposit to Net Cash Escrow Fund

Cash Deposit	0.76
Cost of Investments Purchased with Bond Proceeds	9,020,845.00
Total Cost of Investments	\$9,020,845.76

Delivery Date 11/01/2017

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
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Deposit to Net Cash Escrow Fund PROOF OF YIELD @ 1.3920102%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
11/01/2017	-	1.0000000x	-	-
04/01/2018	147,629.26	0.9942367x	146,778.43	146,778.43
10/01/2018	8,987,628.74	0.9873646x	8,874,066.57	9,020,845.00
Total	\$9,135,258.00	-	\$9,020,845.00	-

Composition Of Initial Deposit

Cost of Investments Purchased with Bond Proceeds	9,020,845.00
Adjusted Cost of Investments	9,020,845.00

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
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DERIVATION OF Deposit to Net Cash Escrow Fund TARGET AMOUNT @ 2.3576701%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
11/01/2017	-	1.0000000x	-	-
04/01/2018	147,629.38	0.9902814x	146,194.62	146,194.62
10/01/2018	8,987,629.38	0.9787436x	8,796,584.62	8,942,779.24
Total	\$9,135,258.76	-	\$8,942,779.24	-

Composition Of Initial Deposit

Cost of Investments Purchased with Bond Proceeds	9,020,845.00
Cash Deposit	0.76
Target Cost of Investments at bond yield	\$8,942,779.24
Actual positive or (negative) arbitrage	(78,066.52)

Berkeley County Public Sewer District, West Virginia
Sewer Advance Refunding Revenue Bond, Series 2017 B
FINAL: Sold to BB&T on 10.18.17 - Delivery on 11.01.17
(Competitive Bid - Bank Qualified)

SLGS Payment Table

DATE	1.200% CD	1.400% CD	TOTAL
04/01/2018	147,629.26	-	147,629.26
10/01/2018	-	8,987,628.74	8,987,628.74
Total	147,629.26	8,987,628.74	9,135,258.00