CHARLES TOWN UTILITY BOARD
AGENDA

WEDNESDAY, MARCH 11, 2020

Regular Meeting | **661 South George Street, Charles Town, WV 25414** | **4:00 PM**

CALL TO ORDER

1. **APPROVAL OF MINUTES**

   Approval of the February 26, 2020 Regular Meeting Minutes

   UB Minutes February 26, 2020.pdf

2. **PUBLIC COMMENT**

   This portion of the agenda is designed for members of the general public to share thoughts on items of interest in the community. By law, Board members may ask clarifying questions or discuss procedural matters but are not permitted to discuss the policy merits of any issue unless it is scheduled for discussion.

3. **ACTION ITEM(S)**

   a. Resolution No. 2020-02 - RESOLUTION OF THE CHARLES TOWN UTILITY BOARD PETITION TO THE CITY COUNCIL OF THE CITY OF CHARLES TOWN REGARDING THE FUNDING OF CERTAIN RESERVE ACCOUNTS THROUGH MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICIES

      Resolution No. 2020-02 Part 1.pdf

      Resolution No. 2020-02 Part 2.pdf

   b. Resolution No. 2020-03 - Resolution of the Charles Town Utility Board Petition to the City Council of the City of Charles Town Supporting the Renewal and Replacement Reimbursement Resolution

      Resolution No. 2020-03.pdf

   c. Route 9 Sewer Project Notice to Proceed - Bid Alternate 1, Northport Pump Station

      Notice to Proceed.pdf

   d. Route 9 Sewer Project Draw Resolution No. C - CTUB Reimbursements

      Resolution No. C.pdf

   e. Route 9 Sewer Project Draw Resolution No. 1 - Contractor Pay Application No. 001

Resolution No. 1.pdf

4. **CHAIRMAN'S REQUESTS**
   a. Letter of support for the Safe Drinking Water Collaborative
      Letter of Support.pdf
   b. Personnel Hiring Action - Possible Executive Session Under: WV State Code Section §6-9A-4(b)(2)(A) - Matters arising from the appointment, employment of an employee

5. **APPROVAL OF BILLS**

6. **ADJOURNMENT**

February 26, 2020

The Charles Town Utility Board held a regular meeting on February 26, 2020 at 4:00 p.m. at 661 S. George Street. Members of the Board present were Daryl Hennessy, Pete Kubic, Duke Pierson, Kevin Tester, and Jacquelyn Milliron. Also present were Jane Arnett, Kristen Stolipher, April Shultz, Hoy Shingleton, and Mike George. The Chairman called for changes or corrections to the February 12, 2020 regular meeting minutes. Jacquelyn provided changes to the minutes. By motion from Duke, second by Jacquelyn, the Board approved the minutes as amended. The Chairman called for changes or corrections to the February 18, 2020 special meeting minutes. The Board approved the minutes as presented. Jacquelyn abstained. Public comment was announced. No public comment was received.

Next was the presentation of the Renewal and Replacement Project Summary by Chris Eckenrode and Jim Elliot from Gwin Dobson & Foreman, Inc. Chris and Jim gave an update on their findings of the needed improvements at both the Charles Town and Tuscawilla wastewater plants, specifically the immediate need for the replacement of the fine drum screens and membrane replacements at Tuscawilla. They will attend a future meeting with further details on alternatives and costs. This led into the next agenda item on the Tuscawilla MBR Filter Replacement (One of Three) – Approval to Bid. Chris explained that he wrote detailed specifications and prepared a bid package for replacement of one of three double stacked membranes and the associated components. Motion by Duke, second by Pete, with discussion from Jacquelyn, the Board approved the authorization to move forward with the bid for this item.

The Chairman next opened the floor for discussion on the Resolution 2020-01 – FY20 Water and Sewer Budget Revisions. The Manager reviewed the budget revisions and noted that John Kunkle will present the next step in rate equalization at the next board meeting. Motion from Pete, second by Duke, with discussions from Jacquelyn, the Board approved Resolution 2020-01.

Next discussed was the Route 9 Sewer Project – Approval of Change Order No. 3 for the Northport Pump Station. The change order incorporates the costs for the addition of the Northport Pump Station into the project. Daryl noted the project remains within budget. Motion by Duke, second by Pete, with discussion from Jacquelyn, the Board approved Change Order No. 3. Jacquelyn abstained. Also discussed was the Route 9 Sewer Project – Approval of Change Order No. 4 for City of Ranson B&O Waiver. The change order removed the B&O Taxes for the City of Ranson in the amount of $75,000.00. By motion from Duke, second by Pete, the Board approved Change Order No. 4. Jacquelyn abstained.

The Chairman next opened the floor for discussion on the Hatch Task Order No. 9 – Change Order #1 – Extended Schedule for Presidents Pointe Inspection. Kristen provided the Change Order extends the schedule to allow for Specialized Engineering to continue to perform inspection services until completion of the project. Motion from Pete, second by Duke, with discussions from Jacquelyn, the Board approved Task Order No. 9 – Change Order #1.

The Chairman next opened the floor for discussion on the Utility Manager report. The Manager noted the report provided clarification on the MBR replacement and the ability to transfer flows interchangeably from the Tuscawilla plant to the Charles Town plant and vice versa. Capacity is closely monitored to remain consistent with the 2018 Strategic Plan. Jacquelyn had several questions and concerns relating to the report. It was also clarified that

all postings will now be on the Charles Town Utility Board website rather than the City of Charles Town website.

By motion from Duke, second by Pete, the Board approved the payment of bills with discussion from Jacquelyn. The next item discussed was Summary of Accomplishments/Review and, Personnel Hiring Action – Possible Executive Session under: the WV State Code Section §6-9A-4(b)(2)(A) – Matters arising from the appointment, employment of an employee. By motion from Pete, second by Jacquelyn, the Board convened into executive session at 5:29 p.m. The Chairman declared the executive session over at 5:50 p.m. Daryl noted the Board considered the performance review of the Utility Manager and collectively agreed to execute it. The Board was pleased with the work of the Utility Manager.

By motion from Jacquelyn, second by Duke, the February 26, 2020 regular meeting adjourned at 5:52 p.m. The March 11th regular meeting will be held at the CTUB office located at 661 S. George Street.

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Chairman Secretary

Charles Town
Utility Board

661 S. George Street, Suite 101 Charles Town, WV 25414
Phone: (304) 725-2316 ♦ Fax: (304) 725-7150 ♦ Web: www.ctubwv.com

UTILITY BOARD

CHAIRMAN
Daryl Hennessy

VICE CHAIRMAN
Pete Kubic

SECRETARY TREASURER
Kevin Tester

City of Ranson
Mayor
Duke Pierson

Jacquelyn Milliron

UTILITY MANAGER
Jane E. Arnett

RESOLUTION NO. 2020-02
RESOLUTION OF THE CHARLES TOWN UTILITY BOARD PETITION TO THE CITY COUNCIL OF THE CITY OF CHARLES TOWN REGARDING THE FUNDING OF CERTAIN RESERVE ACCOUNTS THROUGH MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICIES

PETITION OF THE UTILITY BOARD

The Utility Board of the City of Charles Town (the "City") hereby petitions the Council of the City to enact by Resolution the funding of certain Bond Reserve Accounts through Municipal Bond Debt Service Reserve Insurance Policies. The following specific Bond Debt Service Reserve Accounts and Supplemental Resolutions are being petitioned:

1. Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), Second Supplemental Resolution
2. Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2 (West Virginia Water Development Authority), Second Supplemental Resolution
3. Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1 (West Virginia Water Development Authority), Second Supplemental Resolution.
4. Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B (West Virginia Water Development Authority), Second Supplemental Resolution.
5. Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority), Second Supplemental Resolution
6. Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund), Third Supplemental Resolution
7. Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF), Second Supplemental Resolution
8. Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF/ARRA), Third Supplemental Resolution
9. Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 C (West Virginia SRF Program), Second Supplemental Resolution

10. Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 D (West Virginia SRF Program), Third Supplemental Resolution
11. Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), Second Supplemental Resolution
12. Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia SRF Program), Second Supplemental Resolution
13. Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program), Second Supplemental Resolution
14. Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority), Second Supplemental Resolution
15. Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund), Third Supplemental Resolution
16. Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program), Fourth Supplemental Resolution
17. Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program), Fifth Supplemental Resolution
18. Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program), Sixth Supplemental Resolution
19. Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF), Seventh Supplemental Resolution

Directed this 11th day of March, 2020.

CHARLES TOWN UTILITY BOARD

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Chairman Daryl Hennessy

Attest:

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Dated: March 11, 2020

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B
(West Virginia Water Development Authority)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) TO PERMIT THE FUNDING OF THE SERIES 1987 B BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 1987 B BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 1987 B BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on November 16, 1987, as amended and modified by a Supplemental Resolution, duly and officially adopted on November 16, 1987 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 1987 B (West Virginia Water Development Authority) (the "Series 1987 B Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 1987 B Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 1987 B Bonds. The Bond Ordinance provided that the Series 1987 B Bonds Reserve Account was to be funded over a ten year period until funded in the amount of $10,886 (the "Series 1987 B Bonds Reserve Requirement"). The Series 1987 B Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 1987 B Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 1987 B Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 1987 B Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 1987 B Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 1987 B Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 1987 B Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 1987 B Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 1987 B Bonds Debt Service Reserve Account in an amount equal to the Series 1987 B Bonds Reserve Requirement (the "Series 1987 B Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 1987 B Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 1987 B Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 1987 B Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 1987 B Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") initially purchased, and remains the sole Registered Owner of, the Series 1987 B Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 1987 B Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 1987 B Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 1987 B Bonds Reserve Account, the Series 1987 B Bonds Debt Service Reserve Insurance Policy in the amount of the Series 1987 B Bonds Reserve Requirement, and for the monies on deposit in the Series 1987 B Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 1987 B Bonds, cause to be deposited with the Commission and pledged to the Series 1987 B Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 1987 B Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 1987 B Bonds. In the event the Series 1987 B Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 1987 B Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 1987 B Bonds Reserve Account and any monies then on deposit in the Series 1987 B Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 1987 B Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 1987 B Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 1987 B Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 1987 B Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series 1987 B

Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 1987 B Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 1987 B Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 1987 B Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 1987 B Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 1987 B Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 1987 B Bonds Reserve Account to the Series 1987 B Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 1987 B 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 1987 B Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 1987 B Bonds Sinking Fund for payment of the debt service on the Series 1987 B Bonds before

any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 1987 B Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 1987 B Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 1987 B Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 1987 B 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 or any other document executed in connection with the Series 1987 B Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 1987 B 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 1987 B Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 1987 B Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 1987 B Bonds shall not discharge the obligation of the Issuer with respect to

such Series 1987 B Bonds, and BAM shall become the owner of such unpaid Series 1987 B Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 1987 B Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 1987 B Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 1987 B Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 1987 B Bonds and all Parity 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 Registered Owners of the Series 1987 B Bonds 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 Series 1987 B Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 1987 B Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 1987 B Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015

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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 1987 B Bonds Debt Service Reserve Insurance Commitment and the form of the Series 1987 B Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 1987 B Bonds Reserve Account, of the Series 1987 B Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 1987 B Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 1987 B Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 1987 B Bonds Reserve Account as a result of pledging the Series 1987 B Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 1987 B Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 1987 B Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 1987 B Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 1987 B Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2
(West Virginia Water Development Authority)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-2 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) TO PERMIT THE FUNDING OF THE SERIES 1988 B-2 BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 1988 B-2 BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 1988 B-2 BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on May 16, 1988, as amended and modified by a Supplemental Resolution, duly and officially adopted on May 16, 1988 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-2 (West Virginia Water Development Authority) (the "Series 1988 B-2 Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 1988 B-2 Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 1988 B-2 Bonds. The Bond Ordinance provided that the Series 1988 B-2 Bonds Reserve Account was to be funded over a ten year period until funded in the amount of $14,308 (the "Series 1988 B-2 Bonds Reserve Requirement"). The Series 1988 B-2 Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 1988 B-2 Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 1988 B-2 Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 1988 B-2 Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 1988 B-2 Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 1988 B-2 Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 1988 B-2 Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 1988 B-2 Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 1988 B-2 Bonds Debt Service Reserve Account in an amount equal to the Series 1988 B-2 Bonds Reserve Requirement (the "Series 1988 B-2 Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 1988 B-2 Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 1988 B-2 Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 1988 B-2 Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 1988 B-2 Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") initially purchased, and remains the sole Registered Owner of, the Series 1988 B-2 Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 1988 B-2 Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 1988 B-2 Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 1988 B-2 Bonds Reserve Account, the Series 1988 B-2 Bonds Debt Service Reserve Insurance Policy in the amount of the Series 1988 B-2 Bonds Reserve Requirement, and for the monies on deposit in the Series 1988 B-2 Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 1988 B-2 Bonds, cause to be deposited with the Commission and pledged to the Series 1988 B-2 Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 1988 B-2 Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 1988 B-2 Bonds. In the event the Series 1988 B-2 Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 1988 B-2 Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 1988 B-2 Bonds Reserve Account and any monies then on deposit in the Series 1988 B-2 Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 1988 B-2 Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 1988 B-2 Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 1988 B-2 Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 1988 B-2 Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series

1988 B-2 Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 1988 B-2 Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 1988 B-2 Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 1988 B-2 Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 1988 B-2 Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 1988 B-2 Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 1988 B-2 Bonds Reserve Account to the Series 1988 B-2 Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 1988 B-2 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 1988 B-2 Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 1988 B-2 Bonds Sinking Fund for payment of the debt service on the Series 1988 B-2 Bonds

before any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 1988 B-2 Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 1988 B-2 Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 1988 B-2 Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 1988 B-2 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 or any other document executed in connection with the Series 1988 B-2 Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 1988 B-2 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 1988 B-2 Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 1988 B-2 Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 1988 B-2 Bonds shall not discharge the obligation of the Issuer with respect to

such Series 1988 B-2 Bonds, and BAM shall become the owner of such unpaid Series 1988 B-2 Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 1988 B-2 Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 1988 B-2 Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 1988 B-2 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 1988 B-2 Bonds and all Parity 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 Registered Owners of the Series 1988 B-2 Bonds 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 Series 1988 B-2 Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 1988 B-2 Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 1988 B-2 Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 1988 B-2 Bonds Debt Service Reserve Insurance Commitment and the form of the Series 1988 B-2 Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 1988 B-2 Bonds Reserve Account, of the Series 1988 B-2 Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 1988 B-2 Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 1988 B-2 Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 1988 B-2 Bonds Reserve Account as a result of pledging the Series 1988 B-2 Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 1988 B-2 Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 1988 B-2 Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 1988 B-2 Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 1988 B-2 Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1
(West Virginia Water Development Authority)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1988 B-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) TO PERMIT THE FUNDING OF THE SERIES 1988 B-1 BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 1988 B-1 BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 1988 B-1 BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on April 18, 1988, as amended and modified by a Supplemental Resolution, duly and officially adopted on May 2, 1988 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 1988 B-1 (West Virginia Water Development Authority) (the "Series 1988 B-1 Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 1988 B-1 Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 1988 B-1 Bonds. The Bond Ordinance provided that the Series 1988 B-1 Bonds Reserve Account was funded at closing in the amount of $7,588 (the "Series 1988 B-1 Bonds Reserve Requirement"). The Series 1988 B-1 Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 1988 B-1 Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 1988 B-1 Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 1988 B-1 Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 1988 B-1 Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 1988 B-1 Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 1988 B-1 Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 1988 B-1 Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 1988 B-1 Bonds Debt Service Reserve Account in an amount equal to the Series 1988 B-1 Bonds Reserve Requirement (the "Series 1988 B-1 Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 1988 B-1 Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 1988 B-1 Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 1988 B-1 Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 1988 B-1 Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") initially purchased, and remains the sole Registered Owner of, the Series 1988 B-1 Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 1988 B-1 Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 1988 B-1 Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 1988 B-1 Bonds Reserve Account, the Series 1988 B-1 Bonds Debt Service Reserve Insurance Policy in the amount of the Series 1988 B-1 Bonds Reserve Requirement, and for the monies on deposit in the Series 1988 B-1 Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 1988 B-1 Bonds, cause to be deposited with the Commission and pledged to the Series 1988 B-1 Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 1988 B-1 Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 1988 B-1 Bonds. In the event the Series 1988 B-1 Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 1988 B-1 Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 1988 B-1 Bonds Reserve Account and any monies then on deposit in the Series 1988 B-1 Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 1988 B-1 Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 1988 B-1 Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 1988 B-1 Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 1988 B-1 Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series

1988 B-1 Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 1988 B-1 Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 1988 B-1 Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 1988 B-1 Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 1988 B-1 Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 1988 B-1 Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 1988 B-1 Bonds Reserve Account to the Series 1988 B-1 Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 1988 B-1 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 1988 B-1 Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 1988 B-1 Bonds Sinking Fund for payment of the debt service on the Series 1988 B-1 Bonds

before any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 1988 B-1 Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 1988 B-1 Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 1988 B-1 Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 1988 B-1 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 or any other document executed in connection with the Series 1988 B-1 Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 1988 B-1 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 1988 B-1 Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 1988 B-1 Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 1988 B-1 Bonds shall not discharge the obligation of the Issuer with respect to

such Series 1988 B-1 Bonds, and BAM shall become the owner of such unpaid Series 1988 B-1 Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 1988 B-1 Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 1988 B-1 Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 1988 B-1 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 1988 B-1 Bonds and all Parity 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 Registered Owners of the Series 1988 B-1 Bonds 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 Series 1988 B-1 Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 1988 B-1 Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 1988 B-1 Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 1988 B-1 Bonds Debt Service Reserve Insurance Commitment and the form of the Series 1988 B-1 Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 1988 B-1 Bonds Reserve Account, of the Series 1988 B-1 Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 1988 B-1 Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 1988 B-1 Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 1988 B-1 Bonds Reserve Account as a result of pledging the Series 1988 B-1 Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 1988 B-1 Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 1988 B-1 Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 1988 B-1 Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Left Blank]

Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 1988 B-1 Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B
(West Virginia Water Development Authority)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1989 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) TO PERMIT THE FUNDING OF THE SERIES 1989 B BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 1989 B BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 1989 B BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on April 3, 1989, as amended and modified by a Supplemental Resolution, duly and officially adopted on April 3, 1989 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 1989 B (West Virginia Water Development Authority) (the "Series 1989 B Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 1989 B Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 1989 B Bonds. The Bond Ordinance provided that the Series 1989 B Bonds Reserve Account was to be funded over a ten year period until funded in the amount of $3,013 (the "Series 1989 B Bonds Reserve Requirement"). The Series 1989 B Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 1989 B Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 1989 B Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 1989 B Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 1989 B Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 1989 B Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 1989 B Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 1989 B Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 1989 B Bonds Debt Service Reserve Account in an amount equal to the Series 1989 B Bonds Reserve Requirement (the "Series 1989 B Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 1989 B Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 1989 B Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 1989 B Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 1989 B Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") initially purchased, and remains the sole Registered Owner of, the Series 1989 B Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 1989 B Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 1989 B Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 1989 B Bonds Reserve Account, the Series 1989 B Bonds Debt Service Reserve Insurance Policy in the amount of the Series 1989 B Bonds Reserve Requirement, and for the monies on deposit in the Series 1989 B Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 1989 B Bonds, cause to be deposited with the Commission and pledged to the Series 1989 B Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 1989 B Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 1989 B Bonds. In the event the Series 1989 B Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 1989 B Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 1989 B Bonds Reserve Account and any monies then on deposit in the Series 1989 B Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 1989 B Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 1989 B Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 1989 B Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 1989 B Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series 1989 B

Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 1989 B Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 1989 B Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 1989 B Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 1989 B Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 1989 B Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 1989 B Bonds Reserve Account to the Series 1989 B Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 1989 B 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 1989 B Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 1989 B Bonds Sinking Fund for payment of the debt service on the Series 1989 B Bonds before

any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 1989 B Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 1989 B Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 1989 B Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 1989 B 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 or any other document executed in connection with the Series 1989 B Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 1989 B 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 1989 B Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 1989 B Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 1989 B Bonds shall not discharge the obligation of the Issuer with respect to

such Series 1989 B Bonds, and BAM shall become the owner of such unpaid Series 1989 B Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 1989 B Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 1989 B Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 1989 B Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 1989 B Bonds and all Parity 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 Registered Owners of the Series 1989 B Bonds 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 Series 1989 B Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 1989 B Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 1989 B Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015

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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 1989 B Bonds Debt Service Reserve Insurance Commitment and the form of the Series 1989 B Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 1989 B Bonds Reserve Account, of the Series 1989 B Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 1989 B Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 1989 B Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 1989 B Bonds Reserve Account as a result of pledging the Series 1989 B Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 1989 B Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 1989 B Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 1989 B Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Left Blank]

Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 1989 B Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A
(West Virginia Water Development Authority)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) TO PERMIT THE FUNDING OF THE SERIES 2002 A BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2002 A BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2002 A BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on August 19, 2002, as amended and modified by a Supplemental Resolution, duly and officially adopted on August 19, 2002 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 A (West Virginia Water Development Authority) (the "Series 2002 A Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2002 A Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2002 A Bonds. The Bond Ordinance provided that the Series 2002 A Bonds Reserve Account was to be funded over a ten year period until funded in the amount of $72,846 (the "Series 2002 A Bonds Reserve Requirement"). The Series 2002 A Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2002 A Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2002 A Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2002 A Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2002 A Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2002 A Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2002 A Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2002 A Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2002 A Bonds Debt Service Reserve Account in an amount equal to the Series 2002 A Bonds Reserve Requirement (the "Series 2002 A Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2002 A Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2002 A Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2002 A Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2002 A Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") initially purchased, and remains the sole Registered Owner of, the Series 2002 A Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2002 A Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2002 A Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2002 A Bonds Reserve Account, the Series 2002 A Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2002 A Bonds Reserve Requirement, and for the monies on deposit in the Series 2002 A Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. A. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2002 A Bonds, cause to be deposited with the Commission and pledged to the Series 2002 A Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2002 A Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2002 A Bonds. In the event the Series 2002 A Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2002 A Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2002 A Bonds Reserve Account and any monies then on deposit in the Series 2002 A Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2002 A Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2002 A Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2002 A Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2002 A Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series 2002 A

Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2002 A Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2002 A Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2002 A Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2002 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2002 A Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2002 A Bonds Reserve Account to the Series 2002 A Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. A. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2002 A 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2002 A Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2002 A Bonds Sinking Fund for payment of the debt service on the Series 2002 A Bonds before

any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2002 A Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2002 A Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2002 A Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2002 A 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 or any other document executed in connection with the Series 2002 A Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2002 A 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2002 A Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2002 A Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2002 A Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2002 A Bonds, and BAM shall become the owner of such unpaid Series 2002 A Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2002 A Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2002 A Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2002 A Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2002 A Bonds and all Parity 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 Registered Owners of the Series 2002 A Bonds 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 Series 2002 A Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2002 A Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2002 A Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2002 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2002 A Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2002 A Bonds Reserve Account, of the Series 2002 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2002 A Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2002 A Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2002 A Bonds Reserve Account as a result of pledging the Series 2002 A Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2002 A Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2002 A Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2002 A Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2002 A Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B
(West Virginia Infrastructure Fund)

THIRD SUPPLEMENTAL RESOLUTION

THIRD SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 B (WEST VIRGINIA infrastructure fund) TO PERMIT THE FUNDING OF THE SERIES 2002 B BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2002 B BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2002 B BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on August 19, 2002, as amended and modified by a Supplemental Resolution, duly and officially adopted on August 19, 2002 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 B (West Virginia Infrastructure Fund) (the "Series 2002 B Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2002 B Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2002 B Bonds. The Bond Ordinance provided that the Series 2002 B Bonds Reserve Account was to be funded over a ten year period until funded in the amount of $93,507 (the "Series 2002 B Bonds Reserve Requirement"). The Series 2002 B Bonds Reserve Account is funded in the amount of $94,953.47 as of January 31, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2002 B Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2002 B Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2002 B Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2002 B Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2002 B Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2002 B Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2002 B Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2002 B Bonds Debt Service Reserve Account in an amount equal to the Series 2002 B Bonds Reserve Requirement (the "Series 2002 B Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2002 B Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2002 B Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2002 B Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2002 B Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Infrastructure and Jobs Development Council initially purchased, and remains the sole Registered Owner of, the Series 2002 B Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2002 B Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2002 B Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Third Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2002 B Bonds Reserve Account, the Series 2002 B Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2002 B Bonds Reserve Requirement, and for the monies on deposit in the Series 2002 B Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Third Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. B. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2002 B Bonds, cause to be deposited with the Commission and pledged to the Series 2002 B Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2002 B Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2002 B Bonds. In the event the Series 2002 B Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2002 B Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2002 B Bonds Reserve Account and any monies then on deposit in the Series 2002 B Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2002 B Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2002 B Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2002 B Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2002 B Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series 2002 B

Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2002 B Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2002 B Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2002 B Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2002 B Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2002 B Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2002 B Bonds Reserve Account to the Series 2002 B Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. B Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2002 B 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2002 B Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2002 B Bonds Sinking Fund for payment of the debt service on the Series 2002 B Bonds before

any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2002 B Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2002 B Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2002 B Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2002 B 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 or any other document executed in connection with the Series 2002 B Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2002 B 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2002 B Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2002 B Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2002 B Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2002 B Bonds, and BAM shall become the owner of such unpaid Series 2002 B Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2002 B Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2002 B Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2002 B Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2002 B Bonds and all Parity 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 Registered Owners of the Series 2002 B Bonds 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 Series 2002 B Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2002 B Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2002 B Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015

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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2002 B Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2002 B Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2002 B Bonds Reserve Account, of the Series 2002 B Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2002 B Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2002 B Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2002 B Bonds Reserve Account as a result of pledging the Series 2002 B Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2002 B Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2002 B Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2002 B Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Left Blank]

Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Third Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2002 B Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A
(West Virginia DWTRF Program)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA DWTRF PROGRAM) TO PERMIT THE FUNDING OF THE SERIES 2010 A BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2010 A BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2010 A BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on September 21, 2009, as amended and modified by a Supplemental Resolution, duly and officially adopted on January 4, 2010 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 A (West Virginia DWTRF Program) (the "Series 2010 A Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2010 A Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2010 A Bonds. The Bond Ordinance provided that the Series 2010 A Bonds Reserve Account was to be funded over a ten year period until funded in the amount of $55,468 (the "Series 2010 A Bonds Reserve Requirement"). The Series 2010 A Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2010 A Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2010 A Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2010 A Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2010 A Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2010 A Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2010 A Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2010 A Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2010 A Bonds Debt Service Reserve Account in an amount equal to the Series 2010 A Bonds Reserve Requirement (the "Series 2010 A Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2010 A Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2010 A Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2010 A Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2010 A Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Bureau for Public Health initially purchased, and remains the sole Registered Owner of, the Series 2010 A Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2010 A Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2010 A Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2010 A Bonds Reserve Account, the Series 2010 A Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2010 A Bonds Reserve Requirement, and for the monies on deposit in the Series 2010 A Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2010 A Bonds, cause to be deposited with the Commission and pledged to the Series 2010 A Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2010 A Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2010 A Bonds. In the event the Series 2010 A Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2010 A Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2010 A Bonds Reserve Account and any monies then on deposit in the Series 2010 A Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2010 A Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2010 A Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2010 A Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2010 A Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series 2010 A

Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2010 A Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2010 A Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2010 A Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2010 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2010 A Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2010 A Bonds Reserve Account to the Series 2010 A Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2010 A 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2010 A Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2010 A Bonds Sinking Fund for payment of the debt service on the Series 2010 A Bonds before

any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2010 A Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2010 A Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2010 A Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2010 A 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 or any other document executed in connection with the Series 2010 A Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2010 A 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2010 A Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2010 A Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2010 A Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2010 A Bonds, and BAM shall become the owner of such unpaid Series 2010 A Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2010 A Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2010 A Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2010 A Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2010 A Bonds and all Parity 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 Registered Owners of the Series 2010 A Bonds 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 Series 2010 A Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2010 A Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2010 A Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2010 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2010 A Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2010 A Bonds Reserve Account, of the Series 2010 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2010 A Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2010 A Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2010 A Bonds Reserve Account as a result of pledging the Series 2010 A Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2010 A Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2010 A Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2010 A Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2010 A Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B
(West Virginia DWTRF Program/ARRA)

THIRD SUPPLEMENTAL RESOLUTION

THIRD SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA DWTRF PROGRAM/ARRA) TO PERMIT THE FUNDING OF THE SERIES 2010 B BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2010 B BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2010 B BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on September 21, 2009, as amended and modified by a Supplemental Resolution, duly and officially adopted on January 4, 2010 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 B (West Virginia DWTRF Program/ARRA) (the "Series 2010 B Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2010 B Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2010 B Bonds. The Bond Ordinance provided that the Series 2010 B Bonds Reserve Account was to be funded over a ten year period until funded in the amount of $6,080 (the "Series 2010 B Bonds Reserve Requirement"). The Series 2010 B Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2010 B Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2010 B Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2010 B Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2010 B Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2010 B Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2010 B Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2010 B Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2010 B Bonds Debt Service Reserve Account in an amount equal to the Series 2010 B Bonds Reserve Requirement (the "Series 2010 B Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2010 B Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2010 B Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2010 B Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2010 B Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Bureau for Public Health initially purchased, and remains the sole Registered Owner of, the Series 2010 B Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2010 B Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2010 B Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Third Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2010 B Bonds Reserve Account, the Series 2010 B Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2010 B Bonds Reserve Requirement, and for the monies on deposit in the Series 2010 B Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Third Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. B. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2010 B Bonds, cause to be deposited with the Commission and pledged to the Series 2010 B Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2010 B Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2010 B Bonds. In the event the Series 2010 B Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2010 B Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2010 B Bonds Reserve Account and any monies then on deposit in the Series 2010 B Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2010 B Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2010 B Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2010 B Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2010 B Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series 2010 B

Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2010 B Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2010 B Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2010 B Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2010 B Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2010 B Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2010 B Bonds Reserve Account to the Series 2010 B Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. B. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2010 B 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2010 B Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2010 B Bonds Sinking Fund for payment of the debt service on the Series 2010 B Bonds before

any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2010 B Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2010 B Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2010 B Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2010 B 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 or any other document executed in connection with the Series 2010 B Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2010 B 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2010 B Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2010 B Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2010 B Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2010 B Bonds, and BAM shall become the owner of such unpaid Series 2010 B Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2010 B Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2010 B Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2010 B Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2010 B Bonds and all Parity 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 Registered Owners of the Series 2010 B Bonds 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 Series 2010 B Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2010 B Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2010 B Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015

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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2010 B Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2010 B Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2010 B Bonds Reserve Account, of the Series 2010 B Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2010 B Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2010 B Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2010 B Bonds Reserve Account as a result of pledging the Series 2010 B Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2010 B Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2010 B Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2010 B Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Third Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2010 B Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 C
(West Virginia SRF Program)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 C (WEST VIRGINIA SRF PROGRAM) TO PERMIT THE FUNDING OF THE SERIES 2010 C BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2010 C BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2010 C BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on June 7, 2010, as amended and modified by a Supplemental Resolution, duly and officially adopted on November 15, 2010 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 C (West Virginia SRF Program) (the "Series 2010 C Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2010 C Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2010 C Bonds. The Bond Ordinance provided that the Series 2010 C Bonds Reserve Account was to be funded over a ten year period until funded in the amount of $41,668 (the "Series 2010 C Bonds Reserve Requirement"). The Series 2010 C Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2010 C Bonds Reserve Account a municipal bond debt service reserve insurance

policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2010 C Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2010 C Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2010 C Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2010 C Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2010 C Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2010 C Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2010 C Bonds Debt Service Reserve Account in an amount equal to the Series 2010 C Bonds Reserve Requirement (the "Series 2010 C Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2010 C Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2010 C Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2010 C Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2010 C Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered Owner of, the Series 2010 C Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2010 C Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2010 C Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2010 C Bonds Reserve Account, the Series 2010 C Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2010 C Bonds Reserve Requirement, and for the monies on deposit in the Series 2010 C Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. A. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2010 C Bonds, cause to be deposited with the Commission and pledged to the Series 2010 C Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2010 C Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2010 C Bonds. In the event the Series 2010 C Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2010 C Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2010 C Bonds Reserve Account and any monies then on deposit in the Series 2010 C Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2010 C Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2010 C Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2010 C Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2010 C Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series 2010 C

Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2010 C Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2010 C Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2010 C Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2010 C Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2010 C Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2010 C Bonds Reserve Account to the Series 2010 C Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. A. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2010 C 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2010 C Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2010 C Bonds Sinking Fund for payment of the debt service on the Series 2010 C Bonds before

any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2010 C Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2010 C Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2010 C Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2010 C 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 or any other document executed in connection with the Series 2010 C Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2010 C 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2010 C Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2010 C Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2010 C Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2010 C Bonds, and BAM shall become the owner of such unpaid Series 2010 C Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2010 C Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2010 C Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2010 C Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2010 C Bonds and all Parity 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 Registered Owners of the Series 2010 C Bonds 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 Series 2010 C Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2010 C Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2010 C Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015

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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2010 C Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2010 C Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2010 C Bonds Reserve Account, of the Series 2010 C Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2010 C Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2010 C Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2010 C Bonds Reserve Account as a result of pledging the Series 2010 C Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2010 C Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2010 C Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2010 C Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of the City of Charles Town on the _____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2010 C Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 D (West Virginia SRF Program)

THIRD SUPPLEMENTAL RESOLUTION

THIRD SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 D (WEST VIRGINIA SRF PROGRAM) TO PERMIT THE FUNDING OF THE SERIES 2010 D BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2010 D BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2010 D BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on June 7, 2010, as amended and modified by a Supplemental Resolution, duly and officially adopted on November 15, 2010 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2010 D (West Virginia SRF Program) (the "Series 2010 D Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2010 D Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2010 D Bonds. The Bond Ordinance provided that the Series 2010 D Bonds Reserve Account was to be funded over a ten year period until funded in the amount of $16,668 (the "Series 2010 D Bonds Reserve Requirement"). The Series 2010 D Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2010 D Bonds Reserve Account a municipal bond debt service reserve insurance

policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2010 D Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2010 D Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2010 D Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2010 D Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2010 D Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2010 D Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2010 D Bonds Debt Service Reserve Account in an amount equal to the Series 2010 D Bonds Reserve Requirement (the "Series 2010 D Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2010 D Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2010 D Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2010 D Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2010 D Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Department of Environmental protection initially purchased, and remains the sole Registered Owner of, the Series 2010 D Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2010 D Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2010 D Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Third Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2010 D Bonds Reserve Account, the Series 2010 D Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2010 D Bonds Reserve Requirement, and for the monies on deposit in the Series 2010 D Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Third Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. B. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2010 D Bonds, cause to be deposited with the Commission and pledged to the Series 2010 D Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2010 D Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2010 D Bonds. In the event the Series 2010 D Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2010 D Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2010 D Bonds Reserve Account and any monies then on deposit in the Series 2010 D Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2010 D Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2010 D Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2010 D Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2010 D Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series 2010 D

Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2010 D Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2010 D Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2010 D Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2010 D Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2010 D Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2010 D Bonds Reserve Account to the Series 2010 D Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. B. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2010 D 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2010 D Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2010 D Bonds Sinking Fund for payment of the debt service on the Series 2010 D Bonds before

any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2010 D Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2010 D Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2010 D Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2010 D 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 or any other document executed in connection with the Series 2010 D Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2010 D 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2010 D Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2010 D Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2010 D Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2010 D Bonds, and BAM shall become the owner of such unpaid Series 2010 D Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2010 D Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2010 D Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2010 D Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2010 D Bonds and all Parity 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 Registered Owners of the Series 2010 D Bonds 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 Series 2010 D Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2010 D Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2010 D Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2010 D Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2010 D Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2010 D Bonds Reserve Account, of the Series 2010 D Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2010 D Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2010 D Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2010 D Bonds Reserve Account as a result of pledging the Series 2010 D Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2010 D Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2010 D Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2010 D Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Third Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2010 D Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM) TO PERMIT THE FUNDING OF THE SERIES 2011 A BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2011 A BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2011 A BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on May 16, 2011, as amended and modified by a Supplemental Resolution, duly and officially adopted on July 5, 2011 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program) (the "Series 2011 A Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2011 A Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2011 A Bonds. The Bond Ordinance provided that the Series 2011 A Bonds Reserve Account was to be funded over a ten year period until funded in the amount of $250,373 (the "Series 2011 A Bonds Reserve Requirement"). The Series 2011 A Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2011 A Bonds Reserve Account a municipal bond debt service reserve insurance

policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2011 A Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2011 A Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2011 A Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2011 A Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2011 A Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2011 A Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2011 A Bonds Debt Service Reserve Account in an amount equal to the Series 2011 A Bonds Reserve Requirement (the "Series 2011 A Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2011 A Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2011 A Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2011 A Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2011 A Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered Owner of, the Series 2011 A Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2011 A Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2011 A Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2011 A Bonds Reserve Account, the Series 2011 A Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2011 A Bonds Reserve Requirement, and for the monies on deposit in the Series 2011 A Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2011 A Bonds, cause to be deposited with the Commission and pledged to the Series 2011 A Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2011 A Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2011 A Bonds. In the event the Series 2011 A Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2011 A Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2011 A Bonds Reserve Account and any monies then on deposit in the Series 2011 A Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2011 A Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2011 A Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2011 A Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2011 A Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series 2011 A

Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2011 A Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2011 A Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2011 A Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2011 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2011 A Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2011 A Bonds Reserve Account to the Series 2011 A Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2011 A 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2011 A Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2011 A Bonds Sinking Fund for payment of the debt service on the Series 2011 A Bonds before

any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2011 A Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2011 A Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2011 A Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2011 A 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 or any other document executed in connection with the Series 2011 A Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2011 A 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2011 A Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2011 A Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2011 A Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2011 A Bonds, and BAM shall become the owner of such unpaid Series 2011 A Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2011 A Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2011 A Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2011 A Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2011 A Bonds and all Parity 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 Registered Owners of the Series 2011 A Bonds 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 Series 2011 A Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2011 A Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2011 A Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2011 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2011 A Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2011 A Bonds Reserve Account, of the Series 2011 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2011 A Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2011 A Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2011 A Bonds Reserve Account as a result of pledging the Series 2011 A Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2011 A Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2011 A Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2011 A Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Left Blank]

Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2011 A Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia SRF Program)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA SRF PROGRAM) TO PERMIT THE FUNDING OF THE SERIES 2013 A BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2013 A BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2013 A BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on January 22, 2013, as amended and modified by a Supplemental Resolution, duly and officially adopted on June 17, 2013 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia SRF Program) (the "Series 2013 A Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2013 A Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2013 A Bonds. The Bond Ordinance provided that the Series 2013 A Bonds Reserve Account was to be funded over a ten year period until funded in the amount of $21,262 (the "Series 2013 A Bonds Reserve Requirement"). The Series 2013 A Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2013 A Bonds Reserve Account a municipal bond debt service reserve insurance

policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2013 A Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2013 A Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2013 A Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2013 A Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2013 A Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2013 A Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2013 A Bonds Debt Service Reserve Account in an amount equal to the Series 2013 A Bonds Reserve Requirement (the "Series 2013 A Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2013 A Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2013 A Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2013 A Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2013 A Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered Owner of, the Series 2013 A Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2013 A Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2013 A Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2013 A Bonds Reserve Account, the Series 2013 A Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2013 A Bonds Reserve Requirement, and for the monies on deposit in the Series 2013 A Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2013 A Bonds, cause to be deposited with the Commission and pledged to the Series 2013 A Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2013 A Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2013 A Bonds. In the event the Series 2013 A Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2013 A Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2013 A Bonds Reserve Account and any monies then on deposit in the Series 2013 A Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2013 A Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2013 A Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2013 A Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2013 A Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series 2013 A

Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2013 A Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2013 A Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2013 A Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2013 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2013 A Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2013 A Bonds Reserve Account to the Series 2013 A Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2013 A 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2013 A Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2013 A Bonds Sinking Fund for payment of the debt service on the Series 2013 A Bonds before

any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2013 A Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2013 A Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2013 A Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2013 A 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 or any other document executed in connection with the Series 2013 A Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2013 A 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2013 A Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2013 A Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2013 A Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2013 A Bonds, and BAM shall become the owner of such unpaid Series 2013 A Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2013 A Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2013 A Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2013 A Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2013 A Bonds and all Parity 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 Registered Owners of the Series 2013 A Bonds 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 Series 2013 A Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2013 A Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2013 A Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2013 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2013 A Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2013 A Bonds Reserve Account, of the Series 2013 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2013 A Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2013 A Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2013 A Bonds Reserve Account as a result of pledging the Series 2013 A Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2013 A Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2013 A Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2013 A Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2013 A Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A
(West Virginia SRF Program)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2014 A (WEST VIRGINIA SRF PROGRAM) TO PERMIT THE FUNDING OF THE SERIES 2014 A BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2014 A BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2014 A BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on May 19, 2014, as amended and modified by a Supplemental Resolution, duly and officially adopted on June 2, 2014 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 A (West Virginia SRF Program) (the "Series 2014 A Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2014 A Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2014 A Bonds. The Bond Ordinance provided that the Series 2014 A Bonds Reserve Account was to be funded over a ten year period until funded in the amount of $145,782 (the "Series 2014 A Bonds Reserve Requirement"). The Series 2014 A Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2014 A Bonds Reserve Account a municipal bond debt service reserve insurance

policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2014 A Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2014 A Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2014 A Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2014 A Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2014 A Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2014 A Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2014 A Bonds Debt Service Reserve Account in an amount equal to the Series 2014 A Bonds Reserve Requirement (the "Series 2014 A Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2014 A Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2014 A Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2014 A Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2014 A Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered Owner of, the Series 2014 A Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2014 A Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2014 A Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2014 A Bonds Reserve Account, the Series 2014 A Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2014 A Bonds Reserve Requirement, and for the monies on deposit in the Series 2014 A Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2014 A Bonds, cause to be deposited with the Commission and pledged to the Series 2014 A Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2014 A Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2014 A Bonds. In the event the Series 2014 A Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2014 A Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2014 A Bonds Reserve Account and any monies then on deposit in the Series 2014 A Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2014 A Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2014 A Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2014 A Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2014 A Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series 2014 A

Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2014 A Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2014 A Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2014 A Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2014 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2014 A Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2014 A Bonds Reserve Account to the Series 2014 A Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2014 A 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2014 A Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2014 A Bonds Sinking Fund for payment of the debt service on the Series 2014 A Bonds before

any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2014 A Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2014 A Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2014 A Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2014 A 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 or any other document executed in connection with the Series 2014 A Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2014 A 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2014 A Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2014 A Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2014 A Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2014 A Bonds, and BAM shall become the owner of such unpaid Series 2014 A Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2014 A Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2014 A Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2014 A Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2014 A Bonds and all Parity 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 Registered Owners of the Series 2014 A Bonds 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 Series 2014 A Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2014 A Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2014 A Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2014 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2014 A Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2014 A Bonds Reserve Account, of the Series 2014 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2014 A Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2014 A Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2014 A Bonds Reserve Account as a result of pledging the Series 2014 A Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2014 A Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2014 A Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2014 A Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Left Blank]

Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2014 A Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1
(West Virginia Water Development Authority)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-1 (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) TO PERMIT THE FUNDING OF THE SERIES 2018 A-1 BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2018 A-1 BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2018 A-1 BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on September 17, 2018, as amended and modified by a Supplemental Resolution, duly and officially adopted on December 3, 2018 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-1 (West Virginia Water Development Authority) (the "Series 2018 A-1 Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2018 A-1 Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2018 A-1 Bonds. The Bond Ordinance provided that the Series 2018 A-1 Bonds Reserve Account was to be assumed upon the acquisition of the Jefferson County Public Service District and be funded until funded in the amount of $10,921 (the "Series 2018 A-1 Bonds Reserve Requirement"). The Series 2018 A-1 Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2018 A-1 Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2018 A-1 Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2018 A-1 Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2018 A-1 Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2018 A-1 Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2018 A-1 Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2018 A-1 Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 A-1 Bonds Debt Service Reserve Account in an amount equal to the Series 2018 A-1 Bonds Reserve Requirement (the "Series 2018 A-1 Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2018 A-1 Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2018 A-1 Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2018 A-1 Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2018 A-1 Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") initially purchased, and remains the sole Registered Owner of, the Series 2018 A-1 Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2018 A-1 Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2018 A-1 Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Second Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2018 A-1 Bonds Reserve Account, the Series 2018 A-1 Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2018 A-1 Bonds Reserve Requirement, and for the monies on deposit in the Series 2018 A-1 Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Second Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. A. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2018 A-1 Bonds, cause to be deposited with the Commission and pledged to the Series 2018 A-1 Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2018 A-1 Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2018 A-1 Bonds. In the event the Series 2018 A-1 Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2018 A-1 Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2018 A-1 Bonds Reserve Account and any monies then on deposit in the Series 2018 A-1 Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2018 A-1 Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2018 A-1 Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2018 A-1 Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2018 A-1 Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series

2018 A-1 Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2018 A-1 Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2018 A-1 Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2018 A-1 Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2018 A-1 Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2018 A-1 Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2018 A-1 Bonds Reserve Account to the Series 2018 A-1 Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. A. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2018 A-1 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2018 A-1 Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2018 A-1 Bonds Sinking Fund for payment of the debt service on the Series 2018 A-1 Bonds

before any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2018 A-1 Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2018 A-1 Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2018 A-1 Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2018 A-1 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 or any other document executed in connection with the Series 2018 A-1 Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2018 A-1 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2018 A-1 Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2018 A-1 Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2018 A-1 Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2018 A-1 Bonds, and BAM shall become the owner of such unpaid Series 2018 A-1 Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2018 A-1 Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2018 A-1 Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2018 A-1 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2018 A-1 Bonds and all Parity 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 Registered Owners of the Series 2018 A-1 Bonds 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 Series 2018 A-1 Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2018 A-1 Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2018 A-1 Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2018 A-1 Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2018 A-1 Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2018 A-1 Bonds Reserve Account, of the Series 2018 A-1 Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2018 A-1 Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2018 A-1 Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2018 A-1 Bonds Reserve Account as a result of pledging the Series 2018 A-1 Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2018 A-1 Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2018 A-1 Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2018 A-1 Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2018 A-1 Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3
(West Virginia Infrastructure Fund)

THIRD SUPPLEMENTAL RESOLUTION

THIRD SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-3 (WEST VIRGINIA INFRASTRUCTURE FUND) TO PERMIT THE FUNDING OF THE SERIES 2018 A-3 BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2018 A-3 BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2018 A-3 BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on September 17, 2018, as amended and modified by a Supplemental Resolution, duly and officially adopted on December 3, 2018 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-3 (West Virginia Infrastructure Fund) (the "Series 2018 A-3 Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2018 A-3 Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2018 A-3 Bonds. The Bond Ordinance provided that the Series 2018 A-3 Bonds Reserve Account was to be assumed upon the acquisition of the Jefferson County Public Service District and be funded until funded in the amount of $38,302 (the "Series 2018 A-3 Bonds Reserve Requirement"). The Series 2018 A-3 Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2018 A-3 Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2018 A-3 Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2018 A-3 Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2018 A-3 Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2018 A-3 Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2018 A-3 Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2018 A-3 Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 A-3 Bonds Debt Service Reserve Account in an amount equal to the Series 2018 A-3 Bonds Reserve Requirement (the "Series 2018 A-3 Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2018 A-3 Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2018 A-3 Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2018 A-3 Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2018 A-3 Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Infrastructure and Jobs Development Council initially purchased, and remains the sole Registered Owner of, the Series 2018 A-3 Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2018 A-3 Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2018 A-3 Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Third Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2018 A-3 Bonds Reserve Account, the Series 2018 A-3 Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2018 A-3 Bonds Reserve Requirement, and for the monies on deposit in the Series 2018 A-3 Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Third Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. B. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2018 A-3 Bonds, cause to be deposited with the Commission and pledged to the Series 2018 A-3 Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2018 A-3 Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2018 A-3 Bonds. In the event the Series 2018 A-3 Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2018 A-3 Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2018 A-3 Bonds Reserve Account and any monies then on deposit in the Series 2018 A-3 Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2018 A-3 Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2018 A-3 Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2018 A-3 Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2018 A-3 Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series

2018 A-3 Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2018 A-3 Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2018 A-3 Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2018 A-3 Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2018 A-3 Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2018 A-3 Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2018 A-3 Bonds Reserve Account to the Series 2018 A-3 Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. B. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2018 A-3 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2018 A-3 Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2018 A-3 Bonds Sinking Fund for payment of the debt service on the Series 2018 A-3 Bonds

before any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2018 A-3 Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2018 A-3 Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2018 A-3 Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2018 A-3 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 or any other document executed in connection with the Series 2018 A-3 Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2018 A-3 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2018 A-3 Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2018 A-3 Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2018 A-3 Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2018 A-3 Bonds, and BAM shall become the owner of such unpaid Series 2018 A-3 Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2018 A-3 Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2018 A-3 Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2018 A-3 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2018 A-3 Bonds and all Parity 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 Registered Owners of the Series 2018 A-3 Bonds 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 Series 2018 A-3 Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2018 A-3 Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2018 A-3 Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2018 A-3 Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2018 A-3 Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2018 A-3 Bonds Reserve Account, of the Series 2018 A-3 Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2018 A-3 Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2018 A-3 Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2018 A-3 Bonds Reserve Account as a result of pledging the Series 2018 A-3 Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2018 A-3 Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2018 A-3 Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2018 A-3 Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Third Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2018 A-3 Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4
(West Virginia SRF Program)

FOURTH SUPPLEMENTAL RESOLUTION

FOURTH SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-4 (WEST VIRGINIA SRF Program) TO PERMIT THE FUNDING OF THE SERIES 2018 A-4 BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2018 A-4 BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2018 A-4 BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on September 17, 2018, as amended and modified by a Supplemental Resolution, duly and officially adopted on December 3, 2018 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-4 (West Virginia SRF Program) (the "Series 2018 A-4 Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2018 A-4 Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2018 A-4 Bonds. The Bond Ordinance provided that the Series 2018 A-4 Bonds Reserve Account was to be assumed upon the acquisition of the Jefferson County Public Service District and be funded until funded in the amount of $12,612 (the "Series 2018 A-4 Bonds Reserve Requirement"). The Series 2018 A-4 Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2018 A-4 Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2018 A-4 Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2018 A-4 Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2018 A-4 Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2018 A-4 Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2018 A-4 Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2018 A-4 Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 A-4 Bonds Debt Service Reserve Account in an amount equal to the Series 2018 A-4 Bonds Reserve Requirement (the "Series 2018 A-4 Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2018 A-4 Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2018 A-4 Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2018 A-4 Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2018 A-4 Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered Owner of, the Series 2018 A-4 Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2018 A-4 Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2018 A-4 Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Fourth Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2018 A-4 Bonds Reserve Account, the Series 2018 A-4 Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2018 A-4 Bonds Reserve Requirement, and for the monies on deposit in the Series 2018 A-4 Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Fourth Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. C. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2018 A-4 Bonds, cause to be deposited with the Commission and pledged to the Series 2018 A-4 Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2018 A-4 Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2018 A-4 Bonds. In the event the Series 2018 A-4 Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2018 A-4 Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2018 A-4 Bonds Reserve Account and any monies then on deposit in the Series 2018 A-4 Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2018 A-4 Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2018 A-4 Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2018 A-4 Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2018 A-4 Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series

2018 A-4 Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2018 A-4 Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2018 A-4 Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2018 A-4 Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2018 A-4 Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2018 A-4 Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2018 A-4 Bonds Reserve Account to the Series 2018 A-4 Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. C. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2018 A-4 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2018 A-4 Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2018 A-4 Bonds Sinking Fund for payment of the debt service on the Series 2018 A-4 Bonds

before any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2018 A-4 Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2018 A-4 Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2018 A-4 Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2018 A-4 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 or any other document executed in connection with the Series 2018 A-4 Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2018 A-4 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2018 A-4 Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2018 A-4 Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2018 A-4 Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2018 A-4 Bonds, and BAM shall become the owner of such unpaid Series 2018 A-4 Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2018 A-4 Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2018 A-4 Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2018 A-4 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2018 A-4 Bonds and all Parity 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 Registered Owners of the Series 2018 A-4 Bonds 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 Series 2018 A-4 Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2018 A-4 Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2018 A-4 Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2018 A-4 Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2018 A-4 Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2018 A-4 Bonds Reserve Account, of the Series 2018 A-4 Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2018 A-4 Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2018 A-4 Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2018 A-4 Bonds Reserve Account as a result of pledging the Series 2018 A-4 Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2018 A-4 Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2018 A-4 Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2018 A-4 Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Fourth Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2018 A-4 Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5
(West Virginia SRF Program)

FIFTH SUPPLEMENTAL RESOLUTION

FIFTH SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-5 (WEST VIRGINIA SRF PROGRAM) TO PERMIT THE FUNDING OF THE SERIES 2018 A-5 BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2018 A-5 BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2018 A-5 BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on September 17, 2018, as amended and modified by a Supplemental Resolution, duly and officially adopted on December 3, 2018 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-5 (West Virginia SRF Program) (the "Series 2018 A-5 Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2018 A-5 Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2018 A-5 Bonds. The Bond Ordinance provided that the Series 2018 A-5 Bonds Reserve Account was to be assumed upon the acquisition of the Jefferson County Public Service District and be funded until funded in the amount of $38,496 (the "Series 2018 A-5 Bonds Reserve Requirement"). The Series 2018 A-5 Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2018 A-5 Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2018 A-5 Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2018 A-5 Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2018 A-5 Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2018 A-5 Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2018 A-5 Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2018 A-5 Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 A-5 Bonds Debt Service Reserve Account in an amount equal to the Series 2018 A-5 Bonds Reserve Requirement (the "Series 2018 A-5 Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2018 A-5 Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2018 A-5 Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2018 A-5 Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2018 A-5 Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered Owner of, the Series 2018 A-5 Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2018 A-5 Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2018 A-5 Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Fifth Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2018 A-5 Bonds Reserve Account, the Series 2018 A-5 Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2018 A-5 Bonds Reserve Requirement, and for the monies on deposit in the Series 2018 A-5 Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Fifth Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. D. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2018 A-5 Bonds, cause to be deposited with the Commission and pledged to the Series 2018 A-5 Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2018 A-5 Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2018 A-5 Bonds. In the event the Series 2018 A-5 Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2018 A-5 Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2018 A-5 Bonds Reserve Account and any monies then on deposit in the Series 2018 A-5 Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2018 A-5 Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2018 A-5 Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2018 A-5 Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2018 A-5 Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series

2018 A-5 Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2018 A-5 Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2018 A-5 Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2018 A-5 Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2018 A-5 Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2018 A-5 Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2018 A-5 Bonds Reserve Account to the Series 2018 A-5 Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. D. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2018 A-5 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2018 A-5 Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2018 A-5 Bonds Sinking Fund for payment of the debt service on the Series 2018 A-5 Bonds

before any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2018 A-5 Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2018 A-5 Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2018 A-5 Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2018 A-5 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 or any other document executed in connection with the Series 2018 A-5 Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2018 A-5 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2018 A-5 Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2018 A-5 Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2018 A-5 Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2018 A-5 Bonds, and BAM shall become the owner of such unpaid Series 2018 A-5 Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2018 A-5 Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2018 A-5 Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2018 A-5 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2018 A-5 Bonds and all Parity 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 Registered Owners of the Series 2018 A-5 Bonds 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 Series 2018 A-5 Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2018 A-5 Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2018 A-5 Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2018 A-5 Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2018 A-5 Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2018 A-5 Bonds Reserve Account, of the Series 2018 A-5 Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2018 A-5 Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2018 A-5 Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2018 A-5 Bonds Reserve Account as a result of pledging the Series 2018 A-5 Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2018 A-5 Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2018 A-5 Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2018 A-5 Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

[Remainder of Page Intentionally Left Blank]

Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Fifth Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2018 A-5 Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6
(West Virginia SRF Program)

SIXTH SUPPLEMENTAL RESOLUTION

SIXTH SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-6 (WEST VIRGINIA SRF PROGRAM) TO PERMIT THE FUNDING OF THE SERIES 2018 A-6 BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2018 A-6 BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2018 A-6 BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on September 17, 2018, as amended and modified by a Supplemental Resolution, duly and officially adopted on December 3, 2018 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-6 (West Virginia SRF Program) (the "Series 2018 A-6 Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2018 A-6 Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2018 A-6 Bonds. The Bond Ordinance provided that the Series 2018 A-6 Bonds Reserve Account was to be assumed upon the acquisition of the Jefferson County Public Service District and be funded until funded in the amount of $66,836 (the "Series 2018 A-6 Bonds Reserve Requirement"). The Series 2018 A-6 Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2018 A-6 Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2018 A-6 Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2018 A-6 Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2018 A-6 Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2018 A-6 Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2018 A-6 Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2018 A-6 Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 A-6 Bonds Debt Service Reserve Account in an amount equal to the Series 2018 A-6 Bonds Reserve Requirement (the "Series 2018 A-6 Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2018 A-6 Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2018 A-6 Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2018 A-6 Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2018 A-6 Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered Owner of, the Series 2018 A-6 Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2018 A-6 Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2018 A-6 Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Sixth Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2018 A-6 Bonds Reserve Account, the Series 2018 A-6 Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2018 A-6 Bonds Reserve Requirement, and for the monies on deposit in the Series 2018 A-6 Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Sixth Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. E. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2018 A-6 Bonds, cause to be deposited with the Commission and pledged to the Series 2018 A-6 Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2018 A-6 Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2018 A-6 Bonds. In the event the Series 2018 A-6 Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2018 A-6 Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2018 A-6 Bonds Reserve Account and any monies then on deposit in the Series 2018 A-6 Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2018 A-6 Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2018 A-6 Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2018 A-6 Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2018 A-6 Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series

2018 A-6 Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2018 A-6 Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2018 A-6 Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2018 A-6 Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2018 A-6 Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2018 A-6 Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2018 A-6 Bonds Reserve Account to the Series 2018 A-6 Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. E. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2018 A-6 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2018 A-6 Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2018 A-6 Bonds Sinking Fund for payment of the debt service on the Series 2018 A-6 Bonds

before any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2018 A-6 Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2018 A-6 Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2018 A-6 Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2018 A-6 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 or any other document executed in connection with the Series 2018 A-6 Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2018 A-6 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2018 A-6 Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2018 A-6 Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2018 A-6 Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2018 A-6 Bonds, and BAM shall become the owner of such unpaid Series 2018 A-6 Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2018 A-6 Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2018 A-6 Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2018 A-6 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2018 A-6 Bonds and all Parity 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 Registered Owners of the Series 2018 A-6 Bonds 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 Series 2018 A-6 Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2018 A-6 Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2018 A-6 Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2018 A-6 Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2018 A-6 Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2018 A-6 Bonds Reserve Account, of the Series 2018 A-6 Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2018 A-6 Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2018 A-6 Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2018 A-6 Bonds Reserve Account as a result of pledging the Series 2018 A-6 Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2018 A-6 Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2018 A-6 Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2018 A-6 Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Sixth Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2018 A-6 Bonds

(see attached)

City of Charles Town
Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7
(West Virginia DWTRF Program)

SEVENTH SUPPLEMENTAL RESOLUTION

SEVENTH SUPPLEMENTAL RESOLUTION AUTHORIZING AND APPROVING THE AMENDMENT AND MODIFICATION OF THE BOND ORDINANCE OF THE CITY OF CHARLES TOWN WHICH AUTHORIZED AND DIRECTED THE ISSUANCE OF THE CITY OF CHARLES TOWN COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2018 A-7 (WEST VIRGINIA DWTRF PROGRAM) TO PERMIT THE FUNDING OF THE SERIES 2018 A-7 BONDS RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY OR OTHER CREDIT FACILITY; PROVIDING FOR THE WITHDRAWAL OF MONIES CURRENTLY DEPOSITED IN THE SERIES 2018 A-7 BONDS RESERVE ACCOUNT UPON THE SATISIFACTION OF SUCH RESERVE ACCOUNT THROUGH A MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY AND THE USE OF SUCH MONIES FOR CAPITAL IMPROVEMENTS FOR THE SYSTEM; APPROVING THE MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT AND DEBT SERVICE RESERVE AGREEMENT FROM BUILD AMERICA MUTUAL ASSURANCE COMPANY FOR THE SERIES 2018 A-7 BONDS RESERVE ACCOUNT; AND PROVIDING FOR THE TAKING OF ALL ACTIONS RELATED THERETO.

WHEREAS, the Council (the "Governing Body") of the City of Charles Town (the "Issuer") has duly and officially enacted a Bond Ordinance on September 17, 2018, as amended and modified by a Supplemental Resolution, duly and officially adopted on December 3, 2018 (collectively, the "Bond Ordinance"), which provided for the issuance of City of Charles Town Combined Waterworks and Sewerage System Revenue Bonds, Series 2018 A-7 (West Virginia DWTRF Program) (the "Series 2018 A-7 Bonds");

WHEREAS, the Bond Ordinance provides for a reserve account (the "Series 2018 A-7 Bonds Reserve Account") held by the West Virginia Municipal Bond Commission (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2018 A-7 Bonds. The Bond Ordinance provided that the Series 2018 A-7 Bonds Reserve Account was to be assumed upon the acquisition of the Jefferson County Public Service District and be funded until funded in the amount of $35,390 (the "Series 2018 A-7 Bonds Reserve Requirement"). The Series 2018 A-7 Bonds Reserve Account is funded in the amount of $_____ as of _____, 2020.

WHEREAS, the Bond Ordinance is silent as to the authority of the Issuer to subsequently pledge to the Series 2018 A-7 Bonds Reserve Account a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Account Credit Facility"), in an amount either equal to, or lesser than, the Series 2018 A-7 Bonds Reserve Requirement;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2018 A-7 Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2018 A-7 Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2018 A-7 Bonds Reserve Account which remain after the payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses related thereto, to be used for the design, acquisition, construction and equipping of capital additions, betterments and improvements for the System;

WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2018 A-7 Bonds, substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series 2018 A-7 Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2018 A-7 Bonds Debt Service Reserve Account in an amount equal to the Series 2018 A-7 Bonds Reserve Requirement (the "Series 2018 A-7 Bonds Debt Service Reserve Insurance Policy");

WHEREAS, the Series 2018 A-7 Bonds Debt Service Reserve Insurance Commitment includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series 2018 A-7 Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2018 A-7 Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2018 A-7 Bonds Debt Service Reserve Agreement;

WHEREAS, the West Virginia Water Development Authority (the "WDA") on behalf of the West Virginia Bureau for Public Health initially purchased, and remains the sole Registered Owner of, the Series 2018 A-7 Bonds;

WHEREAS, Section 11.01 of the Bond Ordinance provides that written consent of the Registered Owners of the Series 2018 A-7 Bonds to amendment or modification of the Bond Ordinance is required prior to any such amendment or modification;

WHEREAS, the WDA, as sole Registered Owner of the Series 2018 A-7 Bonds, has agreed to the amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance Policy as provided in this Seventh Supplemental Resolution;

WHEREAS, the Issuer desires to purchase, and pledge to the Series 2018 A-7 Bonds Reserve Account, the Series 2018 A-7 Bonds Debt Service Reserve Insurance Policy in the amount of the Series 2018 A-7 Bonds Reserve Requirement, and for the monies on deposit in the Series 2018 A-7 Bonds Reserve Account to be released to the Issuer and used as provided herein; and

WHEREAS, the Governing Body deems it essential and desirable that this Seventh Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CHARLES TOWN:

Section 1. The Bond Ordinance is hereby amended and modified by adding a new Section 5.04 in the Bond Ordinance as set forth below:

> Section 5.04. F. Reserve Account Credit Facility. In lieu of or in addition to cash or investments, at any time the Issuer may, with the prior written consent of the Registered Owners of the Series 2018 A-7 Bonds, cause to be deposited with the Commission and pledged to the Series 2018 A-7 Bonds Reserve Account any form of Reserve Account Credit Facility, in the amount of the Series 2018 A-7 Bonds Reserve Requirement, or as such lesser amount, irrevocably payable to the Commission as beneficiary for the Registered Owners of the Series 2018 A-7 Bonds. In the event the Series 2018 A-7 Bonds Reserve Account is initially funded, in whole or in part, with proceeds of the Series 2018 A-7 Bonds, or from monthly payments from Net Revenues of the System by the Issuer, the Issuer may deposit a Reserve Account Credit Facility to replace all or any portion of the monies on deposit in the Series 2018 A-7 Bonds Reserve Account and any monies then on deposit in the Series 2018 A-7 Bonds Reserve Account, and required to be on deposit therein, shall be returned to the Issuer and used to pay the costs of delivering such Reserve Account Credit Facility and/or to pay the costs of design, acquisition, construction and equipping of capital additions, betterments and improvements for the System. The term "Reserve Account Credit Facility" shall mean any municipal bond debt service reserve insurance policy, surety bond, letter of credit or similar financial instrument that the Issuer deposits with the Commission and pledges to the Series 2018 A-7 Bonds Reserve Account.
>
> (1) Any such Reserve Account Credit Facility shall be payable to the Commission as beneficiary for the Registered Owners of the Series 2018 A-7 Bonds, shall have a term of no less than one (1) year and shall be payable (upon the giving of such notice as may be required thereunder) (i) on any date on which moneys are required to be withdrawn from the Series 2018 A-7 Bonds Reserve Account due to insufficient amounts in the applicable funds and accounts held by the Commission with respect to the Series 2018 A-7 Bonds when needed to pay debt service on such Bonds or (ii) on a date not more than ten (10) days prior to the expiration date of the Reserve Account Credit Facility in the event the Issuer has not satisfied any of the requirements for a Reserve Account Credit Facility for which the expiration date is not coterminous with the Series

2018 A-7 Bonds set forth in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated expiration date of such Reserve Account Credit Facility for any Reserve Account Credit Facility that is not conterminous with the final maturity date of the Series 2018 A-7 Bonds, the Issuer shall either (i) provide for delivery of a replacement Reserve Account Credit Facility which satisfies the requirements of this Section 5.04, (ii) deliver an extension of the Reserve Account Credit Facility for a term of not less than one (1) year, or (iii) deposit cash in the Series 2018 A-7 Bonds Reserve Account in an amount which satisfied the requirements of this Section 5.04. Upon delivery of a replacement Reserve Account Credit Facility, the Commission shall deliver the then-effective Reserve Account Credit Facility to, or at the direction of, the Issuer.

(2) In the event the Commission draws upon a Reserve Account Credit Facility, the Issuer shall pay to the provider thereof, from the Revenue Fund in accordance with the priority for funding of all reserve accounts from Net Revenue set forth in Section 5.03 hereof, all principal and interest and expenses payable thereto under the terms of the applicable Reserve Account Credit Facility. This Bond Ordinance shall not be terminated until all such amounts are paid in full.

(3) The Commission shall maintain adequate records of (i) the amount available to be drawn at any time under any Reserve Account Credit Facility; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2018 A-7 Bonds Reserve Account is, at any time, only partially funded by a Reserve Account Credit Facility and the Commission is required to withdraw any monies from the Series 2018 A-7 Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2018 A-7 Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Account Credit Facility, and (ii) reimburse the provider of said Reserve Account Credit Facility an amount equal to the aggregate amount drawn on such Reserve Account Credit Facility (including any interest accrued on any amount drawn under said Reserve Account Credit Facility) before replenishing the cash or investments in order to restore said Series 2018 A-7 Bonds Reserve Account to the Series 2018 A-7 Bonds Reserve Requirement.

Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section 5.05 in the Bond Ordinance as set forth below:

Section 5.05. F. Provisions related to Build America Mutual Assurance Company Municipal Bond Debt Service Reserve

Insurance Policy.

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in this Bond Ordinance the Issuer agrees to comply, and hereby authorizes and instructs the Commission, as Paying Agent, 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 Series 2018 A-7 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 commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Series 2018 A-7 Bonds Reserve Account and all other available amounts in any funds available to pay debt service on the Bonds shall be transferred to the Series 2018 A-7 Bonds Sinking Fund for payment of the debt service on the Series 2018 A-7 Bonds

before any drawing may be made on the Reserve Policy or any Reserve Account Credit Facility.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Account Credit Facility (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 Series 2018 A-7 Bonds Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Account Credit Facility shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Series 2018 A-7 Bonds Reserve Account Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Account Credit Facility 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 of the Series 2018 A-7 Bonds, if any.

(b) Draws under the Reserve Policy may only be used to make payments on Series 2018 A-7 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 or any other document executed in connection with the Series 2018 A-7 Bonds (collectively, the "Security Documents").

(d) The Security Documents 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 Series 2018 A-7 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 any of the Security Documents that requires the consent of the Registered 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 Security Documents.

(i) The Commission 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 Series 2018 A-7 Bonds and a draw on the Reserve Policy is anticipated to make such payment. Where deposits are required to be made by the Issuer with the Commission to the debt service fund for the Series 2018 A-7 Bonds more often than semi-annually, the Commission 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 the Reserve Insurer under the Reserve Policy with respect to claims for interest on or principal of the Series 2018 A-7 Bonds shall not discharge the obligation of the Issuer with respect to

such Series 2018 A-7 Bonds, and BAM shall become the owner of such unpaid Series 2018 A-7 Bonds and claims for the interest thereon. The Issuer and the Commission recognize and agree that to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series 2018 A-7 Bonds, the Reserve Insurer 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 the Reserve Insurer a security interest (subordinate only to that of the owners of the Series 2018 A-7 Bonds and all bonds issued on a parity therewith, including the Prior Bonds and all subsequently issued additional parity bonds) in all revenues and collateral pledged as security for the Series 2018 A-7 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2018 A-7 Bonds and all Parity 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 Registered Owners of the Series 2018 A-7 Bonds 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 Series 2018 A-7 Bond Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2018 A-7 Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2018 A-7 Bonds, including the principal amount, maturities and CUSIP numbers thereof, if any.

(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. 2018N0015
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 Reserve 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."

Section 3. The Issuer hereby accepts, approves and ratifies the Series 2018 A-7 Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2018 A-7 Bonds Debt Service Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby authorize the Mayor, City Clerk and City Manager to execute such documents and to take any and all actions required to consummate the transactions contemplated therein, specifically including, but not limited to, (i) the purchase, and pledge to the Series 2018 A-7 Bonds Reserve Account, of the Series 2018 A-7 Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2018 A-7 Bonds Reserve Account; and (iii) the payment of the costs associated with actions authorized in this Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2018 A-7 Bonds Debt Service Reserve Insurance Policy.

Section 4. The Issuer shall use any funds released from the Series 2018 A-7 Bonds Reserve Account as a result of pledging the Series 2018 A-7 Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2018 A-7 Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2018 A-7 Bonds Debt Service Reserve Insurance Policy; and (ii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. All funds released from the Series 2018 A-7 Bonds Reserve Account shall be expended within one (1) year of such funds being received by the Issuer.

Section 5. The Mayor, City Clerk and City Manager, and all other appropriate officers, employees and agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and necessary to cause to occur the actions provided for in this Supplemental Resolution, and no further authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such further assurance and do such further acts as may be legally required.

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Section 6. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this ____ day of _____, 2020.

CITY OF CHARLES TOWN

By: _____
Its: Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Seventh Supplemental Resolution duly adopted by the Council of the City of Charles Town on the ____ day of _____, 2020.

[SEAL]

_____
City Clerk

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment for Series 2018 A-7 Bonds

(see attached)

Charles Town
Utility Board

661 S. George Street, Suite 101 Charles Town, WV 25414
Phone: (304) 725-2316 ♦ Fax: (304) 725-7150 ♦ Web: www.ctubwv.com

UTILITY BOARD

CHAIRMAN
Daryl Hennessy

VICE CHAIRMAN
Pete Kubic

SECRETARY TREASURER
Kevin Tester

City of Ranson Mayor
Duke Pierson

Jacquelyn Milliron

UTILITY MANAGER
Jane E. Arnett

RESOLUTION NO. 2020-03
RESOLUTION OF THE CHARLES TOWN UTILITY BOARD PETITION TO THE CITY COUNCIL OF THE CITY OF CHARLES TOWN IN SUPPORT OF ADOPTION OF A REIMBURSEMENT RESOLUTION

PETITION OF THE UTILITY BOARD

The Utility Board of the City of Charles Town (the "City") hereby petitions the Council of the City of Charles Town to enact a Resolution stating the reasonable expectation of the City of Charles Town to reimburse the Charles Town Utility Board for preliminary costs and certain capital expenditures in connection with the engineering and construction of wastewater treatment facilities and improvements made prior to the issuance of revenue bonds related to the Renewal and Replacement Project.

Directed this 11th day of March, 2020.

CHARLES TOWN UTILITY BOARD

_____
Chairman Daryl Hennessy

Attest:

_____
Dated: March 11, 2020

NOTICE TO PROCEED

Owner:	City of Charles Town c/o Charles Town Utility Board	Owner's Contract No.:	
Contractor:	Snyder Environmental Services, Inc.	Contractor's Project No.:	
Engineer:	Hatch Associates Consultants, Inc.	Engineer's Project No.:	H-359787
Project:	Route 9 Sewer Project – Northport Pump Station	Contract Name:	Route 9 Sewer Project
		Effective Date of Contract:	March 11, 2020

TO CONTRACTOR:

Owner hereby notifies Contractor that the Contract Times under the above Contract will commence to run on March 11, 2020 with limited conditions as defined herein. *[see Paragraph 4.01 of the General Conditions]*

On that date, Contractor shall start performing its obligations under the Contract Documents. No Work shall be done at the Site prior to such date. In accordance with the Agreement, Substantial Completion is within 210 days from Notice to Proceed (NTP), and fully completed ready for final payment within 270 days of NTP.

Before starting any Work at the Site, Contractor must comply with the following:

All permit conditions.

Owner: _____

Authorized Signature

By: _____

Title: _____

Date Issued: March 11, 2020

Copy: Engineer

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CHARLES TOWN UTILITY BOARD
ROUTE 9 SEWER PROJECT

RESOLUTION NO. C

RESOLUTION OF THE CHARLES TOWN UTILITY BOARD APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER SERVICES FOR THE ROUTE 9 SEWER PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Charles Town Utility Board has reviewed the invoices attached hereto and incorporated herein by reference relation to the project funded by Roxul USA Inc., a Delaware corporation, dba ROCKWOOL under an Alternate Main Extension Agreement (WV PSC Case No. 19-1025-S-PC, approved November 22, 2019) and the Escrow Agreement dated October 11, 2019.

a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.

b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a cost of the Project.

c) That each of such costs has been otherwise properly incurred.

d) That the payment for each of the items proposed is due and owing.

NOW, THEREFORE, BE IT RESOLVED by the Charles Town Utility Board that the payment per the attached Schedule B (See Column - Resolution No. C, Draw (c.)) as summarized below, is hereby authorized and directed.

VENDOR		**Route 9 Sewer Project**
Charles Town Utility Board		$40,862.96
TOTAL		**$40,862.96**

ADOPTED BY the City of Charles Town Utility Board, at the meeting held on the 11th day of March 2020.

By:_____
Daryl Hennessy, Chairman

Charles Town Utility Board
Route 9 Sewer Infrastructure Project
Alternate Mainline Extension Agreement (AMEA) / Escrow Agreement, Revised 3/11/2020

				Resolution No. C	ESCROW DEPOSIT FOR CONSTRUCTION
$10,500,000 Rockwool Escrow Agreement/(AMEA) Reimbursement Schedule B, October, 2019	**REVISED BUDGET**	**Draw (a.) Ranson Reimbursement**	**Draw (b.) CTUB Reimbursement**	**Draw (c.) CTUB Reimbursement 10/1/19-present**	**BALANCE REMAINING**
1 **CONSTRUCTION**					
a. Contract 1	6,869,685.00	0.00	0.00	0.00	6,869,685.00
b. Contingency 10.75%	738,491.00	0.00	0.00	0.00	738,491.00
c. CSX Fees	15,300.00	0.00	16,050.00	5,000.00	10,300.00
d. N-S Fees	41,600.00	0.00	21,300.00	0.00	41,600.00
e. DOH Bond and Inspection Fees	119,937.00	0.00	19,550.00	0.00	119,937.00
2 **ENGINEERING SERVICES**					
Task Orders 1 - 8	1,851,567.87	1,084,987.66	102,994.82	10,289.25	653,296.14
Task Orders Charles Town	56,820.00	0.00	56,820.00	0.00	0.00
3 **LEGAL SERVICES**					
a Local Project Attorney (PSC)	100,000.00	0.00	65,836.78	25,573.71	8,589.51
b Permitting / Ord Attorney	215,000.00	0.00	199,514.04	0.00	15,485.96
c RA Attorney Stranko / Luttrell	12,959.40	12,959.40	0.00	0.00	0.00
4 **ADMINISTRATIVE SERVICES**					
b (CPA)	16,723.00	0.00	16,723.00	0.00	0.00
c Other Administrative Costs	2,750.00	0.00	2,750.00	0.00	0.00
5 **LAND COSTS**					
b Easements	324,611.85	0.00	324,611.85	0.00	0.00
SOFT COST CONTINGENCY	74,667.36	0.00	0.00	0.00	74,667.36
Interest on Line of Credit *	59,887.52	59,887.52	0.00	0.00	0.00
Amount Owed Line of Credit		1,157,834.58			
Charles Town's Cost Incurred			826,150.49		
9 Sub Total Lines 1-8	**10,500,000.00**	**1,157,834.58**	**826,150.49**	**40,862.96**	**8,532,051.97**
ESCROW DEPOSIT UPON AMLEA SUBMITTAL TO WV PSC (Ranson and Charles Town Costs Incurred)					
ESCROW DEPOSIT FOR CONSTRUCTION					**8,532,051.97**

* At 3/11/2020

CHARLES TOWN UTILITY BOARD
ROUTE 9 SEWER PROJECT

RESOLUTION NO. 1

RESOLUTION OF THE CHARLES TOWN UTILITY BOARD APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER SERVICES FOR THE ROUTE 9 SEWER PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Charles Town Utility Board has reviewed the invoices attached hereto and incorporated herein by reference relation to the project funded by Roxul USA Inc., a Delaware corporation, dba ROCKWOOL under an Alternate Main Extension Agreement (WV PSC Case No. 19-1025-S-PC, approved November 22, 2019) and the Escrow Agreement dated October 11, 2019.

a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.

b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a cost of the Project.

c) That each of such costs has been otherwise properly incurred.

d) That the payment for each of the items proposed is due and owing.

NOW, THEREFORE, BE IT RESOLVED by the Charles Town Utility Board that the payment of the attached Contractor's Application for Payment No. 001 as summarized below, is hereby authorized and directed.

VENDOR		**Route 9 Sewer Project**
Snyder Environmental Services, Inc.		$90,000.00
TOTAL		**$90,000.00**

ADOPTED BY the City of Charles Town Utility Board, at the meeting held on the 11th day of March 2020.

By:_____
Daryl Hennessy, Chairman

EJCDC
ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

Contractor's Application for Payment No. 001

	Application Period: 3/4/2020	Application Date: 3/4/2020
To (Owner): **Charles Town Utility Board**	From (Contractor): **Snyder Environmental Services**	Via (Engineer): **Hatch Associates Consultants, Inc.**
Project: **Route 9 Sewer Project Ranson, WV**	Contract:	
Owner's Contract No.:	Contractor's Project No.: 20018	Engineer's Project No.: **H-359787**

Application For Payment

Change Order Summary

Approved Change Orders		
Number	Additions	Deductions
01		$1,162,000.00
02		$1,177,551.00
03	$902,406.49	
04		$75,000.00
TOTALS	$902,406.49	$2,414,551.00
NET CHANGE BY CHANGE ORDERS	**-$1,512,144.51**	

1.	**ORIGINAL CONTRACT PRICE**	$ **$8,453,848.00**
2.	**Net change by Change Orders**	$ **-$1,512,144.51**
3.	**Current Contract Price (Line 1 ± 2)**	$ **$6,941,703.49**
4.	**TOTAL COMPLETED AND STORED TO DATE (Column F total on Progress Estimates)**	$ **$100,000.00**
5.	**RETAINAGE:**	
	a. 10% X $100,000.00 **Work Completed**	$ **$10,000.00**
	b. 10% X _____ **Stored Material**	$
	c. **Total Retainage (Line 5.a + Line 5.b)**	$ **$10,000.00**
6.	**AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5.c)**	$ **$90,000.00**
7.	**LESS PREVIOUS PAYMENTS (Line 6 from prior Application)**	$
8.	**AMOUNT DUE THIS APPLICATION**	$ **$90,000.00**
9.	**BALANCE TO FINISH, PLUS RETAINAGE (Column G total on Progress Estimates + Line 5.c above)**	$ **$6,851,703.49**

Contractor's Certification

The undersigned Contractor certifies, to the best of its knowledge, the following:
(1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;
(2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all Liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such Liens, security interest, or encumbrances); and
(3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor Signature

By: Brandon L. | Date: 3-6-2020

Payment of: $ 6,851,703.49
(Line 8 or other - attach explanation of the other amount)

is recommended by: Richard Travers, PE (Engineer) 3/6/2020 (Date)

Payment of: $ _____
(Line 8 or other - attach explanation of the other amount)

is approved by: _____ (Owner) _____ (Date)

Approved by: _____ Funding or Financing Entity (if applicable) _____ (Date)

EJCDC® C-620 Contractor's Application for Payment
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Progress Estimate - Unit Price Work **Contractor's Application**

For (Contract):	Route 9 Sewer Project Ranson, WV	Application Number:	001
Application Period:	3/4/2020	Application Date:	3/4/2020

Contract Information						Work Completed							
A					B	C		D		E	F		G
Bid Item Code	Description	Item Quantity	Units	Unit Price	Scheduled Value ($)	Quantity Installed this Period	Value of Work Installed This Period	Quantity Installed to Date	Value of Work Installed to Date	Materials Presently Stored (not in C or D)	Total Completed and Stored to	% (F / B)	Balance to Finish (B - F)
100	**MOBILIZATION**												
101	MOBILIZE EQUIPMENT	1.00	LS	$ 300,000.00	$ 300,000.00								$ 300,000.00
102	BLASTING STAKEOUT	1.00	LS	$ 75,000.00	$ 75,000.00								$ 75,000.00
103	CONSTRUCTION STAKEOUT	1.00	LS	$ 75,000.00	$ 75,000.00								$ 75,000.00
104	VIDEO DOCUMENTATION	1.00	LS	$ 25,000.00	$ 25,000.00								$ 25,000.00
105	SUBMITTALS	1.00	LS	$ 25,000.00	$ 25,000.00								$ 25,000.00
106	BONDS & INSURANCE	1.00	LS	$ 100,000.00	$ 100,000.00	1.00	$100,000.00	1.00	$100,000.00		$100,000.00	100.0%	$ -
200	TRAFFIC CONTROL	1.00	LS	$ 27,700.00	$ 27,700.00								$ 27,700.00
300	EROSION AND SEDIMENT CONTROL	1.00	LS	$ 60,000.00	$ 60,000.00								$ 60,000.00
400	GRAVITY SEWER 6" & 8", OPEN CUT	1,085.00	LF	$ 107.00	$ 116,095.00								$ 116,095.00
500	GRAVITY SEWER 10", OPEN CUT	1,014.00	LF	$ 101.00	$ 102,414.00								$ 102,414.00
600	GRAVITY SEWER 12", OPEN CUT	3,567.00	LF	$ 119.00	$ 424,473.00								$ 424,473.00
700	GRAVITY SEWER 15", OPEN CUT	3,776.00	LF	$ 130.00	$ 490,880.00								$ 490,880.00
800	FORCE-MAIN (6"-4") OPEN CUT	4,149.00	LF	$ 121.00	$ 502,029.00								$ 502,029.00
900	FORCE-MAIN (6"-4") IN EX. RT. 9 CASING	265.00	LF	$ 252.00	$ 66,780.00								$ 66,780.00
1000	FORCE-MAIN (6"-4") AIR VAULT & INTERNALS	6.00	EA	$ 8,370.00	$ 50,220.00								$ 50,220.00
1300	FORCE-MAIN (8"-6"-8") OPEN CUT	11,646.00	LF	$ 93.00	$ 1,083,078.00								$ 1,083,078.00
1400	FORCE-MAIN (8"-6"-8") AIR VAULT & INTERNALS	21.00	EA	$ 8,370.00	$ 175,770.00								$ 175,770.00
1700	FORCE-MAIN MISC. DIP FITTINGS, IF DIRECTED	2,000.00	LBS	$ 7.00	$ 14,000.00								$ 14,000.00
1800	CONCRETE CLASS B, IF DIRECTED	100.00	CY	$ 435.00	$ 43,500.00								$ 43,500.00
1900	CASING 24" BORED, W/ 10" GRAVITY SEWER	62.00	LF	$ 540.00	$ 33,480.00								$ 33,480.00
2000	CASING 24" BORED, W/ 12" GRAVITY SEWER	94.00	LF	$ 532.00	$ 50,008.00								$ 50,008.00
2100	CASING 24" BORED, W/ 6"-4"-6" FORCE-MAINS	130.00	LF	$ 596.00	$ 77,480.00								$ 77,480.00
2200	CASING 30" BORED, W/ 15" GRAVITY SEWER	162.00	LF	$ 779.00	$ 126,198.00								$ 126,198.00
2300	CASING 36" BORED, W/ 8"-6"-8" FORCE-MAINS	141.00	LF	$ 692.00	$ 97,572.00								$ 97,572.00
2600	MANHOLE, 4'-DIA. (UP TO 6' DEEP)	44.00	EA	$ 7,630.00	$ 335,720.00								$ 335,720.00
2700	MANHOLE BV-03 (DOGHOUSE), 4'-DIA. (UP TO 6' DEEP)	1.00	EA	$ 7,500.00	$ 7,500.00								$ 7,500.00
2800	MANHOLE DC-02 (DOGHOUSE), 4'-DIA. (UP TO 6' DEEP)	1.00	EA	$ 7,500.00	$ 7,500.00								$ 7,500.00
2900	MANHOLE EXTENSION, 4'-DIA.	130.00	VF	$ 167.00	$ 21,710.00								$ 21,710.00
3000	MANHOLE DROP CONNECTION, TYPE A	1.00	EA	$ 3,550.00	$ 3,550.00								$ 3,550.00
3100	MANHOLE DROP CONNECTION, TYPE B	5.00	EA	$ 5,000.00	$ 25,000.00								$ 25,000.00
3200	MANHOLE BV-22, FOR TRANSITION	1.00	EA	$ 13,500.00	$ 13,500.00								$ 13,500.00
3300	MANHOLE CH-20, FOR TRANSITION	1.00	EA	$ 13,500.00	$ 13,500.00								$ 13,500.00
3400	SEWER MARKER	98.00	EA	$ 105.00	$ 10,290.00								$ 10,290.00
3500	CONNECTION TO EX. FACILITIES, AT MANHOLE 11V	1.00	LS	$ 7,500.00	$ 7,500.00								$ 7,500.00
3600	CONNECTION TO EX. FACILITIES, AT MANHOLE BV-03	1.00	LS	$ 7,500.00	$ 7,500.00								$ 7,500.00
3700	CONNECTION TO EX. FACILITIES, AT MANHOLE DC-02	1.00	LS	$ 7,500.00	$ 7,500.00								$ 7,500.00
3800	**PUMP STATION, WAR ADMIRAL**												$ -
3801	MOBILIZATION	1.00	LS	$ 21,700.00	$ 21,700.00								$ 21,700.00
3802	EXCAVATION	1.00	LS	$ 120,000.00	$ 120,000.00								$ 120,000.00
3803	SET WET WELL	1.00	LS	$ 50,000.00	$ 50,000.00								$ 50,000.00
3804	VALVE VAULT	1.00	LS	$ 75,000.00	$ 75,000.00								$ 75,000.00
3805	BACKFILL	1.00	LS	$ 25,000.00	$ 25,000.00								$ 25,000.00
3806	WET WELL AND VALVE VAULT PIPING	1.00	LS	$ 66,000.00	$ 66,000.00								$ 66,000.00
3807	AIR INJECTION VAULT & EQUIPMENT	1.00	LS	$ 54,675.00	$ 54,675.00								$ 54,675.00
3808	PUMPS	1.00	LS	$ 195,000.00	$ 195,000.00								$ 195,000.00
3809	CONTROLS	1.00	LS	$ 110,000.00	$ 110,000.00								$ 110,000.00
3810	FETTERVILLE BUILDING	1.00	LS	$ 53,100.00	$ 53,100.00								$ 53,100.00
3811	GENERATOR PAD	1.00	LS	$ 10,000.00	$ 10,000.00								$ 10,000.00
3812	GENERATOR	1.00	LS	$ 67,500.00	$ 67,500.00								$ 67,500.00
3813	ELECTRIC	1.00	LS	$ 167,500.00	$ 167,500.00								$ 167,500.00
3814	START UP	1.00	LS	$ 20,000.00	$ 20,000.00								$ 20,000.00
3815	PAVING	1.00	LS	$ 33,000.00	$ 33,000.00								$ 33,000.00
3816	RESTORATION	1.00	LS	$ 22,590.00	$ 22,590.00								$ 22,590.00
3817	FENCE	1.00	LS	$ 15,000.00	$ 15,000.00								$ 15,000.00
4000	RESTORATION, STATE (WVDOH) ROAD	290.00	SY	$ 76.00	$ 22,040.00								$ 22,040.00
4100	RESTORATION, ASPHALT DRIVEWAY	320.00	SY	$ 62.00	$ 19,840.00								$ 19,840.00
4200	RESTORATION, ASPHALT BIKE PATH	140.00	SY	$ 315.00	$ 44,100.00								$ 44,100.00

EJCDC® C-620 Contractor's Application for Payment
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Progress Estimate - Unit Price Work

Contractor's Application

For (Contract)	Route 9 Sewer Project Ranson, WV	Application Number	001
Application Period	3/4/2020	Application Date	3/4/2020

Contract Information						Work Completed							
A					B	C		D		E	F		G
Bid Item Code	Description	Item Quantity	Units	Unit Price	Scheduled Value ($)	Quantity Installed this Period	Value of Work Installed This Period	Quantity Installed to Date	Value of Work Installed to Date	Materials Presently Stored (not in C or D)	Total Completed and Stored to	% (F / B)	Balance to Finish (B - F)
4300	RESTORATION, GRAVEL ROAD OR DRIVE	2,170.00	SY	$ 15.00	$ 32,550.00								$ 32,550.00
4400	RESTORATION, UNIMPROVED (GRASS) SURFACE	80,460.00	SY	$ 3.00	$ 241,380.00								$ 241,380.00
4500	CULVERT 12" TO 30", OPEN CUT	60.00	LF	$ 150.00	$ 9,000.00								$ 9,000.00
4600	ABANDONMENT OF WATER WELL	1.00	LS	$ 3,000.00	$ 3,000.00								$ 3,000.00
4700	EXCAVATION AND BACKFILLING BELOW SUBGRADE	500.00	CY	$ 45.00	$ 22,500.00								$ 22,500.00
4800	ALLOWANCE - SINKHOLE REPAIR, SOIL FOR CAP	25.00	CY	$ 30.00	$ 750.00								$ 750.00
4900	ALLOWANCE - SINKHOLE REPAIR, CLASS 10 AGGREGATE	25.00	CY	$ 50.00	$ 1,250.00								$ 1,250.00
5000	ALLOWANCE - SINKHOLE REPAIR, CLASS 1 AGGREGATE BAS	25.00	CY	$ 50.00	$ 1,250.00								$ 1,250.00
5100	ALLOWANCE - SINKHOLE REPAIR, SPECIAL ROCK FILL	25.00	CY	$ 50.00	$ 1,250.00								$ 1,250.00
5200	ALLOWANCE - SINKHOLE REPAIR, RIP-RAP	25.00	CY	$ 75.00	$ 1,875.00								$ 1,875.00
5300	ALLOWANCE - SINKHOLE REPAIR, IMPERVIOUS CORE	500.00	SF	$ 10.00	$ 5,000.00								$ 5,000.00
5400	**PUMP STATION, NORTHPORT**												$ -
5401	MOBILIZATION	1.00	LS	$ 20,022.00	$ 20,022.00								$ 20,022.00
5402	EXCAVATION	1.00	LS	$ 100,000.00	$ 100,000.00								$ 100,000.00
5403	SET WET WELL	1.00	LS	$ 30,223.49	$ 30,223.49								$ 30,223.49
5404	VALVE VAULT	1.00	LS	$ 59,400.00	$ 59,400.00								$ 59,400.00
5405	BACKFILL	1.00	LS	$ 50,000.00	$ 50,000.00								$ 50,000.00
5406	WET WELL AND VALVE VAULT PIPING	1.00	LS	$ 50,000.00	$ 50,000.00								$ 50,000.00
5407	PUMPS	1.00	LS	$ 100,000.00	$ 100,000.00								$ 100,000.00
5408	CONTROLS	1.00	LS	$ 106,012.00	$ 106,012.00								$ 106,012.00
5409	FETTERVILLE	1.00	LS	$ 30,000.00	$ 30,000.00								$ 30,000.00
5410	GENERATOR PAD	1.00	LS	$ 10,000.00	$ 10,000.00								$ 10,000.00
5411	GENERATOR	1.00	LS	$ 47,039.00	$ 47,039.00								$ 47,039.00
5412	ELECTRIC	1.00	LS	$ 146,919.00	$ 146,919.00								$ 146,919.00
5413	ELECTRIC CONDUIT	1,335.00	LF	$ 41.00	$ 54,735.00								$ 54,735.00
5414	ELECTRIC VAULT	2.00	EA	$ 2,457.00	$ 4,914.00								$ 4,914.00
5415	START UP	1.00	LS	$ 4,950.00	$ 4,950.00								$ 4,950.00
5416	PAVING	1.00	LS	$ 16,822.00	$ 16,822.00								$ 16,822.00
5417	RESTORATION	1.00	LS	$ 54,970.00	$ 54,970.00								$ 54,970.00
5418	FENCE	1.00	LS	$ 16,400.00	$ 16,400.00								$ 16,400.00
CO 004	CHANGE ORDER 004 REMOVE B&O TAXES	1.00	LS	$ (75,000.00)	$ (75,000.00)								$ (75,000.00)
					$ 6,941,703.49	**1.00**	**$ 100,000.00**	**1.00**	**$ 100,000.00**	**$ -**	**$ 100,000.00**		**$ 6,841,703.49**

EJCDC® C-620 Contractor's Application for Payment
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Stored Material Summary

Contractor's Application

For (Contract):			Route 9 Sewer Project Ranson, WV						Application Number:					001
Application Period:			3/4/2020						Application Date:					3/4/2020
A		B	C		D		E				F		G	
					Stored Previously									
Bid Item No.	Supplier Invoice No.	Submittal No. (with Specification Section No.)	Storage Location	Description of Materials or Equipment Stored	Date Placed into Storage (Month/Year)	Amount ($)	Amount Stored this Month ($)	Stored Units		Subtotal Amount Completed and Stored to Date (D + E)	Incorporated in Work	% Stored	Materials Remaining in Storage ($) (D + E - F)	
100				**MOBILIZATION**										
101				MOBILIZE EQUIPMENT										
102				BLASTING STAKEOUT										
103				CONSTRUCTION STAKEOUT										
104				VIDEO DOCUMENTATION										
105				SUBMITTALS										
106				BONDS & INSURANCE										
200				TRAFFIC CONTROL										
300				EROSION AND SEDIMENT CONTROL										
400				GRAVITY SEWER 6" & 8", OPEN CUT										
500				GRAVITY SEWER 10", OPEN CUT										
600				GRAVITY SEWER 12", OPEN CUT										
700				GRAVITY SEWER 15", OPEN CUT										
800				FORCE-MAIN (6"-4") OPEN CUT										
900				FORCE-MAIN (6"-4") IN EX. RT. 9 CASING										
1000				FORCE-MAIN (6"-4") AIR VAULT & INTERNALS										
1300				FORCE-MAIN (8"-6"-8") OPEN CUT										
1400				FORCE-MAIN (8"-6"-8") AIR VAULT & INTERNALS										
1700				FORCE-MAIN MISC. DIP FITTINGS, IF DIRECTED										
1800				CONCRETE CLASS B, IF DIRECTED										
1900				CASING 24" BORED, W/ 10" GRAVITY SEWER										
2000				CASING 24" BORED, W/ 12" GRAVITY SEWER										
2100				CASING 24" BORED, W/ 6"-4"-6" FORCE-MAINS										
2200				CASING 30" BORED, W/ 15" GRAVITY SEWER										
2300				CASING 36" BORED, W/ 8"-6"-8" FORCE-MAINS										
2600				MANHOLE, 4'-DIA. (UP TO 6' DEEP)										
2700				MANHOLE BV-03 (DOGHOUSE), 4'-DIA. (UP TO 6' DEEP)										
2800				MANHOLE DC-02 (DOGHOUSE), 4'-DIA. (UP TO 6' DEEP)										
2900				MANHOLE EXTENSION, 4'-DIA.										
3000				MANHOLE DROP CONNECTION, TYPE A										
3100				MANHOLE DROP CONNECTION, TYPE B										
3200				MANHOLE BV-22, FOR TRANSITION										
3300				MANHOLE CH-20, FOR TRANSITION										
3400				SEWER MARKER										
3500				CONNECTION TO EX. FACILITIES, AT MANHOLE 11V										
3600				CONNECTION TO EX. FACILITIES, AT MANHOLE BV-03										
3700				CONNECTION TO EX. FACILITIES, AT MANHOLE DC-02										
3800				**PUMP STATION, WAR ADMIRAL**										
3801				MOBILIZATION										
3802				EXCAVATION										
3803				SET WET WELL										

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Stored Material Summary

Contractor's Application

For (Contract)			Route 9 Sewer Project Ranson, WV						Application Number					001
Application Period			3/4/2020						Application Date					3/4/2020
A		B	C		D		E				F		G	
					Stored Previously									
Bid Item No.	Supplier Invoice No.	Submittal No. (with Specification Section No.)	Storage Location	Description of Materials or Equipment Stored	Date Placed into Storage (Month/Year)	Amount ($)	Amount Stored this Month ($)	Stored Units		Subtotal Amount Completed and Stored to Date (D + E)	Incorporated in Work	% Stored	Materials Remaining in Storage ($) (D + E - F)	
3804				VALVE VAULT										
3805				BACKFILL										
3806				WET WELL AND VALVE VAULT PIPING										
3807				AIR INJECTION VAULT & EQUIPMENT										
3808				PUMPS										
3809				CONTROLS										
3810				FETTERVILLE BUILDING										
3811				GENERATOR PAD										
3812				GENERATOR										
3813				ELECTRIC										
3814				START UP										
3815				PAVING										
3816				RESTORATION										
3817				FENCE										
4000				RESTORATION, STATE (WVDOH) ROAD										
4100				RESTORATION, ASPHALT DRIVEWAY										
4200				RESTORATION, ASPHALT BIKE PATH										
4300				RESTORATION, GRAVEL ROAD OR DRIVE										
4400				RESTORATION, UNIMPROVED (GRASS) SURFACE										
4500				CULVERT 12" TO 30", OPEN CUT										
4600				ABANDONMENT OF WATER WELL										
4700				EXCAVATION AND BACKFILLING BELOW SUBGRADE										
4800				ALLOWANCE - SINKHOLE REPAIR, SOIL FOR CAP										
4900				ALLOWANCE - SINKHOLE REPAIR, CLASS 10 AGGREGATE										
5000				ALLOWANCE - SINKHOLE REPAIR, CLASS 1 AGGREGATE BAS										
5100				ALLOWANCE - SINKHOLE REPAIR, SPECIAL ROCK FILL										
5200				ALLOWANCE - SINKHOLE REPAIR, RIP-RAP										
5300				ALLOWANCE - SINKHOLE REPAIR, IMPERVIOUS CORE										

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Month XX, 2020

[Organization Name
Address
City, State Zip]

Jonathan Peterson, Catalyst Fund Manager
Network for Landscape Conservation
Center for Large Landscape Conservation

Dear Mr. Peterson,

It is my pleasure to write a letter in support of the West Virginia Rivers Coalition application to the Network for Landscape Conservation's Catalyst Fund. **[Your organization's name]** is an engaged partner with the Safe Water Conservation Collaborative, which has seen tremendous growth and accomplishments over the last year.

[General info about your organization: mission, work, and how it overlaps with the Safe Water Conservation Collaborative, etc.]

Through the Safe Water Conservation Collaborative, West Virginia Rivers Coalition facilitates a movement to build the conservation leverage of a diverse set of stakeholders in the Potomac Headwaters. The Safe Water Conservation Collaborative has set the stage for long-term cooperation promoting healthy, clean drinking water through land conservation. **[Your organization name]** has been a critical partner in the building stages of the partnership, and we look forward to continued success in the future.

[What value does your organization bring to the Collaborative? How does this work amplify other efforts/initiatives you have to restore the Chesapeake Bay Watershed? What are the ways that the Collaborative is helping your organization meet goals & mission?

We endorse the work of the Safe Water Conservation Collaborative and West Virginia Rivers Coalition's efforts to obtain funding through the Catalyst Fund to continue this work.

Sincerely,

[Name, Title]