



CITY OF CHARLESTON West Virginia



Council Member – 12th WARD

Joseph Jenkins
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Charleston, West Virginia 25303
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Finance Committee, Chair
Parking Committee, Chair
Ordinance and Rules Committee

AGENDA
FINANCE COMMITTEE MEETING
Monday, July 6, 2026
6:30 PM

AV ROOM #308, CITY HALL, CHARLESTON, WV

AVAILABLE TO VIEW VIA LIVESTREAM AT <https://charlestonwv.civicclerk.com/web/home.aspx>

I. DISCUSSION:

- a. Approval of Previous Minutes 6-15-2026

II. RESOLUTIONS:

- a. Resolution No. 26-076 - Authorizing the Mayor or City Manager to enter into a one-year open-ended contract with Smith Concrete for the purchase of various classes of cement.
- b. Resolution No. 26-077 - Approving Second Supplemental Resolution Series 2026 A Charleston Sanitary Board (4909-8656-9298) as it relates to bonding conditions.
- c. Resolution No. 26-078 - Approving Second Supplemental Resolution Series 2020 A Charleston Sanitary Board (4905-1324-6136) as it relates to bonding conditions.
- d. Resolution No. 26-079 - Approving Second Supplemental Resolution Series 2013 A Charleston Sanitary Board (4908-6333-9192) as it relates to bonding conditions.
- e. Resolution No. 26-080 - Approving Second Supplemental Resolution Series 2011 A Charleston Sanitary Board (4934-8733-4328) as it relates to bonding conditions.
- f. Resolution No. 26-081 - Approving Second Supplemental Resolution Series 2005 A Charleston Sanitary Board (4916-6733-2792) as it relates to binding conditions.
- g. Resolution No. 26-082 - Approving Second Supplemental Resolution Series 2008 A Charleston Sanitary Board (4907-0978-6552) as it relates to bonding conditions.

***Meetings may be recorded and broadcast via internet <https://charlestonwv.civicclerk.com>**

MINUTES
FINANCE COMMITTEE MEETING
6:30 P.M., JUNE 15, 2026
AV ROOM #308, CITY HALL

Joseph Jenkins, Chair, called the meeting of the Charleston City Council Committee on Finance to order at 6:30 p.m., June 1, 2026.

A silent roll was taken by the Clerk and a quorum was established. The following committee members were present:

Joseph Jenkins, Chair
Brent Burton, Vice Chair
Becky Ceperley
Mary Beth Hoover
Larry Moore
Chad Robinson

Absent:
Shawn Taylor

Other Councilmembers present:
Frank Annie
Caitlin Cook
Chelsea Steelhammer
Emmett Pepper
Harper Gardner

I. DISCUSSION:

a. Approval of Previous Minutes - Councilmember Burton asked for unanimous consent to dispense with the reading of the minutes for the June 1, 2026 meeting and that they be approved as distributed. There were no objections, and the minutes were approved.

I. BILLS:

- a. Bill No. 8076 - A BILL to amend Chapter 82, Article IV, Section 82-125 of the Code of the City of Charleston, relating to the fees, rates, and charges for use of City owned parks and recreational facilities.

Now, therefore, be it Ordained by the Council of the City of Charleston, West Virginia:

That Chapter 82, Article IV, Section 82-125 of the Code of the City of Charleston, relating to fees, rates, and charges for use of City owned parks and recreational facilities is hereby amended, all to read as follows:

ARTICLE IV. PUBLIC USE OF PARKS AND RECREATIONAL FACILITIES

Sec. 82-125. – Schedule of fees.

Rental and fees schedule for the use of recreation facilities and equipment [is as follows]:

For use private use, exclusive of the general public, of the North Charleston Community Center, 42 Martin Luther King Jr., Community Center, Kanawha City Community Center, Roosevelt 43 Neighborhood Center:

Gymnasium per hour \$ 25.00

Meeting room, per hour \$20.00

Cato Park Golf Course:

Daily nine holes \$9.00

Additional nine holes \$4.00

Unlimited play \$12.00

Daily senior citizens unlimited \$6.00

Schools, practice or matches \$6.00

For use exclusive use of tennis courts, The Director of Parks and Recreation, or his designee, is authorized to reserve tennis courts for organized play, and in such cases to impose fees not to exceed the allocable costs of operation and maintenance of the courts as may be determined on a case by case basis. In all other instances, use of the courts shall be made available to the general public on a first come first served basis without the imposition of fees.

Haddad Riverfront Park:

Private rental of entire park\$100.00 per hour* (2 hr. minimum to maximum charge of \$800.00 for entire day. Rental time includes set-up and tear-down if renter requires exclusion of general public during this time)

Damage deposit for private rental\$250.00 (refundable if no damage occurs.
However, deposit is forfeited if rental is canceled less than 20 days prior to rental date)

Magic Island Park:

Private rental of entire park\$100.00 per hour* (2 hr. minimum to maximum charge
of \$800.00 for entire day. Rental time includes set-up and tear-down if renter requires
exclusion of general public during this time)

Damage deposit for private rental\$250.00 (refundable if no damage occurs.
However, deposit is forfeited if rental is canceled less than 20 days prior to rental date)

Reservation of volleyball courts\$10.00 per court.

*Fee includes normal, daily park maintenance. Should special set-up, clean-up, or other
efforts be necessary, the rate will be \$20.00 per hour per employee. These fees will be
negotiated as part of the reservation process and will be fully disclosed to renters prior
to completing rental agreement.

Such arrangements pertain to all rental of each park, except for the purposes of
commercial concert entertainment. In such cases, rental agreements shall be negotiated
by the parks and recreation director, with such contract presented for city council's
approval prior to confirmation.

Portable Stage: The portable stage measuring 24' x 20' may be rented at a rate of \$500
per day.

In addition to the requirements of this Code, the Director of the Parks and Recreation
Department is hereby directed to prescribe a schedule of fees, rates, and charges of any
kind due to the city for the use of all public grounds under the Department's authority,
including but not limited to all athletic fields, parks, recreation facilities, community
centers and accompanying equipment. However, such schedule of fees, rates, or
charges, including as may be amended from time to time, shall be first approved by the
resolution of city council before being put into effect. A true copy of the schedule of
fees, rates and charges, as approved by the city council, shall be maintained on file in
the Offices of the City Clerk and the Director of the Parks and Recreation Department
and shall be available on the City of Charleston's website or made available to the public
upon request.

All fees, rates and charges for the use of all public grounds under the Department's
authority established or approved by the city council and in effect immediately prior to
the effective date of this Code are continued in full force and effect until such time as
new fees, rates and charges are determined, prescribed and approved by resolution of

city council pursuant to the provisions of this section.

For purposes of this section, events produced or originated by the City of Charleston are specifically exempted from payment of rental fees, damage deposits, or other charges listed in this amendment.

City Attorney Joseph Baldwin added that the bill removes the schedule of fees from the City Code and places them in its own document to be approved by resolution and kept with the Director of Parks and Recreation and the City Clerk's Office.

Councilmember Ceperley confirmed with Baldwin that the proposed process will allow the Department to be more responsive.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the affirmative, Chairperson Jenkins declared Resolution No. 26-049 approved.

II. RESOLUTIONS:

- a. Resolution No. 26-049 Committee Substitute – Approving, pursuant to Municipal Code §§ 82-3 and 82-125, Regulations and Schedule of Fees, Rates, and Charges for Use of City Parks and Public Grounds Facilities, as recommended by the Director of the Parks and Recreation Department, and reflected in Exhibit A attached hereto.

Now, therefore, be it Resolved by the Council of the City of Charleston, West Virginia:

That, pursuant to Municipal Code §§ 82-3 and 82-125, the Regulations and Schedule of Fees, Rates, and Charges for Use of City Parks and Public Grounds Facilities, as recommended by the Director of the Parks and Recreation Department, and reflected in Exhibit A attached hereto, is approved.

Baldwin added that the document now defines education groups as well as local recreation providers. It also includes requirements for reservations and the priorities for each user group.

Councilmember Ceperley confirmed that a portion of the revenue will go to maintain the turfed fields.

Councilmember Jenkins asked how much more revenue will result from the increased fees. Finance Director Andy Wood replied that was unknown because of how the fees were tracked in the past. Councilmember Jenkins confirmed that the proposed changes wouldn't impact the utilization of Danner Meadow. It will become effective within five business days and will not effect anyone who has already booked.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the affirmative, Chairperson Jenkins declared Resolution No. 26-049 approved.

- b. Resolution No. 26-069 – Authorizing the Mayor or City Manager to enter into a contract with Adamson Industries Corp. in the amount of \$79,990.00 for the upfitting of the two new Transport Vans for the Charleston Police Department, where the price was determined pursuant to a competitive bid process.

Now, therefore, be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to enter into a contract with Adamson Industries Corp. in the amount of \$79,990.00 for the upfitting of the two new Transport Vans for the Charleston Police Department, where the price was determined pursuant to a competitive bid process.

City Manager Ben Mishoe added that the upfitting includes the necessary equipment, internal and external for both vehicles.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the affirmative, Chairperson Jenkins declared Resolution No. 26-069 approved.

- c. Resolution No. 26-070 – Authorizing the Mayor or City Manager to purchase a new R-60 Tracked Remote Mower with 60-inch deck for the Public Grounds Department from West Virginia Tractor Co. in the amount of \$74,798.00, to replace Public Grounds current remote mower used to cut the river bank, whereas the price was determined pursuant to a competitively sourced contract.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to purchase a new R-60 Tracked Remote Mower with 60-inch deck for the Public Grounds Department from West Virginia Tractor Co. in the amount of \$74,798.00, to replace Public Grounds current remote mower used to cut the river bank, whereas the price was determined pursuant to a competitively sourced contract.

Mishoe added that the mower will be used for the steep riverbanks on Kanawha Boulevard. It will be wider than the current mowers.

Councilmember Jenkins suggested that Spring Hill could use such a mower.

From the audience, Councilmember Peeper confirmed that the mower would be able to effectively maneuver around the planted trees, etc.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the affirmative, Chairperson Jenkins declared Resolution No. 26-070 approved.

- d. Resolution No. 26-071 – Authorizing the Mayor or City Manager to purchase a new Altec Bucket Truck for the Public Grounds Department from Altec in the amount of \$233,521.00, to replace Bucket Truck 369 in the regularly budgeted rotation schedule, where the price was determined pursuant to a competitively sourced Sourcewell contract.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to purchase a new Altec Bucket Truck for the Public Grounds Department from Altec in the amount of \$233,521.00, to replace Bucket Truck 369 in the regularly budgeted rotation schedule, where the price was determined pursuant to a competitively sourced Sourcewell contract.

Mishoe added that the bucket truck will be used for tree trimming in addition to a variety of tasks.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the affirmative, Chairperson Jenkins declared Resolution No. 26-071 approved.

- e. Resolution No. 26-072 – Authorizing the Mayor or City Manager to purchase a replacement Cascade Filling and Compressor System for the Charleston Fire Department from Municipal Emergency Services in the amount of \$122,736.00, to enable filling of air cylinders, where the price was determined pursuant to a competitively sourced Sourcewell contract.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to purchase a replacement Cascade Filling and Compressor System for the Charleston Fire Department from Municipal Emergency Services in the amount of \$122,736.00, to enable filling of air cylinders, where the price was determined pursuant to a competitively sourced Sourcewell contract.

Mishoe added that the system will be used at Fire Station #1 to fill air cylinders for a contained breathing apparatus.

From the audience, Councilmember Gardner confirmed that there is already a system at the East End and West Side stations.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the affirmative, Chairperson Jenkins declared Resolution No. 26-072 approved.

- f. Resolution No. 26-073 – Authorizing the Mayor or City Manager to enter into a contract with McClanahan Construction Company, LLC in the amount of \$869,100.00 for the 2026-27 ADA Ramp Installation Project, where the price was determined pursuant to a competitive bid process.

Now, therefore, be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to enter into a contract with McClanahan Construction Company, LLC in the amount of \$869,100.00 for the 2026-27 ADA Ramp Installation Project, where the price was determined pursuant to a competitive bid process.

Mishoe added that the City received three bids.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the affirmative, Chairperson Jenkins declared Resolution No. 26-073 approved.

- g. Resolution No. 26-074 – Authorizing the Mayor or City Manager to enter into a contract with Martin Marietta Materials, Inc., to purchase various classes and sizes of aggregate stone on an as-needed basis at the prices listed in Exhibit A, which were determined pursuant to a competitive bidding process.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to enter into a contract with Martin Marietta Materials, Inc., to purchase various classes and sizes of aggregate stone on an as-needed basis at the prices listed in Exhibit A, which were determined pursuant to a competitive bidding process.

Mishoe added that the City received one bid. The stone is primarily used by the Street Department.

Councilmember Jenkins confirmed that the contract was for one year. The prices have not significantly changed from last year.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the affirmative, Chairperson Jenkins declared Resolution No. 26-074 approved.

- h. Resolution No. 26-075 – Authorizing the Mayor or City Manager to enter into a contract with Morton Salt, Inc. for the purchase of road salt at a rate of \$114.35 per ton, with a contractual minimum amount of 5,000 tons, where the price will remain fixed for one year and was determined pursuant to a competitive bidding process.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to enter into a contract with Morton Salt, Inc. for the purchase of road salt at a rate of \$114.35 per ton, with a contractual minimum amount of 5,000 tons, where the price will remain fixed for one year and was determined pursuant to a competitive bidding process.

Mishoe added that the price will be fixed for one year. The price is a couple of dollars more than last year. There is a minimum purchase required.

Councilmember Robinson confirmed that the vendor qualified for the local vendor preference.

From the audience, Councilmember Annie confirmed that they should be able place orders quickly after approval.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the affirmative, Chairperson Jenkins declared Resolution No. 26-075 approved.

- i. Resolution No. 26-076 – Authorizing settlement of a pending claim against the City by Terra Wissler related to a September 3, 2024, incident, where a City driven vehicle collided with the claimant’s vehicle and the City driven vehicle was found to be at fault, as contained in claim number WV1542024024255, as recommended by the City Solicitor.

Now, therefore, be it Resolved by the Council of the City of Charleston, West Virginia:

That the City Council hereby authorizes and approves the settlement of a pending claim against the City by Terra Wissler, with associated claim number WV1542024024255, in the amount of \$32,284.28, as recommended by the City Solicitor. The City Council authorizes the City Solicitor and City Manager to take all necessary steps to finalize resolution of the claim.

Baldwin added that liability was admitted on the City’s behalf. The claimant was initially asking for \$140,000 for Personal Injury, Annoyance and Inconvenience, but was resolved to \$12,000.

Councilmember Jenkins confirmed with Baldwin that there was no question as to liability.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the affirmative, Chairperson Jenkins declared Resolution No. 26-076 approved.

Councilmember Burton motioned to adjourn the meeting.
Meeting adjourned.

Resolution No. 26-076

Introduced in Council:

Adopted by Council:

July 6, 2026

Introduced by:

Referred to:

Joseph Jenkins

Finance

1 Resolution No. 26-076 – Authorizing the Mayor or City Manager to enter into a one-year open-
2 ended contract with Smith Concrete for the purchase of various classes of cement at the
3 following rates that were determined pursuant to a competitive bidding process:

- 4
5 Class A - \$204.90 per ton
6 Class B - \$201.90 per ton
7 Class C - \$198.90 per ton
8 Class D - \$195.90 per ton
9 Flow-able Fill - \$189.90 per ton

10
11 Be it Resolved by the Council of the City of Charleston, West Virginia:

12
13 That the Mayor or City Manager is authorized to enter into a one-year open-ended contract
14 with Smith Concrete for the purchase of various classes of cement at the following rates that
15 were determined pursuant to a competitive bidding process:

- 16
17 Class A - \$204.90 per ton
18 Class B - \$201.90 per ton
19 Class C - \$198.90 per ton
20 Class D - \$195.90 per ton
21 Flow-able Fill - \$189.90 per ton

2026-39 Portland Cement Contract					
Mandatory Requirement	Estimated Quantity	Smith Concrete		MDHC LLC	
		Unit Price	Total Price	Unit Price	Total Price
1 - Class A	200	\$ 204.90	\$ 40,980.00	\$ 288.75	\$57,750.00
2 - Class B	100	\$ 201.90	\$ 20,190.00	\$ 277.50	\$27,750.00
3 - Class C	50	\$ 198.90	\$ 9,945.00	\$ 272.50	\$13,625.00
4 - Class D	50	\$ 195.90	\$ 9,795.00	\$ 267.50	\$13,375.00
5 - Flow-able Fill	100	\$ 189.90	\$ 18,990.00	\$ 275.00	\$27,500.00
3.2 Plant Location within 20 miles			Yes		No
Certificate of Insurance			Yes		Yes
Vendor Protest Acknowledgement			Yes		Yes
Contact and Signature Form			Yes		Yes
Pricing Page			Yes		Yes
Addendum Acknowledgement			Yes		Yes
Local Vendor Form (if Applicable)			Yes		N/A
City of Charleston Purchasing Affidavit			Yes		Yes
Grand Total			\$ 99,900.00		\$140,000.00
Local Vendor Preference			YES		NO

“Quantities are estimated for bid calculation only. No minimum quantity is required.”

2026-39 Portland Cement Contract			
Business	Opened at	Bid Total	Local Vendor Preference
Smith Concrete	6/25/2026 1:00pm	\$ 99,900.00	\$95,904.00
MDHC LLC	6/25/2026 1:00pm	\$ 140,000.00	N/A



CITY OF CHARLESTON
RECOMMENDATION TO AWARD

DATE: June 26, 2026

SUBJECT: Recommendation for Award

Solicitation Number: 2026-39 Portland Cement Contract

Smith Concrete:

1 - Class A - \$204.90 per ton

2 - Class B - \$201.90 per ton

3 - Class C - \$198.90 per ton

4 - Class D - \$195.90 per ton

5 - Flow-able Fill – 189.90 per ton

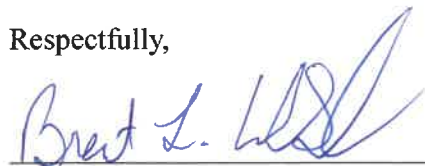
Award Recommendation: Check the appropriate box below.

Lowest Bid: By signing below, the Department certifies that bids have been properly evaluated and recommends award to Smith Concrete at the per-ton amounts listed above.

Multiple Award: By signing below, the Department certifies that bids have been properly evaluated and recommends award to multiple bidders meeting the required specifications. Those bidders receiving an award are identified as follows: _____.

Other Than Lowest Bid: By signing below, the Department certifies that bids have been properly evaluated and recommends award to _____ in the amount of _____ as the lowest responsible bidder meeting the required specifications. Award to the lowest bid was not made due to disqualifications described in more detail below:

Respectfully,



Signature

6-26-26

Date

Brent L. Webster

Printed Name and Title
Public Works Director

1 Resolution No.26-077

2

3 Introduced in Council:

Adopted by Council:

4

5 July 6, 2026 _____

6

7 Introduced by:

8

9 Joseph Jenkins _____

10

11

12 A resolution supplementing Ordinance No. 8056, passed by the Council of The City of Charleston, West
13 Virginia, on June 16, 2025; which supplemented Ordinance No. 4423 passed by the Council of The City of
14 Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the
15 Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance
16 No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on
17 June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No.
18 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February
19 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed
20 by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by
21 Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council
22 on September 6, 2011, by Ordinance No. 7560 passed by the Council on February 19, 2013, by Ordinance
23 No. 7680 passed by the Council on February 16, 2016, and by Ordinance No. 7866, passed by the Council
24 of The City of Charleston, West Virginia, on February 18, 2020; authorizing the design, acquisition and
25 construction of certain extensions, additions, betterments and improvements to the existing sewerage
26 system of The City of Charleston; authorizing the issuance of not more than \$30,000,000 in aggregate
27 principal amount of Sewerage System Revenue Bonds, in one or more series as designated in a
28 supplemental resolution, of The City of Charleston, the proceeds of which, shall be used, along with other
29 funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such
30 purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve
31 accounts for such bonds and to pay other costs in connection therewith; providing for the rights and
32 remedies of and security for the registered owners of such bonds; and adopting other provisions related
33 thereto.

34

35 WHEREAS, the Council (the “Council”) of The City of Charleston, West Virginia (the
36 “City”), on June 16, 2025, adopted Ordinance No. 8056, (the “Ordinance”), authorizing the issuance of The
37 City of Charleston Sewerage System Revenue Bonds (the “Bonds”), in an aggregate principal amount not
38 to exceed \$30,000,000, in one or more series, to permanently finance the cost of design, acquisition and
39 construction of certain extensions, additions, betterments and improvements to the sewerage system of the
40 City (the “Project”);

41

42 WHEREAS, due to the delay in receiving satisfactory bids for the Project, it is necessary
43 for the Council to redesignate the Bonds authorized by the Ordinance adopted June 16, 2025 and hereinafter
shall be referred to as the “Series 2026 A Bonds” (the “Series 2026 A Bonds”);

44

45 WHEREAS, the Council, on July 7, 2025, adopted a Supplemental Resolution (the “First
46 Supplemental Resolution”), following a public hearing at which no significant reasons were presented that
47 would require modification of the Ordinance and no written protest with regard thereto was filed by 30
percent or more of the freeholders of the City;

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

3 WHEREAS, the Ordinance provides for the issuance of the Bonds, all in accordance with
4 the Act, and further provides that the exact principal amount, series designation, date, maturity date,
5 redemption provision, interest rate, interest and principal payment dates, sale price and other terms of and
6 matters relating to, the Bonds should be established by a supplemental resolution or supplemental
7 resolutions;

8 WHEREAS, the Bonds are proposed to be purchased by the West Virginia Water
9 Development Authority (the "Authority"), on behalf of the West Virginia Department of Environmental
10 Protection (the "DEP") pursuant to the West Virginia Clean Water SRF Program pursuant to the terms and
11 conditions set forth under a Loan Agreement by and among the City, the Authority and the DEP (the "Loan
12 Agreement");

13 WHEREAS, the Ordinance provides for a reserve account for the Series 2026 A Bonds
14 (the "Series 2026 A Bonds Reserve Account") each held by the West Virginia Municipal Bond Commission
15 (the "Bond Commission") to secure the payment of the principal of, and interest on, the Series 2026 A
16 Bonds, respectively;

17 WHEREAS, the Ordinance provides that the Series 2026 A Bonds Reserve Account may
18 be funded with a municipal bond debt service reserve insurance policy (a "Debt Service Reserve Insurance
19 Policy"), or surety bond, letter of credit or similar financial instrument (each known as a "Reserve Fund
20 Credit Instrument"), in an amount either equal to, or lesser than, the respective reserve requirements for the
21 Series 2026 A Bonds;

22 WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt
23 Service Reserve Insurance Policy to the Series 2026 A Bonds Reserve Account (i) is a more financially
24 advantageous method to satisfy the Series 2026 A Bonds Reserve Requirement; and (ii) will allow the
25 monies currently on deposit in the Series 2026 A Bonds Reserve Account, if any, which remain after the
26 payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses
27 related thereto, to be used for the design, acquisition, construction and equipping of capital additions,
28 betterments and improvements for the System;

29 WHEREAS, Build America Mutual Assurance Company ("BAM") has agreed to provide
30 to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2026 A Bonds,
31 substantially in the form attached hereto as "Exhibit A" and incorporated herein by reference (the "Series
32 2026 A Bonds Debt Service Reserve Insurance Commitment"), whereby BAM agrees, subject to certain
33 conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2026 A
34 Bonds Debt Service Reserve Account in an amount equal to the respective Series 2026 A Bonds Reserve
35 Requirement (the "Series 2026 A Bonds Debt Service Reserve Insurance Policy");

36 WHEREAS, the Series 2026 A Bonds Debt Service Reserve Insurance Commitment
37 includes a form of "Debt Service Reserve Agreement" by and between the Issuer and BAM (the "Series
38 2026 A Bonds Debt Service Reserve Agreement") which provides, in part, that any payments made, or
39 Policy Costs incurred, by BAM pursuant to the Series 2026 A Bonds Debt Service Reserve Insurance Policy
40 shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2026 A Bonds Debt Service Reserve
41 Agreement;

42 WHEREAS, the Council wishes to delegate to the Mayor the authority to approve, within
43 the parameters set forth herein and in the Ordinance, the final terms of the Bonds and all provisions of all

1 documents relating to the Bonds (the “Bond Documents”), without the requirement of further official action
2 by this Council; and

3 WHEREAS, the Council deems it essential and desirable that this resolution (the “Second
4 Supplemental Resolution”) be adopted, that the Loan Agreement be entered into by the City, that parameters
5 be established for the exact principal amount, series designation, date, maturity date, redemption provision,
6 interest rate, interest and principal payment dates, sale price and other terms of the Bonds in the manner
7 stated herein, and that other matters relating to the Bonds be herein provided for.

8 **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF**
9 **CHARLESTON:**

10 Section 1. The Ordinance was put into effect on July 7, 2025 and the Bonds
11 contemplated thereby shall be issued, all as provided in the Ordinance, the First Supplemental Resolution,
12 and this Second Supplemental Resolution. Due to timing, the Council hereby redesignates the “Series 2025
13 Bonds” authorized by the Ordinance adopted June 16, 2025 as the “Series 2026 A Bonds”;

14 Section 2. Pursuant to the Ordinance, the Act and the First Supplemental Resolution,
15 this Second Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued
16 The City of Charleston Sewerage System Revenue Bonds, Series 2026 A (West Virginia CWSRF Program)
17 (the “Bonds”) in the aggregate principal amount of \$18,425,960 which will be initially represented by a
18 single bond, numbered AR-1. The Bonds shall be dated the date of delivery, shall finally mature on June
19 1, 2046, and shall bear interest at a rate of 2.75% per annum. The principal of and interest on the Bonds
20 shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing
21 June 1, 2028, in the amounts as set forth in the Schedule Y attached to the Loan Agreement and incorporated
22 in and made a part of the Bonds. The City hereby approves and shall pay the SRF Administrative Fee equal
23 to 0.25% annually of the principal amount of the Bonds set forth in the Schedule Y attached to the Loan
24 Agreement. The SRF Administrative Fee shall be considered Operating Expenses of the City (Sanitary
25 Board). The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP,
26 and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan
27 Agreement, so long as the Authority shall be the Registered Owner of the Bonds.

28 Section 3. All other provisions relating to the Bonds shall be as provided in the
29 Ordinance. The text of the Bonds shall be in substantially the form provided in the Ordinance. The
30 execution of the Bonds by the Mayor shall be conclusive evidence of any approval required by this Section.

31 Section 4. The Loan Agreement for the Bonds by and among the Authority, the City,
32 and the DEP, substantially in the form to be attached hereto as Exhibit A, and the execution and delivery
33 (in multiple counterparts) by the Mayor shall be and the same are hereby authorized, approved, ratified and
34 directed. The Mayor is authorized to execute and deliver the Loan Agreement with such changes, insertions
35 and omissions as may be approved by the Mayor. The execution of the Loan Agreement by the Mayor
36 shall be conclusive evidence of any approval required by this Section, and authorization of any action
37 required by the Loan Agreement relating to the issuance and sale of the Bonds. The City hereby affirms
38 all covenants and representations made in the Loan Agreement and in the application to the DEP and the
39 Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

40 Section 5. The City hereby appoints and designates the West Virginia Municipal
41 Bond Commission, Charleston, West Virginia (the “Commission”), as the Paying Agent for the Bonds.

42 Section 6. The City hereby appoints United Bank, Charleston, West Virginia (the
43 “Registrar”), as the Registrar for the Bonds. The City hereby appoints JPMorgan Chase Bank, N.A.

1 Charleston, West Virginia (the “Depository Bank”) as the Depository Bank for the Revenue Fund and the
2 Bonds Construction Fund. The City approves and accepts the Registrar’s Agreement to be dated the date
3 of delivery of the Bonds, by and between the City and the Registrar, and the execution and delivery of the
4 Registrar’s Agreement by the Mayor, and the performance of the obligations contained therein on behalf
5 of the City, are hereby authorized, directed and approved. The City hereby approves the payment of the
6 Registrar fee.

7 Section 7. The Bonds shall be issued on a parity with the First Lien Bonds with
8 respect to liens, pledge and source of and security for payment and in all respects. The Bonds shall be
9 secured by a first lien on the Net Revenues derived from the System on a parity with the First Lien Bonds
10 but senior and superior to the Second Lien Bonds.

11 Section 8. Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2026
12 A Bonds Sinking Fund as capitalized interest.

13 Section 9. Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2026
14 A Bonds Reserve Account. The City will purchase the Series 2026 A Bonds Debt Reserve Insurance Policy
15 from Build America Mutual (“BAM”) in lieu of funding the Series 2026 A Bonds Reserve Account.

16 Section 10. The Council hereby approves as the first draw on the Bonds, \$50,650.00,
17 for deposit into the Series 2026 A Bonds Reserve Account and to pay the costs set forth in the SRF Payment
18 Requisition Form, attached hereto as Exhibit B and incorporated herein by reference, and further finds and
19 determines (A) that none of the items for which payment is proposed to be made has formed the basis for
20 any disbursement theretofore made; (B) that each item for which the payment is proposed to be made is or
21 was necessary in connection with the Project and constitutes a Cost of the Project; (C) that each of such
22 costs has been otherwise properly incurred; and (D) that payment for each of the items proposed is now due
23 and owing. The Council hereby authorizes and directs the Sanitary Board to review and approve future
24 invoices for the Project and direct the payment from Bonds proceeds.

25 Section 11. The Mayor and City Clerk are hereby authorized and directed to execute
26 and deliver such other documents, agreements and certificates required or desirable in connection with the
27 Bonds. The City hereby approves and accepts all contracts or agreements relating to the financing, design,
28 acquisition and construction of the Project and hereby authorizes the Sanitary Board to enter into all
29 contracts or agreements relating to the design, acquisition and construction of the Project. The Manager of
30 the Sanitary Board and any other authorized representatives are hereby authorized to execute all pay
31 requests with respect to the Bonds.

32 Section 12. The design, acquisition and construction of the Project and the financing
33 thereof with proceeds of the Bonds are in the public interest, serve a public purpose of the City and will
34 promote the health, welfare and safety of the residents of the City.

35 Section 13. The City hereby determines to invest all moneys in the funds and accounts
36 established by the Ordinance held by the Depository Bank until expended, in Money Market accounts
37 secured by a pledge of Government Obligations, and therefore, the City hereby directs the Depository Bank
38 to invest all moneys in such Money Market accounts until further directed in writing by the Sanitary Board.
39 Moneys in the Series 2026 A Bonds Sinking Fund and the Series 2026 A Bonds Reserve Account shall be
40 invested by the Commission in the West Virginia Consolidated Fund.

41 Section 14. The Bond Ordinance is hereby amended and modified by adding a new
42 Section 4.07 in the Bond Ordinance as set forth below:
43

1 Section 4.07. Reserve Fund Credit Instrument. In lieu of or in addition
 2 to cash or investments, at any time the Issuer may, with the prior written
 3 consent of the Registered Owners of the Series 2026 A Bonds, cause to be
 4 deposited with the Commission and pledged to the Series 2026 A Bonds
 5 Reserve Account any form of Reserve Fund Credit Instrument, in the
 6 amount of the Series 2026 A Bonds Reserve Requirements, or as such
 7 lesser amount, irrevocably payable to the Commission as beneficiary for
 8 the Registered Owners of the Series 2026 A Bonds. In the event the Series
 9 2026 A Bonds Reserve Account is initially funded, in whole or in part,
 10 with proceeds of the Series 2026 A Bonds, or from monthly payments
 11 from Net Revenues of the System by the Issuer, the Issuer may deposit a
 12 Reserve Fund Credit Instrument to replace all or any portion of the monies
 13 on deposit in the Series 2026 A Bonds Reserve Account and any monies
 14 then on deposit in the Series 2026 A Bonds Reserve Account, and required
 15 to be on deposit therein, shall be returned to the Issuer and used to pay the
 16 costs of delivering such Reserve Fund Credit Instrument and/or to pay the
 17 costs of design, acquisition, construction and equipping of capital
 18 additions, betterments and improvements for the System. The term
 19 “Reserve Fund Credit Instrument” shall mean any municipal bond debt
 20 service reserve insurance policy, surety bond, letter of credit or similar
 21 financial instrument that the Issuer deposits with the Commission and
 22 pledges to the Series 2026 A Bonds Reserve Account.
 23

- 24 (1) Any such Reserve Fund Credit Instrument shall be payable to the
 25 Commission as beneficiary for the Registered Owners of the Series 2026
 26 A Bonds, shall have a term of no less than one (1) year and shall be payable
 27 (upon the giving of such notice as may be required thereunder) (i) on any
 28 date on which moneys are required to be withdrawn from the Series 2026
 29 A Bonds Reserve Account due to insufficient amounts in the applicable
 30 funds and accounts held by the Commission with respect to the Series
 31 2026 A Bonds when needed to pay debt service on such Bonds or (ii) on a
 32 date not more than ten (10) days prior to the expiration date of the Reserve
 33 Fund Credit Instrument in the event the Issuer has not satisfied any of the
 34 requirements for a Reserve Fund Credit Instrument for which the
 35 expiration date is not coterminous with the Series 2026 A Bonds set forth
 36 in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated
 37 expiration date of such Reserve Fund Credit Instrument for any Reserve
 38 Fund Credit Instrument that is not conterminous with the final maturity
 39 date of the Series 2026 A Bonds, the Issuer shall either (i) provide for
 40 delivery of a replacement Reserve Fund Credit Instrument which satisfies
 41 the requirements of this Section 4.07, (ii) deliver an extension of the
 42 Reserve Fund Credit Instrument for a term of not less than one (1) year, or
 43 (iii) deposit cash in the Series 2026 A Bonds Reserve Account in an
 44 amount which satisfied the requirements of this Section 4.07. Upon
 45 delivery of a replacement Reserve Fund Credit Instrument, the
 46 Commission shall deliver the then-effective Reserve Fund Credit
 47 Instrument to, or at the direction of, the Issuer.
 48

- 49 (2) In the event the Commission draws upon a Reserve Fund Credit
 50 Instrument, the Issuer shall pay to the provider thereof, from the Revenue
 51 Fund in accordance with the priority for funding of all reserve accounts

1 from Net Revenue set forth in Section 4.05 hereof, all principal and
2 interest and expenses payable thereto under the terms of the applicable
3 Reserve Fund Credit Instrument. This Bond Ordinance shall not be
4 terminated until all such amounts are paid in full.

5
6 (3) The Commission shall maintain adequate records of (i) the amount
7 available to be drawn at any time under any Reserve Fund Credit
8 Instrument; and (ii) the amounts paid and payable by the Issuer to the
9 provider thereof.

10
11 (4) In the event the Series 2026 A Bonds Reserve Account is, at any time,
12 only partially funded by a Reserve Fund Credit Instrument and the
13 Commission is required to withdraw any monies from the Series 2026 A
14 Bonds Reserve Account, the Commission shall (i) first disburse any cash
15 or investments in the Series 2026 A Bonds Reserve Account until such
16 cash or investments are exhausted and, thereafter, draw on said Reserve
17 Fund Credit Instrument, and (ii) reimburse the provider of said Reserve
18 Fund Credit Instrument an amount equal to the aggregate amount drawn
19 on such Reserve Fund Credit Instrument (including any interest accrued
20 on any amount drawn under said Reserve Fund Credit Instrument) before
21 replenishing the cash or investments in order to restore said Series 2026 A
22 Bonds Reserve Account to the Series 2026 A Bonds Reserve
23 Requirements.

24
25 Section 15. The Bond Ordinance is hereby amended and modified by adding a new
26 Section 6.28 in the Bond Ordinance as set forth below:
27

28 Section 6.28. Provisions related to Build America Mutual Assurance
29 Company Municipal Bond Debt Service Reserve Insurance Policy.
30

31 With respect to the Municipal Bond Debt Service Reserve Insurance
32 Policy, notwithstanding anything to the contrary set forth in this Bond
33 Ordinance the Issuer agrees to comply, and hereby authorizes and instructs
34 the Commission, as Paying Agent, to comply with the following
35 provisions:
36

- 37 (a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve
38 Insurance Policy (the “Reserve Policy”) and pay all related reasonable expenses
39 incurred by BAM (the “Reserve Insurer”). Interest shall accrue and be payable on
40 such draws and expenses from the date of payment by the Reserve Insurer at the
41 Late Payment Rate. “Late Payment Rate” means the lesser of (A) the greater of
42 (i) the per annum rate of interest, publicly announced from time to time by
43 JPMorgan Chase Bank at its principal office in the City of New York, as its prime
44 or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective
45 on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and
46 (ii) the then applicable highest rate of interest on the Series 2026 A Bonds, and
47 (B) the maximum rate permissible under applicable usury or similar laws limiting
48 interest rates. The Late Payment Rate shall be computed on the basis of the actual
49 number of days elapsed over a year of 360 days. In the event JPMorgan Chase
50 Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly

1 announced prime or base lending rate of such bank, banking association or trust
 2 company bank as the Reserve Insurer in its sole and absolute discretion shall
 3 specify.
 4

5 Repayment of draws and payment of expenses and accrued interest
 6 thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall
 7 commence in the first month following each draw, and each such monthly
 8 payment shall be in an amount at least equal to 1/12 of the aggregate of
 9 Policy Costs related to such draw.
 10

11 Amounts in respect of Policy Costs paid to the Reserve Insurer shall be
 12 credited first to interest due, then to the expenses due and then to principal
 13 due. As and to the extent that payments are made to the Reserve Insurer
 14 on account of principal due, the coverage under the Reserve Policy will be
 15 increased by a like amount, subject to the terms of the Reserve Policy.
 16

17 All cash and investments in the Series 2026 A Bonds Reserve
 18 Account and all other available amounts in any funds available to
 19 pay debt service on the Bonds shall be transferred to the respective
 20 Series 2026 A Bonds Sinking Fund for payment of the debt service
 21 on the applicable Series 2026 A Bonds before any drawing may be
 22 made on the Reserve Policy or any other credit facility on deposit in
 23 the Series 2026 A Bonds Reserve Account in lieu of cash (“Reserve Fund
 24 Credit Instrument”).
 25

26 Payment of any Policy Cost shall be made prior to replenishment of any
 27 cash amounts. Draws on all Reserve Fund Credit Instruments (including
 28 the Reserve Policy) on which there is available coverage shall be made on
 29 a pro-rata basis (calculated by reference to the coverage then available
 30 thereunder) after applying all available cash and investments in the Series
 31 2026 A Bonds Reserve Account. Payment of Policy Costs and
 32 reimbursement of amounts with respect to other Reserve Fund Credit
 33 Instruments shall be made on a pro-rata basis prior to replenishment of any
 34 cash drawn from the Series 2026 A Bonds Reserve Account. For the
 35 avoidance of doubt, “available coverage” means the coverage then
 36 available for disbursement pursuant to the terms of the applicable Reserve
 37 Fund Credit Instrument without regard to the legal or financial ability or
 38 willingness of the provider of such instrument to honor a claim or draw
 39 thereon or the failure of such provider to honor any such claim or draw.
 40

41 The Policy Limit shall automatically and irrevocably be reduced from time
 42 to time by the amount of each reduction in the reserve requirement of the
 43 Series 2026 A Bonds, if any.
 44

- 45 (b) Draws under the Reserve Policy may only be used to make payments on Series
 46 2026 A Bonds covered under the Reserve Policy.
 47
 48 (c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements
 49 of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and
 50 all legal and equitable remedies available to it, including those provided under

1 this Bond Ordinance, Loan Agreement, or any other document executed in
2 connection with the Series 2026 A Bonds (collectively, the “Security
3 Documents”).
4

5 (d) The Security Documents shall not be discharged until all Policy Costs owing to
6 the Reserve Insurer shall have been paid in full. The Issuer’s obligation to pay
7 such amount shall expressly survive payment in full of the Series 2026 A Bonds.
8

9 (e) The Reserve Policy shall expire and terminate in accordance with the terms and
10 provisions of the Reserve Policy and Debt Service Reserve Agreement.
11

12 (f) Any amendment, supplement, modification to, or waiver of any of the Security
13 Documents that requires the consent of the Registered Owners of the Bonds or
14 adversely affects the rights or interest of the Reserve Insurer shall be subject to
15 the prior written consent of the Reserve Insurer.
16

17 (g) The Reserve Insurer is recognized as and shall be deemed to be a third party
18 beneficiary of the Security Documents and may enforce the provisions of the
19 Security Documents as if it were a party thereto.
20

21 (h) Policy Costs due and owing shall be included in debt service requirements for
22 purposes of calculation of the additional bonds test and the rate covenant in the
23 Security Documents.
24

25 (i) The Commission shall ascertain the necessity for a claim upon the Reserve Policy
26 in accordance with the provisions of paragraph (a) hereof and shall provide notice
27 to the Reserve Insurer in accordance with the terms of the Reserve Policy at least
28 five business days prior to each date upon which interest or principal is due on
29 the Series 2026 A Bonds and a draw on the Reserve Policy is anticipated to make
30 such payment. Where deposits are required to be made by the Issuer with the
31 Commission to the debt service fund for the respective Series 2026 A Bonds more
32 often than semi-annually, the Commission shall give notice to the Reserve Insurer
33 of any failure of the Issuer to make timely payment in full of such deposits within
34 two business days of the date due.
35

36 (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer
37 on demand any and all reasonable charges, fees, costs, losses, liabilities and
38 expenses that the Reserve Insurer may pay or incur, including, but not limited to,
39 fees and expenses of the Reserve Insurer’s agents, attorneys, accountants,
40 consultants, appraisers and auditors and reasonable costs of investigations, in
41 connection with the administration (including waivers and consents, if any),
42 enforcement, defense, exercise or preservation of any rights and remedies in
43 respect of this Bond Ordinance or any other Security Document (“Administrative
44 Expenses”). For purposes of the foregoing, costs and expenses shall include a
45 reasonable allocation of compensation and overhead attributable to the time of
46 employees of the Reserve Insurer spent in connection with the actions described
47 in the preceding sentence. The Issuer agrees that failure to pay any Administrative
48 Expenses on a timely basis will result in the accrual of interest on the unpaid
49 amount at the Late Payment Rate, compounded semi-annually, from the date that
50 payment is first due to the Reserve Insurer until the date the Reserve Insurer is

1 paid in full.
2

3 (k) Payments made by the Reserve Insurer under the Reserve Policy with respect to
4 claims for interest on or principal of the Series 2026 A Bonds shall not discharge
5 the obligation of the Issuer with respect to such Series 2026 A Bonds, and BAM
6 shall become the owner of such unpaid Series 2026 A Bonds and claims for the
7 interest thereon. The Issuer and the Commission recognize and agree that to the
8 extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying
9 through the Paying Agent), on account of principal of or interest on the Series
10 2026 A Bonds, the Reserve Insurer will be subrogated to the rights of such holders
11 to receive the amount of such principal and interest from the Issuer, with interest
12 thereon.
13

14 (l) In order to secure the Issuer's payment obligations with respect to Policy Cost,
15 there is hereby granted and perfected in favor of the Reserve Insurer a security
16 interest (subordinate only to that of the owners of the Series 2026 A Bonds) in all
17 revenues and collateral pledged as security for the Series 2026 A Bonds. Policy
18 Costs shall be paid to the Reserve Insurer immediately following the payment of
19 principal of and interest on the Series 2026 A Bonds and all Parity Bonds,
20 including following the occurrence of a default or event of default.
21

22 (m) Notice and Other Information to be given to the Reserve Insurer.
23

24 (1) The Issuer will provide the Reserve Insurer with all notices and other information
25 it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii)
26 to the Registered Owners of the Series 2026 A Bonds under the Security
27 Documents.
28

29 (2) In addition, the Issuer shall provide the Reserve Insurer with the following notices
30 and other information: (i) notice of any draw upon a Series 2026 A Bonds Reserve
31 Account within two (2) business days after knowledge thereof, other than in
32 connection with withdrawals of amounts in excess of the Series 2026 A Bonds
33 Reserve Requirement; and (ii) prior written notice of the advance refunding or
34 redemption of any of the Series 2026 A Bonds, including the principal amount,
35 maturities and CUSIP numbers thereof, if any.
36

37 (3) The Reserve Insurer shall be entitled to receive such additional information as it
38 may reasonably request.
39

40 (4) The notice address of Reserve Insurer is:
41

42 Build America Mutual Assurance Company
43 28 Liberty Street, 59th Floor
44 New York, NY 10005
45 Attention: Surveillance, Re: Policy No. _____
46 Telephone: (212) 235-2500
47 Telecopier: (212) 962-1710
48 Email: notices@buildamerica.com
49

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) 962-1624 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 16. The Issuer hereby accepts, approves and ratifies the Series 2026 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2026 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 and City Clerk 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 2026 A Bonds Reserve Account, of the Series 2026 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2026 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2026 A Bonds Debt Service Reserve Insurance Policy.

Section 17. The City hereby approves the cost of issuance and cost of the Series 2026 A Bonds Debt Service Reserve Insurance Policy and authorizes the payment of the same.

Section 18. This Second Supplemental Resolution shall take effect immediately upon adoption hereof.

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CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the 24th day of July, 2026.

Dated: _____, 2026.

[SEAL]

City Clerk

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EXHIBIT A
FORM OF LOAN AGREEMENT

1
2
3

EXHIBIT B
SRF PAYMENT REQUISITION FORM

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the “Loan Agreement”), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the “Authority”), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the “DEP”), and the local government designated below (the “Local Government”).

THE CITY OF CHARLESTON
(C-544842 / IJDC 2023S-2337)
(Local Government)

W I T N E S S E T H:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the “Clean Water Act”), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the “Act”), the State of West Virginia (the “State”) has established a state water pollution control revolving fund program (the “Program”) to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency (“EPA”) to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the “West Virginia Water Pollution Control Revolving Fund” (hereinafter the “Fund”);

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in BIL, as hereinafter defined, the Clean Water Act and the Act;

WHEREAS, the DEP has been awarded funding pursuant to the Infrastructure Investment and Jobs Act, Public Law 117-58 (“BIL”) to capitalize the Fund;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

WHEREAS, the Local Government is included on the DEP State Project Priority List and the Intended Use Plan and has met DEP's pre-application requirements for the Program;

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same ("Costs of the Project") by borrowing money to be evidenced by revenue bonds issued by the Local Government;

WHEREAS, the Local Government intends to construct, is constructing or has constructed such a wastewater treatment project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for a Loan with attachments and exhibits and an Amended Application for a Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

ARTICLE I Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto, who was selected pursuant to Article 1, Chapter 5G of the Code of West Virginia of 1931, as amended.

1.3 "Decentralized System" means wastewater treatment systems that treat wastewater, then reusing and/or dispersing the reclaimed water, as close to where it is generated as practical in each circumstance. A Decentralized System may include: on-site systems contained entirely within the simple boundaries of the lot it serves; small-scale collective systems, with their reuse/dispersal sites on easements on the lots served, on vacant lots purchased for this purpose, on

off-site properties, or a combination of these; larger scale collective systems utilizing dispersed or aggregated reuse/dispersal sites or discharging to surface water.

1.4 “Loan” means the loan to be made by the Authority and DEP to the Local Government through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.5 “Local Act” means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.6 “Local Bonds” means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Loan Agreement.

1.7 “Local Statute” means the specific provisions of the Code of West Virginia, 1931, as amended, pursuant to which the Local Bonds are issued.

1.8 “Operating Expenses” means the reasonable, proper and necessary costs of operation and maintenance of the System, as hereinafter defined, as should normally and regularly be included as such under generally accepted accounting principles.

1.9 “Program” means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under BIL and the Clean Water Act and administered by DEP.

1.10 “Project” means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.11 “SRF Regulations” means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

1.12 “System” means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.13 Additional terms and phrases are defined in this Loan Agreement as they are used.

ARTICLE II
The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Local Government by the Consulting Engineers, the DEP and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Local Government has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Government by the Consulting Engineers.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Local Government, subject to any mortgage lien or other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property is approved by DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project, in accordance with generally accepted governmental accounting standards. The Local Government shall permit the Authority and DEP, acting by and through their Directors or duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Local Government shall submit to the Authority and DEP such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Local Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an

improvement to an existing system at any reasonable time following commencement of construction.

2.7 The Local Government shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract and shall verify or have verified such bonds prior to commencement of construction.

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Record Drawings, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final or updated Operation and Maintenance Manual, if necessary as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ a state certified plant operator prior to the Project

being 50% complete and notify the DEP of such employment. The Local Government shall retain the operator(s) to operate the System during the entire term of this Loan Agreement.

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

2.12 The Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 20th of each month to DEP and the Authority.

2.13 The Local Government shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia (the "PSC").

2.14 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward such forms to DEP in compliance with the Local Government's construction schedule.

ARTICLE III Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(c) The Local Government shall have authorized the issuance of and delivery to the Authority of the Local Bonds described in this Article III and in Article IV hereof;

(d) The Local Government shall either have received bids or entered into contracts for the construction of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application; provided that, if the Loan will refund an interim construction financing, the Local Government must either be constructing or have

constructed its Project for a cost and as otherwise compatible with the plan of financing described in the Application; and, in either case, the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

(e) The Local Government shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, and the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(g) The Local Government shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be

in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing."

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans from the Fund to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

3.7 The Local Government shall comply with all federal requirements applicable to the Loan (including those imposed by BIL, P.L. 113-76, Water Resources Reform and Development Act of 2014 (WRRDA) and related SRF Policy Guidelines issued by the EPA) which the Local Government understands includes, among other things, requirements that all of the iron and steel products used in the Project are to be produced in the United States ("American

Iron and Steel Requirement”) unless (i) the Local Government has requested and obtained a waiver from the EPA pertaining to the Project or (ii) DEP has otherwise advised the Local Government in writing that the American Iron and Steel Requirement is not applicable to the Project.

3.8 The Local Government shall comply with all record keeping and reporting requirements under the Clean Water Act, including any reports required by a Federal agency or DEP such as performance indicators of program deliverables, information on costs and Project progress. The Local Government understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds and/or other remedial actions.

3.9 The Local Government shall fund and maintain a working capital fund with a balance of not less than one eighth (1/8) of the Local Government’s actual annual operating and maintenance expenses. This fund is separate from and in addition to the renewal replacement fund required under Section 4.1(a)(iii) hereof.

3.10 The Local Government covenants and agrees to not expend any proceeds of the Funding Assistance or enter into any contracts for components and services prohibited by 2 CFR 200.216 (Prohibition on certain telecommunication and video surveillance services or equipment), implementing section 889 of Public Law 115-232. Prior to entering into any contracts, the Local Government shall certify to DEP in writing that it has reviewed all contracts against the excluded parties list in the System for Award Management (www.sam.gov).

ARTICLE IV

Local Bonds; Security for Loan; Repayment of Loan; Interest on Loan; Fees and Charges

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues will be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the “Reserve Account”) was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will

come due on the Local Bonds in the then current or any succeeding year (the “Reserve Requirement”), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

(iii) to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

(iv) for other legal purposes of the System, including payment of debt service on other obligations junior, subordinate and inferior to the Local Bonds.

Provided, that if the Local Government has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the Reserve Account is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

(iii) That the Local Government shall complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and DEP; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Local Government will carry such insurance as is customarily carried with respect to works and properties similar to the System, including those specified by Section 2.8 hereof;

(vii) That the Local Government will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

(ix) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, to the extent legally allowable, the Local Government will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Government shall annually cause the records of the System to be audited in accordance with 2 CFR 200 Subpart F (or any successor thereto) or the laws of the State by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Government shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the

System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and DEP within 30 days of adoption thereof;

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto;

(xiv) That the proceeds of the Local Bonds, advanced from time to time, except for accrued interest and capitalized interest, if any, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Local Government and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing of such Local Government, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and DEP, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

(xvi) That the West Virginia Municipal Bond Commission (the "Commission") shall serve as paying agent for all Local Bonds;

(xvii) That, unless waived by the Authority the Local Government shall authorize a sweep resolution so that monthly payments can be made to the Commission electronically. If waived by the Authority, the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Local Government will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as

submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider; and

(xxi) That the Local Government shall submit all proposed change orders to the DEP for approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds held in “contingency” as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Government hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, validity, sale and delivery of the Local Bonds shall be approved without qualification by nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit G.

4.2 The Loan shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 The Authority and DEP shall pay for any costs that are incurred from the beginning date set forth on Schedule X (the “Beginning Date”), to the expiration date set forth on Schedule X (the “Expiration Date”) of which some costs may have been incurred prior to the date hereof and where such costs are necessary for the efficient and timely performance of the scope of the Project and are eligible costs for the Fund. An amount equal to the outstanding invoices will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

ARTICLE V

Certain Covenants of the Local Government; Imposition and Collection of User Charges; Payments To Be Made by Local Government to the Authority

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this Loan Agreement, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Loan Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI
Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Loan Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the SRF Regulations or this Loan Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project.

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

6.6 The Local Government hereby agrees to give the Authority and DEP prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.7 The Local Government hereby agrees to file with the Authority and DEP upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII
Miscellaneous

7.1 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

7.5 This Loan Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Government specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP; or

(ii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent

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upon funds being appropriated by the State legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Loan made by the Authority and DEP is not terminated due to such non-funding on any balance of the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

THE CITY OF CHARLESTON

(SEAL)

By: _____
Its: Mayor
Date: July 24, 2026

Attest:

Its: City Clerk

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: _____
Its: Director
Date: July 24, 2026

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Acting Executive Director
Date: July 24, 2026

Attest:

Its: Authorized Officer

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(03/26)

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government _____

Name of Bond Issue(s) _____

Type of Project _____ Water _____ Wastewater _____

Fiscal Year _____ Report Month _____

<u>Item</u>	<u>Current Month</u>	<u>Total Year To Date</u>	<u>Budget Year To Date</u>	<u>Budget Year To Date Minus Total Year To Date</u>
1. Gross Revenues	_____	_____	_____	_____
2. Operating Expenses	_____	_____	_____	_____
3. Bond Payments:				
Type of Issue	_____	_____	_____	_____
Clean Water SRF	_____	_____	_____	_____
Drinking Water TRF	_____	_____	_____	_____
Infrastructure Fund	_____	_____	_____	_____
Water Development Authority	_____	_____	_____	_____
Rural Utilities Service	_____	_____	_____	_____
Economic Development	_____	_____	_____	_____
Administration	_____	_____	_____	_____
Other (Identify)	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
4. Renewal and Replacement Fund Deposits	_____	_____	_____	_____

Name of Person Completing Form

Address

Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1 You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ($\$1,200/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ($\$900/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Government according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 20th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

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EXHIBIT C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____ of _____, Consulting Engineers, _____, _____, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A, and my firm¹ has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the

¹If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof², the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; (xi) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve _____ new customers in the _____ area as approved by the Infrastructure Council without substitution.

WITNESS my signature and seal on this ____ day of _____, ____.

By _____
West Virginia License No.

[SEAL]

²If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

EXHIBIT E

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, ground breaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. FISCAL SUSTAINABILITY – The Local Government shall submit an acceptable fiscal sustainability plan that complied with Section 603(d)(1)(E) of the Clean Water Act to DEP no later than six months following substantial completion of the Project. This requirement shall be included in the bond closing documents.

C. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

D. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) – This Project has been designated as an “equivalency” project and the Local Government must obtain audits in accordance with 2 CFR 200 Subpart F or any successor thereto. Following completion of the Project, financial statement audits are required once all funds have been received by the Local Government.

E. CLOSING REQUIREMENTS – Closing of the Bonds is conditioned upon

_____.

EXHIBIT F
MONTHLY PAYMENT FORM

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Local Government] on [Date].

Sinking Fund:

Interest	\$
Principal	\$
Total:	\$
Reserve Account:	\$

Witness my signature this ___ day of _____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

Ladies and Gentlemen:

We are bond counsel to _____ (the "Local Government"), a
_____.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated ____, ____, including all schedules and exhibits attached thereto (the "Loan Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated ____, ____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of \$_____, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning ____ 1, ____, and ending ____ 1, ____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Local Government on _____, as supplemented by the supplemental resolution duly adopted by the Local Government on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Local Government and is a valid and binding special obligation of the Local Government, enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Local Government without the consent of the Authority and the DEP.

3. The Local Government is a duly organized and validly existing _____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Local Government and constitute valid and binding obligations of the Local Government, enforceable against the Local Government in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Local Government to the Authority and are valid, legally enforceable and binding special obligations of the Local Government, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

6. Under the Act, the Local Bonds and any interest thereon are exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

No opinion is given herein as to the effect upon enforceability of the Local Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

A.	Series A Bonds	
	Principal Amount of Local Bonds	\$18,425,960
	Purchase Price of Local Bonds	\$18,425,960
	Beginning Date:	January 1, 2018
	Expiration Date:	September 30, 2032

The Local Bonds shall bear interest at a rate of 2.75% per annum. Commencing June 1, 2028, principal of and interest on the Local Bonds is payable quarterly, with an administrative fee of 0.25%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

The Local Bonds are fully registered in the name of the Authority as to principal and interest, if any, and the Local Bonds shall grant the Authority a first lien on the net or gross revenues of the Local Government's system as provided in the Local Act.

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government:

1. Sewer Revenue Bonds, Series 1989 A (West Virginia WDA), dated March 21, 1989, issued in the original aggregate principal amount of \$1,912,194 (First Lien) (the "Series 1989 A Bonds");
2. Sewer Revenue Bonds, Series 1989 C (West Virginia WDA), dated November 21, 1989, issued in the original aggregate principal amount of \$829,856 (First Lien) (the "Series 1989 C Bonds");

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3. Sewerage System Revenue Bonds, Series 1999 A (West Virginia WDA), dated June 22, 1999, issued in the original aggregate principal amount of \$686,229 (First Lien) (the “Series 1999 A Bonds”);
4. Sewerage System Revenue Bonds, Series 2001 B (West Virginia WDA), dated May 22, 2001, issued in the original aggregate principal amount of \$823,741 (First Lien) (the “Series 2001 B Bonds”);
5. Sewerage System Revenue Bonds, Series 2005 A (West Virginia WDA), dated May 5, 2005, issued in the original aggregate principal amount of \$36,617,310 (First Lien) (the “Series 2005 A Bonds”);
6. Sewerage System Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated June 26, 2008, issued in the original aggregate principal amount of \$9,000,000 (First Lien) (the “Series 2008 A Bond”);
7. Sewerage System Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated December 13, 2011, issued in the original aggregate principal amount of \$25,877,009 (First Lien) (the “Series 2011 A Bonds”);
8. Sewerage System Revenue Bonds, Series 2013 A (West Virginia SRF Program), dated March 27, 2013, issued in the original aggregate principal amount of \$11,613,300 (First Lien) (the “Series 2013 A Bonds”);
9. Sewerage System Revenue Bonds, Series 2020 A (West Virginia SRF Program), dated May 7, 2020, issued in the original aggregate principal amount of \$12,859,975 (First Lien) (the “Series 2020 A Bonds”);
10. Supplemental Sewer Revenue Bonds, Series 1989 B (West Virginia WDA), dated March 21, 1989, issued in the original aggregate principal amount of \$283,458 (Second Lien) (the “Series 1989 B Bonds”);
11. Supplemental Sewer Revenue Bonds, Series 1989 D (West Virginia WDA), dated November 21, 1989, issued in the original aggregate principal amount of \$123,015 (Second Lien) (the “Series 1989 D Bonds”);
12. Sewerage System Revenue Bonds, Series 1999 B (West Virginia SRF Program), dated June 22, 1999, issued in the original principal amount of \$132,072 (Second Lien) (the “Series 1999 B Bonds”);
13. Sewerage System Revenue Bonds, Series 2001 C (West Virginia WDA), dated May 22, 2001, issued in the original aggregate principal amount of \$30,492 (Second Lien) (the “Series 2001 C Bonds”);
14. Sewerage System Revenue Bonds, Series 2005 B-1 (West Virginia WDA), dated May 5, 2005, issued in the original aggregate principal amount of \$1,822,690 (Second Lien) (the “Series 2005 B-1 Bonds”); and

Additionally, the City has outstanding the following parity bonds secured by the net revenues of the System:

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Sewerage System Revenue Bonds, Series 2016 A (Public Market – BAM), dated September 22, 2016, issued in the original aggregate principal amount of \$13,145,000 (the “Series 2016 A Bonds”). The reserve account is funded with a surety policy.

Number of New Customers: -0-
Location: Magazine Branch area of Kanawha County

The Local Entity shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of this Agreement for at least the term of the Local Bonds.

The Local Entity shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

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SCHEDULE Y
DEBT SERVICE SCHEDULE

1 Resolution No. _____
2

3
4 Introduced in Council:

Adopted by Council:

5
6 _____

7
8 Introduced by:

9
10 _____
11
12
13

14 A resolution supplementing Ordinance No. 8056, passed by the Council of The City of Charleston, West
15 Virginia, on June 16, 2025; which supplemented Ordinance No. 4423 passed by the Council of The City of
16 Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the
17 Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance
18 No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on
19 June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No.
20 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February
21 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed
22 by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by
23 Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council
24 on September 6, 2011, by Ordinance No. 7560 passed by the Council on February 19, 2013, by Ordinance
25 No. 7680 passed by the Council on February 16, 2016, and by Ordinance No. 7866, passed by the Council
26 of The City of Charleston, West Virginia, on February 18, 2020; authorizing the design, acquisition and
27 construction of certain extensions, additions, betterments and improvements to the existing sewerage
28 system of The City of Charleston; authorizing the issuance of not more than \$30,000,000 in aggregate
29 principal amount of Sewerage System Revenue Bonds, in one or more series as designated in a
30 supplemental resolution, of The City of Charleston, the proceeds of which, shall be used, along with other
31 funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such
32 purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve
33 accounts for such bonds and to pay other costs in connection therewith; providing for the rights and
34 remedies of and security for the registered owners of such bonds; and adopting other provisions related
35 thereto.

36
37 WHEREAS, the Council (the “Council”) of The City of Charleston, West Virginia (the
38 “City”), on June 16, 2025, adopted Ordinance No. 8056, (the “Ordinance”), authorizing the issuance of The
39 City of Charleston Sewerage System Revenue Bonds (the “Bonds”), in an aggregate principal amount not
40 to exceed \$30,000,000, in one or more series, to permanently finance the cost of design, acquisition and
41 construction of certain extensions, additions, betterments and improvements to the sewerage system of the
42 City (the “Project”);

43 WHEREAS, due to the delay in receiving satisfactory bids for the Project, it is necessary
44 for the Council to redesignate the Bonds authorized by the Ordinance adopted June 16, 2025 and hereinafter
45 shall be referred to as the “Series 2026 A Bonds” (the “Series 2026 A Bonds”);

46 WHEREAS, the Council, on July 7, 2025, adopted a Supplemental Resolution (the “First
47 Supplemental Resolution”), following a public hearing at which no significant reasons were presented that
48 would require modification of the Ordinance and no written protest with regard thereto was filed by 30
49 percent or more of the freeholders of the City;

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

3 WHEREAS, the Ordinance provides for the issuance of the Bonds, all in accordance with
4 the Act, and further provides that the exact principal amount, series designation, date, maturity date,
5 redemption provision, interest rate, interest and principal payment dates, sale price and other terms of and
6 matters relating to, the Bonds should be established by a supplemental resolution or supplemental
7 resolutions;

8 WHEREAS, the Bonds are proposed to be purchased by the West Virginia Water
9 Development Authority (the “Authority”), on behalf of the West Virginia Department of Environmental
10 Protection (the “DEP”) pursuant to the West Virginia Clean Water SRF Program pursuant to the terms and
11 conditions set forth under a Loan Agreement by and among the City, the Authority and the DEP (the “Loan
12 Agreement”);

13 WHEREAS, the Ordinance provides for a reserve account for the Series 2026 A Bonds
14 (the “Series 2026 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission
15 (the “Bond Commission”) to secure the payment of the principal of, and interest on, the Series 2026 A
16 Bonds, respectively;

17 WHEREAS, the Ordinance provides that the Series 2026 A Bonds Reserve Account may
18 be funded with a municipal bond debt service reserve insurance policy (a “Debt Service Reserve Insurance
19 Policy”), or surety bond, letter of credit or similar financial instrument (each known as a “Reserve Fund
20 Credit Instrument”), in an amount either equal to, or lesser than, the respective reserve requirements for the
21 Series 2026 A Bonds;

22 WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt
23 Service Reserve Insurance Policy to the Series 2026 A Bonds Reserve Account (i) is a more financially
24 advantageous method to satisfy the Series 2026 A Bonds Reserve Requirement; and (ii) will allow the
25 monies currently on deposit in the Series 2026 A Bonds Reserve Account, if any, which remain after the
26 payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses
27 related thereto, to be used for the design, acquisition, construction and equipping of capital additions,
28 betterments and improvements for the System;

29 WHEREAS, Build America Mutual Assurance Company (“BAM”) has agreed to provide
30 to the Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2026 A Bonds,
31 substantially in the form attached hereto as “Exhibit A” and incorporated herein by reference (the “Series
32 2026 A Bonds Debt Service Reserve Insurance Commitment”), whereby BAM agrees, subject to certain
33 conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2026 A
34 Bonds Debt Service Reserve Account in an amount equal to the respective Series 2026 A Bonds Reserve
35 Requirement (the “Series 2026 A Bonds Debt Service Reserve Insurance Policy”);

36 WHEREAS, the Series 2026 A Bonds Debt Service Reserve Insurance Commitment
37 includes a form of “Debt Service Reserve Agreement” by and between the Issuer and BAM (the “Series
38 2026 A Bonds Debt Service Reserve Agreement”) which provides, in part, that any payments made, or
39 Policy Costs incurred, by BAM pursuant to the Series 2026 A Bonds Debt Service Reserve Insurance Policy
40 shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2026 A Bonds Debt Service Reserve
41 Agreement;

42 WHEREAS, the Council wishes to delegate to the Mayor the authority to approve, within
43 the parameters set forth herein and in the Ordinance, the final terms of the Bonds and all provisions of all

1 documents relating to the Bonds (the “Bond Documents”), without the requirement of further official action
2 by this Council; and

3 WHEREAS, the Council deems it essential and desirable that this resolution (the “Second
4 Supplemental Resolution”) be adopted, that the Loan Agreement be entered into by the City, that parameters
5 be established for the exact principal amount, series designation, date, maturity date, redemption provision,
6 interest rate, interest and principal payment dates, sale price and other terms of the Bonds in the manner
7 stated herein, and that other matters relating to the Bonds be herein provided for.

8 **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF**
9 **CHARLESTON:**

10 Section 1. The Ordinance was put into effect on July 7, 2025 and the Bonds
11 contemplated thereby shall be issued, all as provided in the Ordinance, the First Supplemental Resolution,
12 and this Second Supplemental Resolution. Due to timing, the Council hereby redesignates the “Series 2025
13 Bonds” authorized by the Ordinance adopted June 16, 2025 as the “Series 2026 A Bonds”;

14 Section 2. Pursuant to the Ordinance, the Act and the First Supplemental Resolution,
15 this Second Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued
16 The City of Charleston Sewerage System Revenue Bonds, Series 2026 A (West Virginia CWSRF Program)
17 (the “Bonds”) in the aggregate principal amount of \$18,425,960 which will be initially represented by a
18 single bond, numbered AR-1. The Bonds shall be dated the date of delivery, shall finally mature on June
19 1, 2046, and shall bear interest at a rate of 2.75% per annum. The principal of and interest on the Bonds
20 shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing
21 June 1, 2028, in the amounts as set forth in the Schedule Y attached to the Loan Agreement and incorporated
22 in and made a part of the Bonds. The City hereby approves and shall pay the SRF Administrative Fee equal
23 to 0.25% annually of the principal amount of the Bonds set forth in the Schedule Y attached to the Loan
24 Agreement. The SRF Administrative Fee shall be considered Operating Expenses of the City (Sanitary
25 Board). The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP,
26 and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan
27 Agreement, so long as the Authority shall be the Registered Owner of the Bonds.

28 Section 3. All other provisions relating to the Bonds shall be as provided in the
29 Ordinance. The text of the Bonds shall be in substantially the form provided in the Ordinance. The
30 execution of the Bonds by the Mayor shall be conclusive evidence of any approval required by this Section.

31 Section 4. The Loan Agreement for the Bonds by and among the Authority, the City,
32 and the DEP, substantially in the form to be attached hereto as Exhibit A, and the execution and delivery
33 (in multiple counterparts) by the Mayor shall be and the same are hereby authorized, approved, ratified and
34 directed. The Mayor is authorized to execute and deliver the Loan Agreement with such changes, insertions
35 and omissions as may be approved by the Mayor. The execution of the Loan Agreement by the Mayor
36 shall be conclusive evidence of any approval required by this Section, and authorization of any action
37 required by the Loan Agreement relating to the issuance and sale of the Bonds. The City hereby affirms
38 all covenants and representations made in the Loan Agreement and in the application to the DEP and the
39 Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

40 Section 5. The City hereby appoints and designates the West Virginia Municipal
41 Bond Commission, Charleston, West Virginia (the “Commission”), as the Paying Agent for the Bonds.

42 Section 6. The City hereby appoints United Bank, Charleston, West Virginia (the
43 “Registrar”), as the Registrar for the Bonds. The City hereby appoints JPMorgan Chase Bank, N.A.

1 Charleston, West Virginia (the “Depository Bank”) as the Depository Bank for the Revenue Fund and the
2 Bonds Construction Fund. The City approves and accepts the Registrar’s Agreement to be dated the date
3 of delivery of the Bonds, by and between the City and the Registrar, and the execution and delivery of the
4 Registrar’s Agreement by the Mayor, and the performance of the obligations contained therein on behalf
5 of the City, are hereby authorized, directed and approved. The City hereby approves the payment of the
6 Registrar fee.

7 Section 7. The Bonds shall be issued on a parity with the First Lien Bonds with
8 respect to liens, pledge and source of and security for payment and in all respects. The Bonds shall be
9 secured by a first lien on the Net Revenues derived from the System on a parity with the First Lien Bonds
10 but senior and superior to the Second Lien Bonds.

11 Section 8. Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2026
12 A Bonds Sinking Fund as capitalized interest.

13 Section 9. Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2026
14 A Bonds Reserve Account. The City will purchase the Series 2026 A Bonds Debt Reserve Insurance Policy
15 from Build America Mutual (“BAM”) in lieu of funding the Series 2026 A Bonds Reserve Account.

16 Section 10. The Council hereby approves as the first draw on the Bonds, \$50,650.00,
17 for deposit into the Series 2026 A Bonds Reserve Account and to pay the costs set forth in the SRF Payment
18 Requisition Form, attached hereto as Exhibit B and incorporated herein by reference, and further finds and
19 determines (A) that none of the items for which payment is proposed to be made has formed the basis for
20 any disbursement theretofore made; (B) that each item for which the payment is proposed to be made is or
21 was necessary in connection with the Project and constitutes a Cost of the Project; (C) that each of such
22 costs has been otherwise properly incurred; and (D) that payment for each of the items proposed is now due
23 and owing. The Council hereby authorizes and directs the Sanitary Board to review and approve future
24 invoices for the Project and direct the payment from Bonds proceeds.

25 Section 11. The Mayor and City Clerk are hereby authorized and directed to execute
26 and deliver such other documents, agreements and certificates required or desirable in connection with the
27 Bonds. The City hereby approves and accepts all contracts or agreements relating to the financing, design,
28 acquisition and construction of the Project and hereby authorizes the Sanitary Board to enter into all
29 contracts or agreements relating to the design, acquisition and construction of the Project. The Manager of
30 the Sanitary Board and any other authorized representatives are hereby authorized to execute all pay
31 requests with respect to the Bonds.

32 Section 12. The design, acquisition and construction of the Project and the financing
33 thereof with proceeds of the Bonds are in the public interest, serve a public purpose of the City and will
34 promote the health, welfare and safety of the residents of the City.

35 Section 13. The City hereby determines to invest all moneys in the funds and accounts
36 established by the Ordinance held by the Depository Bank until expended, in Money Market accounts
37 secured by a pledge of Government Obligations, and therefore, the City hereby directs the Depository Bank
38 to invest all moneys in such Money Market accounts until further directed in writing by the Sanitary Board.
39 Moneys in the Series 2026 A Bonds Sinking Fund and the Series 2026 A Bonds Reserve Account shall be
40 invested by the Commission in the West Virginia Consolidated Fund.

41 Section 14. The Bond Ordinance is hereby amended and modified by adding a new
42 Section 4.07 in the Bond Ordinance as set forth below:
43

1 Section 4.07. Reserve Fund Credit Instrument. In lieu of or in addition
 2 to cash or investments, at any time the Issuer may, with the prior written
 3 consent of the Registered Owners of the Series 2026 A Bonds, cause to be
 4 deposited with the Commission and pledged to the Series 2026 A Bonds
 5 Reserve Account any form of Reserve Fund Credit Instrument, in the
 6 amount of the Series 2026 A Bonds Reserve Requirements, or as such
 7 lesser amount, irrevocably payable to the Commission as beneficiary for
 8 the Registered Owners of the Series 2026 A Bonds. In the event the Series
 9 2026 A Bonds Reserve Account is initially funded, in whole or in part,
 10 with proceeds of the Series 2026 A Bonds, or from monthly payments
 11 from Net Revenues of the System by the Issuer, the Issuer may deposit a
 12 Reserve Fund Credit Instrument to replace all or any portion of the monies
 13 on deposit in the Series 2026 A Bonds Reserve Account and any monies
 14 then on deposit in the Series 2026 A Bonds Reserve Account, and required
 15 to be on deposit therein, shall be returned to the Issuer and used to pay the
 16 costs of delivering such Reserve Fund Credit Instrument and/or to pay the
 17 costs of design, acquisition, construction and equipping of capital
 18 additions, betterments and improvements for the System. The term
 19 “Reserve Fund Credit Instrument” shall mean any municipal bond debt
 20 service reserve insurance policy, surety bond, letter of credit or similar
 21 financial instrument that the Issuer deposits with the Commission and
 22 pledges to the Series 2026 A Bonds Reserve Account.
 23

- 24 (1) Any such Reserve Fund Credit Instrument shall be payable to the
 25 Commission as beneficiary for the Registered Owners of the Series 2026
 26 A Bonds, shall have a term of no less than one (1) year and shall be payable
 27 (upon the giving of such notice as may be required thereunder) (i) on any
 28 date on which moneys are required to be withdrawn from the Series 2026
 29 A Bonds Reserve Account due to insufficient amounts in the applicable
 30 funds and accounts held by the Commission with respect to the Series
 31 2026 A Bonds when needed to pay debt service on such Bonds or (ii) on a
 32 date not more than ten (10) days prior to the expiration date of the Reserve
 33 Fund Credit Instrument in the event the Issuer has not satisfied any of the
 34 requirements for a Reserve Fund Credit Instrument for which the
 35 expiration date is not coterminous with the Series 2026 A Bonds set forth
 36 in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated
 37 expiration date of such Reserve Fund Credit Instrument for any Reserve
 38 Fund Credit Instrument that is not conterminous with the final maturity
 39 date of the Series 2026 A Bonds, the Issuer shall either (i) provide for
 40 delivery of a replacement Reserve Fund Credit Instrument which satisfies
 41 the requirements of this Section 4.07, (ii) deliver an extension of the
 42 Reserve Fund Credit Instrument for a term of not less than one (1) year, or
 43 (iii) deposit cash in the Series 2026 A Bonds Reserve Account in an
 44 amount which satisfied the requirements of this Section 4.07. Upon
 45 delivery of a replacement Reserve Fund Credit Instrument, the
 46 Commission shall deliver the then-effective Reserve Fund Credit
 47 Instrument to, or at the direction of, the Issuer.
 48

- 49 (2) In the event the Commission draws upon a Reserve Fund Credit
 50 Instrument, the Issuer shall pay to the provider thereof, from the Revenue
 51 Fund in accordance with the priority for funding of all reserve accounts

1 from Net Revenue set forth in Section 4.05 hereof, all principal and
2 interest and expenses payable thereto under the terms of the applicable
3 Reserve Fund Credit Instrument. This Bond Ordinance shall not be
4 terminated until all such amounts are paid in full.

5
6 (3) The Commission shall maintain adequate records of (i) the amount
7 available to be drawn at any time under any Reserve Fund Credit
8 Instrument; and (ii) the amounts paid and payable by the Issuer to the
9 provider thereof.

10
11 (4) In the event the Series 2026 A Bonds Reserve Account is, at any time,
12 only partially funded by a Reserve Fund Credit Instrument and the
13 Commission is required to withdraw any monies from the Series 2026 A
14 Bonds Reserve Account, the Commission shall (i) first disburse any cash
15 or investments in the Series 2026 A Bonds Reserve Account until such
16 cash or investments are exhausted and, thereafter, draw on said Reserve
17 Fund Credit Instrument, and (ii) reimburse the provider of said Reserve
18 Fund Credit Instrument an amount equal to the aggregate amount drawn
19 on such Reserve Fund Credit Instrument (including any interest accrued
20 on any amount drawn under said Reserve Fund Credit Instrument) before
21 replenishing the cash or investments in order to restore said Series 2026 A
22 Bonds Reserve Account to the Series 2026 A Bonds Reserve
23 Requirements.

24
25 Section 15. The Bond Ordinance is hereby amended and modified by adding a new
26 Section 6.28 in the Bond Ordinance as set forth below:
27

28 Section 6.28. Provisions related to Build America Mutual Assurance
29 Company Municipal Bond Debt Service Reserve Insurance Policy.
30

31 With respect to the Municipal Bond Debt Service Reserve Insurance
32 Policy, notwithstanding anything to the contrary set forth in this Bond
33 Ordinance the Issuer agrees to comply, and hereby authorizes and instructs
34 the Commission, as Paying Agent, to comply with the following
35 provisions:
36

- 37 (a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve
38 Insurance Policy (the “Reserve Policy”) and pay all related reasonable expenses
39 incurred by BAM (the “Reserve Insurer”). Interest shall accrue and be payable on
40 such draws and expenses from the date of payment by the Reserve Insurer at the
41 Late Payment Rate. “Late Payment Rate” means the lesser of (A) the greater of
42 (i) the per annum rate of interest, publicly announced from time to time by
43 JPMorgan Chase Bank at its principal office in the City of New York, as its prime
44 or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective
45 on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and
46 (ii) the then applicable highest rate of interest on the Series 2026 A Bonds, and
47 (B) the maximum rate permissible under applicable usury or similar laws limiting
48 interest rates. The Late Payment Rate shall be computed on the basis of the actual
49 number of days elapsed over a year of 360 days. In the event JPMorgan Chase
50 Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly

1 announced prime or base lending rate of such bank, banking association or trust
 2 company bank as the Reserve Insurer in its sole and absolute discretion shall
 3 specify.
 4

5 Repayment of draws and payment of expenses and accrued interest
 6 thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall
 7 commence in the first month following each draw, and each such monthly
 8 payment shall be in an amount at least equal to 1/12 of the aggregate of
 9 Policy Costs related to such draw.
 10

11 Amounts in respect of Policy Costs paid to the Reserve Insurer shall be
 12 credited first to interest due, then to the expenses due and then to principal
 13 due. As and to the extent that payments are made to the Reserve Insurer
 14 on account of principal due, the coverage under the Reserve Policy will be
 15 increased by a like amount, subject to the terms of the Reserve Policy.
 16

17 All cash and investments in the Series 2026 A Bonds Reserve
 18 Account and all other available amounts in any funds available to
 19 pay debt service on the Bonds shall be transferred to the respective
 20 Series 2026 A Bonds Sinking Fund for payment of the debt service
 21 on the applicable Series 2026 A Bonds before any drawing may be
 22 made on the Reserve Policy or any other credit facility on deposit in
 23 the Series 2026 A Bonds Reserve Account in lieu of cash (“Reserve Fund
 24 Credit Instrument”).~~or any Reserve Fund Credit Instrument.~~
 25

26 Payment of any Policy Cost shall be made prior to replenishment of any
 27 cash amounts. Draws on all Reserve Fund Credit Instruments (including
 28 the Reserve Policy) on which there is available coverage shall be made on
 29 a pro-rata basis (calculated by reference to the coverage then available
 30 thereunder) after applying all available cash and investments in the Series
 31 2026 A Bonds Reserve Account. Payment of Policy Costs and
 32 reimbursement of amounts with respect to other Reserve Fund Credit
 33 Instruments shall be made on a pro-rata basis prior to replenishment of any
 34 cash drawn from the Series 2026 A Bonds Reserve Account. For the
 35 avoidance of doubt, “available coverage” means the coverage then
 36 available for disbursement pursuant to the terms of the applicable Reserve
 37 Fund Credit Instrument without regard to the legal or financial ability or
 38 willingness of the provider of such instrument to honor a claim or draw
 39 thereon or the failure of such provider to honor any such claim or draw.
 40

41 The Policy Limit shall automatically and irrevocably be reduced from time
 42 to time by the amount of each reduction in the reserve requirement of the
 43 Series 2026 A Bonds, if any.
 44

- 45 (b) Draws under the Reserve Policy may only be used to make payments on Series
 46 2026 A Bonds covered under the Reserve Policy.
 47
 48 (c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements
 49 of paragraph (a) above, the Reserve Insurer shall be entitled to exercise any and
 50 all legal and equitable remedies available to it, including those provided under

1 this Bond Ordinance, Loan Agreement, or any other document executed in
 2 connection with the Series 2026 A Bonds (collectively, the “Security
 3 Documents”).
 4

5 (d) The Security Documents shall not be discharged until all Policy Costs owing to
 6 the Reserve Insurer shall have been paid in full. The Issuer’s obligation to pay
 7 such amount shall expressly survive payment in full of the Series 2026 A Bonds.
 8

9 (e) The Reserve Policy shall expire and terminate in accordance with the terms and
 10 provisions of the Reserve Policy and Debt Service Reserve Agreement.
 11

12 (f) Any amendment, supplement, modification to, or waiver of any of the Security
 13 Documents that requires the consent of the Registered Owners of the Bonds or
 14 adversely affects the rights or interest of the Reserve Insurer shall be subject to
 15 the prior written consent of the Reserve Insurer.
 16

17 (g) The Reserve Insurer is recognized as and shall be deemed to be a third party
 18 beneficiary of the Security Documents and may enforce the provisions of the
 19 Security Documents as if it were a party thereto.
 20

21 (h) Policy Costs due and owing shall be included in debt service requirements for
 22 purposes of calculation of the additional bonds test and the rate covenant in the
 23 Security Documents.
 24

25 (i) The Commission shall ascertain the necessity for a claim upon the Reserve Policy
 26 in accordance with the provisions of paragraph (a) hereof and shall provide notice
 27 to the Reserve Insurer in accordance with the terms of the Reserve Policy at least
 28 five business days prior to each date upon which interest or principal is due on
 29 the Series 2026 A Bonds and a draw on the Reserve Policy is anticipated to make
 30 such payment. Where deposits are required to be made by the Issuer with the
 31 Commission to the debt service fund for the respective Series 2026 A Bonds more
 32 often than semi-annually, the Commission shall give notice to the Reserve Insurer
 33 of any failure of the Issuer to make timely payment in full of such deposits within
 34 two business days of the date due.
 35

36 (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve Insurer
 37 on demand any and all reasonable charges, fees, costs, losses, liabilities and
 38 expenses that the Reserve Insurer may pay or incur, including, but not limited to,
 39 fees and expenses of the Reserve Insurer’s agents, attorneys, accountants,
 40 consultants, appraisers and auditors and reasonable costs of investigations, in
 41 connection with the administration (including waivers and consents, if any),
 42 enforcement, defense, exercise or preservation of any rights and remedies in
 43 respect of this Bond Ordinance or any other Security Document (“Administrative
 44 Expenses”). For purposes of the foregoing, costs and expenses shall include a
 45 reasonable allocation of compensation and overhead attributable to the time of
 46 employees of the Reserve Insurer spent in connection with the actions described
 47 in the preceding sentence. The Issuer agrees that failure to pay any Administrative
 48 Expenses on a timely basis will result in the accrual of interest on the unpaid
 49 amount at the Late Payment Rate, compounded semi-annually, from the date that
 50 payment is first due to the Reserve Insurer until the date the Reserve Insurer is

1 paid in full.
2

3 (k) Payments made by the Reserve Insurer under the Reserve Policy with respect to
4 claims for interest on or principal of the Series 2026 A Bonds shall not discharge
5 the obligation of the Issuer with respect to such Series 2026 A Bonds, and BAM
6 shall become the owner of such unpaid Series 2026 A Bonds and claims for the
7 interest thereon. The Issuer and the Commission recognize and agree that to the
8 extent the Reserve Insurer makes payments directly or indirectly (e.g., by paying
9 through the Paying Agent), on account of principal of or interest on the Series
10 2026 A Bonds, the Reserve Insurer will be subrogated to the rights of such holders
11 to receive the amount of such principal and interest from the Issuer, with interest
12 thereon.
13

14 (l) In order to secure the Issuer's payment obligations with respect to Policy Cost,
15 there is hereby granted and perfected in favor of the Reserve Insurer a security
16 interest (subordinate only to that of the owners of the Series 2026 A ~~Bonds~~
17 ~~and all bonds issued on a parity therewith, including the Prior Bonds and all~~
18 ~~subsequently issued additional parity bonds~~) in all revenues and collateral
19 pledged as security for the Series 2026 A Bonds. Policy Costs shall be paid to the
20 Reserve Insurer immediately following the payment of principal of and interest
21 on the Series 2026 A Bonds and all Parity Bonds, including following the
22 occurrence of a default or event of default.
23

24 (m) Notice and Other Information to be given to the Reserve Insurer.
25

26 (1) The Issuer will provide the Reserve Insurer with all notices and other information
27 it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii)
28 to the Registered Owners of the Series 2026 A Bonds under the Security
29 Documents.
30

31 (2) In addition, the Issuer shall provide the Reserve Insurer with the following notices
32 and other information: (i) notice of any draw upon a Series 2026 A Bonds Reserve
33 Account within two (2) business days after knowledge thereof, other than in
34 connection with withdrawals of amounts in excess of the Series 2026 A Bonds
35 Reserve Requirement; and (ii) prior written notice of the advance refunding or
36 redemption of any of the Series 2026 A Bonds, including the principal amount,
37 maturities and CUSIP numbers thereof, if any.
38

39 (3) The Reserve Insurer shall be entitled to receive such additional information as it
40 may reasonably request.
41

42 (4) The notice address of Reserve Insurer is:
43

44 Build America Mutual Assurance Company
45 28 Liberty Street, 59th Floor
46 New York, NY 10005
47 Attention: Surveillance, Re: Policy No. _____
48 Telephone: (212) 235-2500
49 Telecopier: (212) ~~962-1710235-1542~~
50 Email: notices@buildamerica.com

1
2 In each case in which notice or other communication refers to an event of default or
3 a claim on the Reserve Policy, then a copy of such notice or other communication
4 shall also be sent to the attention of the General Counsel at the same address and at
5 claims@buildamerica.com or at Telecopier: (212) 962-1624235-5214 and shall be
6 marked to indicate “URGENT MATERIAL ENCLOSED.”

7
8 Section 16. The Issuer hereby accepts, approves and ratifies the Series 2026 A Bonds
9 Debt Service Reserve Insurance Commitment and the form of the Series 2026 A Bonds Debt Service
10 Reserve Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby
11 authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to
12 consummate the transactions contemplated therein, specifically including, but not limited to, (i) the
13 purchase, and pledge to the Series 2026 A Bonds Reserve Account, of the Series 2026 A Bonds Debt
14 Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the
15 Series 2026 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions
16 authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium
17 for the Series 2026 A Bonds Debt Service Reserve Insurance Policy.

18
19 Section 17. The City hereby approves the cost of issuance and cost of the Series 2026
20 A Bonds Debt Service Reserve Insurance Policy and authorizes the payment of the same.

21 Section 18. This Second Supplemental Resolution shall take effect immediately upon
22 adoption hereof.

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CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the 24th day of July, 2026.

Dated: _____, 2026.

[SEAL]

City Clerk

1
2

EXHIBIT A
FORM OF LOAN AGREEMENT

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EXHIBIT B
SRF PAYMENT REQUISITION FORM

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Resolution No.26-078 _____

Introduced in Council:

Adopted by Council:

July 6, 2026 _____

Introduced by:

Joseph Jenkins _____

A resolution supplementing Ordinance No. 7866, passed by the Council of The City of Charleston, West Virginia, on February 18, 2020; which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council on September 6, 2011, by Ordinance No. 7560 passed by the Council on February 19, 2013; authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not more than \$16,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series as designated in a supplemental resolution, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly passed a Bond Ordinance on February 18, 2020, effective April 20, 2020, as amended and modified by a Supplemental Resolution, duly and officially adopted on April 20, 2020 (collectively, the "Bond Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds, Series 2020 A (West Virginia CWSRF Program), in the total aggregate principal amount of \$12,859,975 (the "Series 2020 A Bonds");

1 WHEREAS, the Bond Ordinance provides that the Series 2020 A Bonds are sewer revenue
2 bonds issued pursuant to West Virginia Code 16-13-1 *et seq.*, (the “Act”) for the benefit of the Issuer’s
3 sewerage treatment and collection system (the “Sewer System”) and, in the case of the Series 2020 A Bonds,
4 secured by the Net Revenues of the Sewer System;
5

6 WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2020 A Bonds
7 (the “Series 2020 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission
8 (the “Bond Commission”) to secure the payment of the principal of, and interest on, the Series 2020 A
9 Bonds, respectively;
10

11 WHEREAS, the Bond Ordinance provides that the Series 2020 A Bonds Reserve Account may
12 be funded with a municipal bond debt service reserve insurance policy (a “Debt Service Reserve Insurance
13 Policy”), or surety bond, letter of credit or similar financial instrument (each known as a “Reserve Fund
14 Credit Instrument”), in an amount either equal to, or lesser than, the respective reserve requirements for the
15 Series 2020 A Bonds;
16

17 WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt
18 Service Reserve Insurance Policy to the Series 2020 A Bonds Reserve Account (i) is a more financially
19 advantageous method to satisfy the Series 2020 A Bonds Reserve Requirement; and (ii) will allow the
20 monies currently on deposit in the Series 2020 A Bonds Reserve Account, if any, which remain after the
21 payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses
22 related thereto, to be used for the design, acquisition, construction and equipping of capital additions,
23 betterments and improvements for the System;
24

25 WHEREAS, Build America Mutual Assurance Company (“BAM”) has agreed to provide to the
26 Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2020 A Bonds,
27 substantially in the form attached hereto as “Exhibit A” and incorporated herein by reference (the “Series
28 2020 A Bonds Debt Service Reserve Insurance Commitment”), whereby BAM agrees, subject to certain
29 conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2020 A
30 Bonds Debt Service Reserve Account in an amount equal to the respective Series 2020 A Bonds Reserve
31 Requirement (the “Series 2020 A Bonds Debt Service Reserve Insurance Policy”);
32

33 WHEREAS, the Series 2020 A Bonds Debt Service Reserve Insurance Commitment includes a
34 form of “Debt Service Reserve Agreement” by and between the Issuer and BAM (the “Series 2020 A Bonds
35 Debt Service Reserve Agreement”) which provides, in part, that any payments made, or Policy Costs
36 incurred, by BAM pursuant to the Series 2020 A Bonds Debt Service Reserve Insurance Policy shall be
37 repaid to BAM by the Issuer pursuant to the terms of the Series 2020 A Bonds Debt Service Reserve
38 Agreement;
39

40 WHEREAS, the West Virginia Water Development Authority (the “WDA”) on behalf of the
41 West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered
42 Owner of, the Series 2020 A Bonds;

1
2 WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered
3 Owners of the Series 2020 A Bonds to amendment or modification of the Bond Ordinance is required prior
4 to any such amendment or modification;
5

6 WHEREAS, the WDA, as sole Registered Owner of the Series 2020 A Bonds, has agreed to the
7 amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance
8 Policy and a pledge of the Series 2020 A Bonds Debt Service Reserve Insurance Policy to fund the Series
9 2020 A Bonds Reserve Account as provided in this Second Supplemental Resolution;
10

11 WHEREAS, the Issuer desires to purchase, and pledge to the Series 2020 A Bonds Reserve
12 Account, the Series 2020 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective
13 Reserve Requirements for the Series 2020 A Bonds, and for the monies on deposit in the Series 2020 A
14 Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and
15

16 WHEREAS, the Governing Body deems it essential and desirable that this Second
17 Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth
18 below.
19

20 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF
21 CHARLESTON:
22
23

24 Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section
25 4.07 in the Bond Ordinance as set forth below:
26

27 Section 4.07. Reserve Fund Credit Instrument. In lieu of or in addition
28 to cash or investments, at any time the Issuer may, with the prior written
29 consent of the Registered Owners of the Series 2020 A Bonds, cause to be
30 deposited with the Commission and pledged to the Series 2020 A Bonds
31 Reserve Account any form of Reserve Fund Credit Instrument, in the
32 amount of the Series 2020 A Bonds Reserve Requirements, or as such
33 lesser amount, irrevocably payable to the Commission as beneficiary for
34 the Registered Owners of the Series 2020 A Bonds. In the event the Series
35 2020 A Bonds Reserve Account is initially funded, in whole or in part,
36 with proceeds of the Series 2020 A Bonds, or from monthly payments
37 from Net Revenues of the System by the Issuer, the Issuer may deposit a
38 Reserve Fund Credit Instrument to replace all or any portion of the monies
39 on deposit in the Series 2020 A Bonds Reserve Account and any monies
40 then on deposit in the Series 2020 A Bonds Reserve Account, and required
41 to be on deposit therein, shall be returned to the Issuer and used to pay the
42 costs of delivering such Reserve Fund Credit Instrument and/or to pay the

1 costs of design, acquisition, construction and equipping of capital
2 additions, betterments and improvements for the System. The term
3 “Reserve Fund Credit Instrument” shall mean any municipal bond debt
4 service reserve insurance policy, surety bond, letter of credit or similar
5 financial instrument that the Issuer deposits with the Commission and
6 pledges to the Series 2020 A Bonds Reserve Account.
7

8 (1) Any such Reserve Fund Credit Instrument shall be payable to the
9 Commission as beneficiary for the Registered Owners of the Series 2020
10 A Bonds, shall have a term of no less than one (1) year and shall be payable
11 (upon the giving of such notice as may be required thereunder) (i) on any
12 date on which moneys are required to be withdrawn from the Series 2020
13 A Bonds Reserve Account due to insufficient amounts in the applicable
14 funds and accounts held by the Commission with respect to the Series
15 2020 A Bonds when needed to pay debt service on such Bonds or (ii) on a
16 date not more than ten (10) days prior to the expiration date of the Reserve
17 Fund Credit Instrument in the event the Issuer has not satisfied any of the
18 requirements for a Reserve Fund Credit Instrument for which the
19 expiration date is not coterminous with the Series 2020 A Bonds set forth
20 in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated
21 expiration date of such Reserve Fund Credit Instrument for any Reserve
22 Fund Credit Instrument that is not conterminous with the final maturity
23 date of the Series 2020 A Bonds, the Issuer shall either (i) provide for
24 delivery of a replacement Reserve Fund Credit Instrument which satisfies
25 the requirements of this Section 4.07, (ii) deliver an extension of the
26 Reserve Fund Credit Instrument for a term of not less than one (1) year, or
27 (iii) deposit cash in the Series 2020 A Bonds Reserve Account in an
28 amount which satisfied the requirements of this Section 4.07. Upon
29 delivery of a replacement Reserve Fund Credit Instrument, the
30 Commission shall deliver the then-effective Reserve Fund Credit
31 Instrument to, or at the direction of, the Issuer.
32

33 (2) In the event the Commission draws upon a Reserve Fund Credit
34 Instrument, the Issuer shall pay to the provider thereof, from the Revenue
35 Fund in accordance with the priority for funding of all reserve accounts
36 from Net Revenue set forth in Section 4.05 hereof, all principal and
37 interest and expenses payable thereto under the terms of the applicable
38 Reserve Fund Credit Instrument. This Bond Ordinance shall not be
39 terminated until all such amounts are paid in full.
40

41 (3) The Commission shall maintain adequate records of (i) the amount
42 available to be drawn at any time under any Reserve Fund Credit

Instrument; and (ii) the amounts paid and payable by the Issuer to the provider thereof.

(4) In the event the Series 2020 A Bonds Reserve Account is, at any time, only partially funded by a Reserve Fund Credit Instrument and the Commission is required to withdraw any monies from the Series 2020 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2020 A Bonds Reserve Account until such cash or investments are exhausted and, thereafter, draw on said Reserve Fund Credit Instrument, and (ii) reimburse the provider of said Reserve Fund Credit Instrument an amount equal to the aggregate amount drawn on such Reserve Fund Credit Instrument (including any interest accrued on any amount drawn under said Reserve Fund Credit Instrument) before replenishing the cash or investments in order to restore said Series 2020 A Bonds Reserve Account to the Series 2020 A Bonds Reserve Requirements.

Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section 6.28 in the Bond Ordinance as set forth below:

Section 6.28. 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 2020 A Bonds, and (B) the maximum rate permissible under applicable usury or similar

1 laws limiting interest rates. The Late Payment Rate shall be computed on the basis
2 of the actual number of days elapsed over a year of 360 days. In the event
3 JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate
4 shall be the publicly announced prime or base lending rate of such bank, banking
5 association or trust company bank as the Reserve Insurer in its sole and absolute
6 discretion shall specify.
7

8 Repayment of draws and payment of expenses and accrued interest
9 thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall
10 commence in the first month following each draw, and each such monthly
11 payment shall be in an amount at least equal to 1/12 of the aggregate of
12 Policy Costs related to such draw.
13

14 Amounts in respect of Policy Costs paid to the Reserve Insurer shall be
15 credited first to interest due, then to the expenses due and then to principal
16 due. As and to the extent that payments are made to the Reserve Insurer
17 on account of principal due, the coverage under the Reserve Policy will be
18 increased by a like amount, subject to the terms of the Reserve Policy.
19

20 All cash and investments in the Series 2020 A Bonds Reserve Account and
21 all other available amounts in any funds available to pay debt service on
22 the Bonds shall be transferred to the respective Series 2020 A Bonds
23 Sinking Fund for payment of the debt service on the applicable Series 2020
24 A Bonds before any drawing may be made on the Reserve Policy or any
25 other credit facility on deposit in the Series 2020 A Bonds Reserve
26 Account in lieu of cash (“Reserve Fund Credit Instrument”).
27

28 Payment of any Policy Cost shall be made prior to replenishment of any
29 cash amounts. Draws on all Reserve Fund Credit Instruments (including
30 the Reserve Policy) on which there is available coverage shall be made on
31 a pro-rata basis (calculated by reference to the coverage then available
32 thereunder) after applying all available cash and investments in the Series
33 2020 A Bonds Reserve Account. Payment of Policy Costs and
34 reimbursement of amounts with respect to other Reserve Fund Credit
35 Instruments shall be made on a pro-rata basis prior to replenishment of any
36 cash drawn from the Series 2020 A Bonds Reserve Account. For the
37 avoidance of doubt, “available coverage” means the coverage then
38 available for disbursement pursuant to the terms of the applicable Reserve
39 Fund Credit Instrument without regard to the legal or financial ability or
40 willingness of the provider of such instrument to honor a claim or draw
41 thereon or the failure of such provider to honor any such claim or draw.
42

1 The Policy Limit shall automatically and irrevocably be reduced from time
2 to time by the amount of each reduction in the reserve requirement of the
3 Series 2020 A Bonds, if any.
4

5 (b) Draws under the Reserve Policy may only be used to make payments on
6 Series 2020 A Bonds covered under the Reserve Policy.
7

8 (c) If the Issuer shall fail to pay any Policy Costs in accordance with the
9 requirements of paragraph (a) above, the Reserve Insurer shall be entitled to
10 exercise any and all legal and equitable remedies available to it, including those
11 provided under this Bond Ordinance, Loan Agreement, or any other document
12 executed in connection with the Series 2020 A Bonds (collectively, the “Security
13 Documents”).
14

15 (d) The Security Documents shall not be discharged until all Policy Costs
16 owing to the Reserve Insurer shall have been paid in full. The Issuer’s obligation
17 to pay such amount shall expressly survive payment in full of the Series 2020 A
18 Bonds.
19

20 (e) The Reserve Policy shall expire and terminate in accordance with the
21 terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.
22

23 (f) Any amendment, supplement, modification to, or waiver of any of the
24 Security Documents that requires the consent of the Registered Owners of the
25 Bonds or adversely affects the rights or interest of the Reserve Insurer shall be
26 subject to the prior written consent of the Reserve Insurer.
27

28 (g) The Reserve Insurer is recognized as and shall be deemed to be a third
29 party beneficiary of the Security Documents and may enforce the provisions of
30 the Security Documents as if it were a party thereto.
31

32 (h) Policy Costs due and owing shall be included in debt service requirements
33 for purposes of calculation of the additional bonds test and the rate covenant in
34 the Security Documents.
35

36 (i) The Commission shall ascertain the necessity for a claim upon the Reserve
37 Policy in accordance with the provisions of paragraph (a) hereof and shall provide
38 notice to the Reserve Insurer in accordance with the terms of the Reserve Policy
39 at least five business days prior to each date upon which interest or principal is
40 due on the Series 2020 A Bonds and a draw on the Reserve Policy is anticipated
41 to make such payment. Where deposits are required to be made by the Issuer with

1 the Commission to the debt service fund for the respective Series 2020 A Bonds
2 more often than semi-annually, the Commission shall give notice to the Reserve
3 Insurer of any failure of the Issuer to make timely payment in full of such deposits
4 within two business days of the date due.
5

6 (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve
7 Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities
8 and expenses that the Reserve Insurer may pay or incur, including, but not limited
9 to, fees and expenses of the Reserve Insurer’s agents, attorneys, accountants,
10 consultants, appraisers and auditors and reasonable costs of investigations, in
11 connection with the administration (including waivers and consents, if any),
12 enforcement, defense, exercise or preservation of any rights and remedies in
13 respect of this Bond Ordinance or any other Security Document (“Administrative
14 Expenses”). For purposes of the foregoing, costs and expenses shall include a
15 reasonable allocation of compensation and overhead attributable to the time of
16 employees of the Reserve Insurer spent in connection with the actions described
17 in the preceding sentence. The Issuer agrees that failure to pay any Administrative
18 Expenses on a timely basis will result in the accrual of interest on the unpaid
19 amount at the Late Payment Rate, compounded semi-annually, from the date that
20 payment is first due to the Reserve Insurer until the date the Reserve Insurer is
21 paid in full.
22

23 (k) Payments made by the Reserve Insurer under the Reserve Policy with
24 respect to claims for interest on or principal of the Series 2020 A Bonds shall not
25 discharge the obligation of the Issuer with respect to such Series 2020 A Bonds,
26 and BAM shall become the owner of such unpaid Series 2020 A Bonds and claims
27 for the interest thereon. The Issuer and the Commission recognize and agree that
28 to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by
29 paying through the Paying Agent), on account of principal of or interest on the
30 Series 2020 A Bonds, the Reserve Insurer will be subrogated to the rights of such
31 holders to receive the amount of such principal and interest from the Issuer, with
32 interest thereon.
33

34 (l) In order to secure the Issuer’s payment obligations with respect to Policy
35 Cost, there is hereby granted and perfected in favor of the Reserve Insurer a
36 security interest (subordinate only to that of the owners of the Series 2020 A
37 Bonds) in all revenues and collateral pledged as security for the Series 2020 A
38 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following
39 the payment of principal of and interest on the Series 2020 A Bonds and all Parity
40 Bonds, including following the occurrence of a default or event of default.
41

1 (m) Notice and Other Information to be given to the Reserve Insurer.
2

3 (1) The Issuer will provide the Reserve Insurer with all notices and other
4 information it is obligated to provide (i) under its Continuing Disclosure
5 Agreement and (ii) to the Registered Owners of the Series 2020 A Bonds under
6 the Security Documents.
7

8 (2) In addition, the Issuer shall provide the Reserve Insurer with the following
9 notices and other information: (i) notice of any draw upon a Series 2020 A Bonds
10 Reserve Account within two (2) business days after knowledge thereof, other than
11 in connection with withdrawals of amounts in excess of the Series 2020 A Bonds
12 Reserve Requirement; and (ii) prior written notice of the advance refunding or
13 redemption of any of the Series 2020 A Bonds, including the principal amount,
14 maturities and CUSIP numbers thereof, if any.
15

16 (3) The Reserve Insurer shall be entitled to receive such additional information
17 as it may reasonably request.
18

19 (4) The notice address of Reserve Insurer is:
20

21 Build America Mutual Assurance Company
22 28 Liberty Street, 59th Floor
23 New York, NY 10005
24 Attention: Surveillance, Re: Policy No. _____
25 Telephone: (212) 235-2500
26 Telecopier: (212) 962-1710
27 Email: notices@buildamerica.com
28

29 In each case in which notice or other communication refers to an event of default or
30 a claim on the Reserve Policy, then a copy of such notice or other communication
31 shall also be sent to the attention of the General Counsel at the same address and at
32 claims@buildamerica.com or at Telecopier: (212) 962-1624 and shall be marked to
33 indicate "URGENT MATERIAL ENCLOSED."
34

35 Section 4. The Issuer hereby accepts, approves and ratifies the Series 2020 A Bonds Debt
36 Service Reserve Insurance Commitment and the form of the Series 2020 A Bonds Debt Service Reserve
37 Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby
38 authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to
39 consummate the transactions contemplated therein, specifically including, but not limited to, (i) the
40 purchase, and pledge to the Series 2020 A Bonds Reserve Account, of the Series 2020 A Bonds Debt
41 Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the

1 Series 2020 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions
2 authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium
3 for the Series 2020 A Bonds Debt Service Reserve Insurance Policy.
4

5 Section 5. The Issuer shall use any funds released from the Series 2020 A Bonds Reserve
6 Account as a result of pledging the Series 2020 A Bonds Debt Reserve Insurance Policy thereto for (i)
7 paying costs associated with obtaining the Series 2020 A Bonds Debt Service Reserve Insurance Policy,
8 specifically including, but not limited to, the premium paid to BAM for the Series 2020 A Bonds Debt
9 Service Reserve Insurance Policy; (ii) paying costs of the Issuer’s Magazine Branch Project and to the
10 extent additional funds are available (iii) paying costs of design, acquisition, construction and equipping of
11 additions, betterments, and/or improvements to the System. Funds released from the Series 2020 A Bonds
12 Reserve Account in the amount required to fully fund that Reserve Account shall be deposited into the
13 Series 2026 A Bonds Project Account held at the Commission and expended within one and one half years.
14 Any remaining balance in the Series 2020 A Bonds Reserve Account shall be transferred to the Issuer.
15

16 Section 6. The Mayor and City Clerk, and all other appropriate officers, employees and
17 agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and
18 necessary to cause to occur the actions provided for in this Second Supplemental Resolution, and no further
19 authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such
20 further assurance and do such further acts as may be legally required.
21

22 Section 7. This Second Supplemental Resolution shall be effective immediately following
23 adoption hereof.
24
25

26 [Remainder of Page Intentionally Left Blank]

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: _____, 2026.

[SEAL]

City Clerk

DRAFT 6.30.2026

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment

(see attached)

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Resolution No. _____

Introduced in Council:

Adopted by Council:

Introduced by:

A resolution supplementing Ordinance No. 7866, passed by the Council of The City of Charleston, West Virginia, on February 18, 2020; which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance No. 7490 passed by the Council on September 6, 2011, by Ordinance No. 7560 passed by the Council on February 19, 2013; authorizing the design, acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not more than \$16,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, in one or more series as designated in a supplemental resolution, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly passed a Bond Ordinance on February 18, 2020, effective April 20, 2020, as amended and modified by a Supplemental Resolution, duly and officially adopted on April 20, 2020 (collectively, the "Bond Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds, Series 2020 A (West Virginia CWSRF Program), in the total aggregate principal amount of \$12,859,975 (the "Series 2020 A Bonds");

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WHEREAS, the Bond Ordinance provides that the Series 2020 A Bonds are sewer revenue bonds issued pursuant to West Virginia Code 16-13-1 *et seq.*, (the “Act”) for the benefit of the Issuer’s sewerage treatment and collection system (the “Sewer System”) and, in the case of the Series 2020 A Bonds, secured by the Net Revenues of the Sewer System;

WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2020 A Bonds (the “Series 2020 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission (the “Bond Commission”) to secure the payment of the principal of, and interest on, the Series 2020 A Bonds, respectively;

WHEREAS, the Bond Ordinance provides that the Series 2020 A Bonds Reserve Account may be funded with 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 respective reserve requirements for the Series 2020 A Bonds;

WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt Service Reserve Insurance Policy to the Series 2020 A Bonds Reserve Account (i) is a more financially advantageous method to satisfy the Series 2020 A Bonds Reserve Requirement; and (ii) will allow the monies currently on deposit in the Series 2020 A Bonds Reserve Account, if any, 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 2020 A Bonds, substantially in the form attached hereto as “Exhibit A” and incorporated herein by reference (the “Series 2020 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 2020 A Bonds Debt Service Reserve Account in an amount equal to the respective Series 2020 A Bonds Reserve Requirement (the “Series 2020 A Bonds Debt Service Reserve Insurance Policy”);

WHEREAS, the Series 2020 A Bonds Debt Service Reserve Insurance Commitment includes a form of “Debt Service Reserve Agreement” by and between the Issuer and BAM (the “Series 2020 A Bonds Debt Service Reserve Agreement”) which provides, in part, that any payments made, or Policy Costs incurred, by BAM pursuant to the Series 2020 A Bonds Debt Service Reserve Insurance Policy shall be repaid to BAM by the Issuer pursuant to the terms of the Series 2020 A Bonds Debt Service Reserve Agreement;

1 WHEREAS, the West Virginia Water Development Authority (the “WDA”) on behalf of the
2 West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered
3 Owner of, the Series 2020 A Bonds;
4

5 WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered
6 Owners of the Series 2020 A Bonds to amendment or modification of the Bond Ordinance is required prior
7 to any such amendment or modification;
8

9 WHEREAS, the WDA, as sole Registered Owner of the Series 2020 A Bonds, has agreed to the
10 amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance
11 Policy and a pledge of the Series 2020 A Bonds Debt Service Reserve Insurance Policy to fund the Series
12 2020 A Bonds Reserve Account as provided in this Second Supplemental Resolution;
13

14 WHEREAS, the Issuer desires to purchase, and pledge to the Series 2020 A Bonds Reserve
15 Account, the Series 2020 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective
16 Reserve Requirements for the Series 2020 A Bonds, and for the monies on deposit in the Series 2020 A
17 Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and
18

19 WHEREAS, the Governing Body deems it essential and desirable that this Second
20 Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth
21 below.
22

23 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF
24 CHARLESTON:
25

26
27 Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section
28 4.07 in the Bond Ordinance as set forth below:
29

30 Section 4.07. Reserve Account Credit Facility. In lieu of or in addition
31 to cash or investments, at any time the Issuer may, with the prior written
32 consent of the Registered Owners of the Series 2020 A Bonds, cause to be
33 deposited with the Commission and pledged to the Series 2020 A Bonds
34 Reserve Account any form of Reserve Account Credit Facility, in the
35 amount of the Series 2020 A Bonds Reserve Requirements, or as such
36 lesser amount, irrevocably payable to the Commission as beneficiary for
37 the Registered Owners of the Series 2020 A Bonds. In the event the Series
38 2020 A Bonds Reserve Account is initially funded, in whole or in part,
39 with proceeds of the Series 2020 A Bonds, or from monthly payments
40 from Net Revenues of the System by the Issuer, the Issuer may deposit a
41 Reserve Account Credit Facility to replace all or any portion of the monies

1 on deposit in the Series 2020 A Bonds Reserve Account and any monies
2 then on deposit in the Series 2020 A Bonds Reserve Account, and required
3 to be on deposit therein, shall be returned to the Issuer and used to pay the
4 costs of delivering such Reserve Account Credit Facility and/or to pay the
5 costs of design, acquisition, construction and equipping of capital
6 additions, betterments and improvements for the System. The term
7 “Reserve Account Credit Facility” shall mean any municipal bond debt
8 service reserve insurance policy, surety bond, letter of credit or similar
9 financial instrument that the Issuer deposits with the Commission and
10 pledges to the Series 2020 A Bonds Reserve Account.
11

12 (1) Any such Reserve Account Credit Facility shall be payable to the
13 Commission as beneficiary for the Registered Owners of the Series 2020
14 A Bonds, shall have a term of no less than one (1) year and shall be payable
15 (upon the giving of such notice as may be required thereunder) (i) on any
16 date on which moneys are required to be withdrawn from the Series 2020
17 A Bonds Reserve Account due to insufficient amounts in the applicable
18 funds and accounts held by the Commission with respect to the Series
19 2020 A Bonds when needed to pay debt service on such Bonds or (ii) on a
20 date not more than ten (10) days prior to the expiration date of the Reserve
21 Account Credit Facility in the event the Issuer has not satisfied any of the
22 requirements for a Reserve Account Credit Facility for which the
23 expiration date is not coterminous with the Series 2020 A Bonds set forth
24 in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated
25 expiration date of such Reserve Account Credit Facility for any Reserve
26 Account Credit Facility that is not conterminous with the final maturity
27 date of the Series 2020 A Bonds, the Issuer shall either (i) provide for
28 delivery of a replacement Reserve Account Credit Facility which satisfies
29 the requirements of this Section 4.07, (ii) deliver an extension of the
30 Reserve Account Credit Facility for a term of not less than one (1) year,
31 or (iii) deposit cash in the Series 2020 A Bonds Reserve Account in an
32 amount which satisfied the requirements of this Section 4.07. Upon
33 delivery of a replacement Reserve Account Credit Facility, the
34 Commission shall deliver the then-effective Reserve Account Credit
35 Facility to, or at the direction of, the Issuer.
36

37 (2) In the event the Commission draws upon a Reserve Account
38 Credit Facility, the Issuer shall pay to the provider thereof, from the
39 Revenue Fund in accordance with the priority for funding of all reserve
40 accounts from Net Revenue set forth in Section 4.05 hereof, all principal
41 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 2020 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 2020 A Bonds Reserve Account, the Commission shall (i) first disburse any cash or investments in the Series 2020 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 2020 A Bonds Reserve Account to the Series 2020 A Bonds Reserve Requirements.

Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section 6.28 in the Bond Ordinance as set forth below:

Section 6.28. 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)

1 the greater of (i) the per annum rate of interest, publicly announced from time to
2 time by JPMorgan Chase Bank at its principal office in the City of New York, as
3 its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to
4 be effective on the date such changes are announced by JPMorgan Chase Bank)
5 plus 5%, and (ii) the then applicable highest rate of interest on the Series 2020 A
6 Bonds, and (B) the maximum rate permissible under applicable usury or similar
7 laws limiting interest rates. The Late Payment Rate shall be computed on the basis
8 of the actual number of days elapsed over a year of 360 days. In the event
9 JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate
10 shall be the publicly announced prime or base lending rate of such bank, banking
11 association or trust company bank as the Reserve Insurer in its sole and absolute
12 discretion shall specify.

13
14 Repayment of draws and payment of expenses and accrued interest
15 thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall
16 commence in the first month following each draw, and each such monthly
17 payment shall be in an amount at least equal to 1/12 of the aggregate of
18 Policy Costs related to such draw.

19
20 Amounts in respect of Policy Costs paid to the Reserve Insurer shall be
21 credited first to interest due, then to the expenses due and then to principal
22 due. As and to the extent that payments are made to the Reserve Insurer
23 on account of principal due, the coverage under the Reserve Policy will be
24 increased by a like amount, subject to the terms of the Reserve Policy.

25
26 All cash and investments in the Series 2020 A Bonds Reserve Account and
27 all other available amounts in any funds available to pay debt service on
28 the Bonds shall be transferred to the respective Series 2020 A Bonds
29 Sinking Fund for payment of the debt service on the applicable Series 2020
30 A Bonds before any drawing may be made on the Reserve Policy or any
31 other credit facility on deposit in the Series 2020 A Bonds Reserve
32 Account in lieu of cash (“Reserve Fund Credit Instrument”)~~Reserve~~
33 ~~Account Credit Facility.~~

34
35 Payment of any Policy Cost shall be made prior to replenishment of any
36 cash amounts. Draws on all Reserve ~~Fund Credit Instruments~~~~Account~~
37 ~~Credit Facility~~ (including the Reserve Policy) on which there is available
38 coverage shall be made on a pro-rata basis (calculated by reference to the
39 coverage then available thereunder) after applying all available cash and
40 investments in the Series 2020 A Bonds Reserve Account. Payment of
41 Policy Costs and reimbursement of amounts with respect to other Reserve

1 ~~Fund Credit Instruments Account Credit Facility~~ shall be made on a pro-
2 rata basis prior to replenishment of any cash drawn from the Series 2020
3 A Bonds Reserve Account. For the avoidance of doubt, “available
4 coverage” means the coverage then available for disbursement pursuant to
5 the terms of the applicable Reserve ~~Fund Credit Instrument Account Credit~~
6 ~~Facility~~ without regard to the legal or financial ability or willingness of the
7 provider of such instrument to honor a claim or draw thereon or the failure
8 of such provider to honor any such claim or draw.
9

10 The Policy Limit shall automatically and irrevocably be reduced from time
11 to time by the amount of each reduction in the reserve requirement of the
12 Series 2020 A Bonds, if any.
13

14 (b) Draws under the Reserve Policy may only be used to make payments on
15 Series 2020 A Bonds covered under the Reserve Policy.
16

17 (c) If the Issuer shall fail to pay any Policy Costs in accordance with the
18 requirements of paragraph (a) above, the Reserve Insurer shall be entitled to
19 exercise any and all legal and equitable remedies available to it, including those
20 provided under this Bond Ordinance, Loan Agreement, or any other document
21 executed in connection with the Series 2020 A Bonds (collectively, the “Security
22 Documents”).
23

24 (d) The Security Documents shall not be discharged until all Policy Costs
25 owing to the Reserve Insurer shall have been paid in full. The Issuer’s obligation
26 to pay such amount shall expressly survive payment in full of the Series 2020 A
27 Bonds.
28

29 (e) The Reserve Policy shall expire and terminate in accordance with the
30 terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.
31

32 (f) Any amendment, supplement, modification to, or waiver of any of the
33 Security Documents that requires the consent of the Registered Owners of the
34 Bonds or adversely affects the rights or interest of the Reserve Insurer shall be
35 subject to the prior written consent of the Reserve Insurer.
36

37 (g) The Reserve Insurer is recognized as and shall be deemed to be a third
38 party beneficiary of the Security Documents and may enforce the provisions of
39 the Security Documents as if it were a party thereto.
40

41 (h) Policy Costs due and owing shall be included in debt service requirements

1 for purposes of calculation of the additional bonds test and the rate covenant in
2 the Security Documents.

3
4 (i) The Commission shall ascertain the necessity for a claim upon the Reserve
5 Policy in accordance with the provisions of paragraph (a) hereof and shall provide
6 notice to the Reserve Insurer in accordance with the terms of the Reserve Policy
7 at least five business days prior to each date upon which interest or principal is
8 due on the Series 2020 A Bonds and a draw on the Reserve Policy is anticipated
9 to make such payment. Where deposits are required to be made by the Issuer with
10 the Commission to the debt service fund for the respective Series 2020 A Bonds
11 more often than semi-annually, the Commission shall give notice to the Reserve
12 Insurer of any failure of the Issuer to make timely payment in full of such deposits
13 within two business days of the date due.

14
15 (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve
16 Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities
17 and expenses that the Reserve Insurer may pay or incur, including, but not limited
18 to, fees and expenses of the Reserve Insurer’s agents, attorneys, accountants,
19 consultants, appraisers and auditors and reasonable costs of investigations, in
20 connection with the administration (including waivers and consents, if any),
21 enforcement, defense, exercise or preservation of any rights and remedies in
22 respect of this Bond Ordinance or any other Security Document (“Administrative
23 Expenses”). For purposes of the foregoing, costs and expenses shall include a
24 reasonable allocation of compensation and overhead attributable to the time of
25 employees of the Reserve Insurer spent in connection with the actions described
26 in the preceding sentence. The Issuer agrees that failure to pay any Administrative
27 Expenses on a timely basis will result in the accrual of interest on the unpaid
28 amount at the Late Payment Rate, compounded semi-annually, from the date that
29 payment is first due to the Reserve Insurer until the date the Reserve Insurer is
30 paid in full.

31
32 (k) Payments made by the Reserve Insurer under the Reserve Policy with
33 respect to claims for interest on or principal of the Series 2020 A Bonds shall not
34 discharge the obligation of the Issuer with respect to such Series 2020 A Bonds,
35 and BAM shall become the owner of such unpaid Series 2020 A Bonds and claims
36 for the interest thereon. The Issuer and the Commission recognize and agree that
37 to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by
38 paying through the Paying Agent), on account of principal of or interest on the
39 Series 2020 A Bonds, the Reserve Insurer will be subrogated to the rights of such
40 holders to receive the amount of such principal and interest from the Issuer, with
41 interest thereon.

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(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 2020 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 2020 A Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following the payment of principal of and interest on the Series 2020 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 2020 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 a Series 2020 A Bonds Reserve Account within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Series 2020 A Bonds Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2020 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
28 Liberty Street, 59th Floor
New York, NY 10005
Attention: Surveillance, Re: Policy No. _____
Telephone: (212) 235-2500
Telecopier: (212) ~~962-1710235-1542~~
Email: notices@buildamerica.com

1 In each case in which notice or other communication refers to an event of default or
2 a claim on the Reserve Policy, then a copy of such notice or other communication
3 shall also be sent to the attention of the General Counsel at the same address and at
4 claims@buildamerica.com or at Telecopier: (212) 962-1624235-5214 and shall be
5 marked to indicate “URGENT MATERIAL ENCLOSED.”

6
7 Section 4. The Issuer hereby accepts, approves and ratifies the Series 2020 A Bonds Debt
8 Service Reserve Insurance Commitment and the form of the Series 2020 A Bonds Debt Service Reserve
9 Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby
10 authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to
11 consummate the transactions contemplated therein, specifically including, but not limited to, (i) the
12 purchase, and pledge to the Series 2020 A Bonds Reserve Account, of the Series 2020 A Bonds Debt
13 Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the
14 Series 2020 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions
15 authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium
16 for the Series 2020 A Bonds Debt Service Reserve Insurance Policy.

17
18 Section 5. The Issuer shall use any funds released from the Series 2020 A Bonds Reserve
19 Account as a result of pledging the Series 2020 A Bonds Debt Reserve Insurance Policy thereto for (i)
20 paying costs associated with obtaining the Series 2020 A Bonds Debt Service Reserve Insurance Policy,
21 specifically including, but not limited to, the premium paid to BAM for the Series 2020 A Bonds Debt
22 Service Reserve Insurance Policy; (ii) paying costs of the Issuer’s Magazine Branch Project and to the
23 extent additional funds are available and (iii) paying costs of design, acquisition, construction and equipping
24 of additions, betterments, and/or improvements to the System. Funds released from the Series 2020 A
25 Bonds Reserve Account in the amount required to fully fund that Reserve Account shall be deposited into
26 the Series 2026 A Bonds Project Account held at the Commission and expended within one and one half
27 years. Any remaining balance in the Series 2020 A Bonds Reserve Account shall be transferred to the
28 Issuer. All funds released from the Series 2020 A Bonds Reserve Account shall be deposited into the [Series
29 2026 A Bonds Project Account/The Sanitary Board of The City of Charleston West Virginia] and expended
30 within one and one half years of such funds being received by the Issuer.

31
32 Section 6. The Mayor and City Clerk, and all other appropriate officers, employees and
33 agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and
34 necessary to cause to occur the actions provided for in this Second Supplemental Resolution, and no further
35 authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such
36 further assurance and do such further acts as may be legally required.

37
38 Section 7. This Second Supplemental Resolution shall be effective immediately following
39 adoption hereof.
40
41

[Remainder of Page Intentionally Left Blank]

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: _____, 2026.

[SEAL]

City Clerk

DRAFT 6.30.2026

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment

(see attached)

1 Resolution No.26-079 _____

2

3

4 Introduced in Council:

Adopted by Council:

5

6 July 6 , 2026 _____

7

8 Introduced by:

9

10 Joseph Jenkins _____

11

12

13

14 A resolution supplementing Ordinance No. 7560, passed by the Council of The City of Charleston, West
15 Virginia, on February 19, 2013; which supplemented Ordinance No. 4423 passed by the Council of The
16 City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by
17 the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by
18 Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the
19 Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by
20 Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the
21 Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by
22 Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the
23 Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance
24 No. 7490 passed by the Council on September 6, 2011; authorizing the design, acquisition and construction
25 of certain extensions, additions, betterments and improvements to the existing sewerage system of The City
26 of Charleston; authorizing the issuance of \$11,613,300 in aggregate principal amount of Sewerage System
27 Revenue Bonds, Series 2013 A, of The City of Charleston, the proceeds of which, shall be used, along with
28 other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for
29 such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve
30 accounts for such bonds and to pay other costs in connection therewith; providing for the rights and
31 remedies of and security for the registered owners of such bonds; and adopting other provisions related
32 thereto.

33

34 WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly
35 passed a Bond Ordinance on February 19, 2013, effective March 4, 2013, as amended and modified by a
36 Supplemental Resolution, duly and officially adopted on March 4, 2013 (collectively, the "Bond
37 Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds,
38 Series 2013 A (West Virginia CWSRF Program), in the total aggregate principal amount of \$11,613,300
39 (the "Series 2013 A Bonds");

40

41 WHEREAS, the Bond Ordinance provides that the Series 2013 A Bonds are sewer revenue
42 bonds issued pursuant to West Virginia Code 16-13-1 *et seq.*, (the "Act") for the benefit of the Issuer's
43 sewerage treatment and collection system (the "Sewer System") and, in the case of the Series 2013 A Bonds,
44 secured by the Net Revenues of the Sewer System;

1
2 WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2013 A Bonds
3 (the “Series 2013 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission
4 (the “Bond Commission”) to secure the payment of the principal of, and interest on, the Series 2013 A
5 Bonds, respectively;
6

7 WHEREAS, the Bond Ordinance provides that the Series 2013 A Bonds Reserve Account may
8 be funded with a municipal bond debt service reserve insurance policy (a “Debt Service Reserve Insurance
9 Policy”), or surety bond, letter of credit or similar financial instrument (each known as a “Reserve Fund
10 Credit Instrument”), in an amount either equal to, or lesser than, the respective reserve requirements for the
11 Series 2013 A Bonds;
12

13 WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt
14 Service Reserve Insurance Policy to the Series 2013 A Bonds Reserve Account (i) is a more financially
15 advantageous method to satisfy the Series 2013 A Bonds Reserve Requirement; and (ii) will allow the
16 monies currently on deposit in the Series 2013 A Bonds Reserve Account, if any, which remain after the
17 payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses
18 related thereto, to be used for the design, acquisition, construction and equipping of capital additions,
19 betterments and improvements for the System;
20

21 WHEREAS, Build America Mutual Assurance Company (“BAM”) has agreed to provide to the
22 Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2013 A Bonds,
23 substantially in the form attached hereto as “Exhibit A” and incorporated herein by reference (the “Series
24 2013 A Bonds Debt Service Reserve Insurance Commitment”), whereby BAM agrees, subject to certain
25 conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2013 A
26 Bonds Debt Service Reserve Account in an amount equal to the respective Series 2013 A Bonds Reserve
27 Requirement (the “Series 2013 A Bonds Debt Service Reserve Insurance Policy”);
28

29 WHEREAS, the Series 2013 A Bonds Debt Service Reserve Insurance Commitment includes a
30 form of “Debt Service Reserve Agreement” by and between the Issuer and BAM (the “Series 2013 A Bonds
31 Debt Service Reserve Agreement”) which provides, in part, that any payments made, or Policy Costs
32 incurred, by BAM pursuant to the Series 2013 A Bonds Debt Service Reserve Insurance Policy shall be
33 repaid to BAM by the Issuer pursuant to the terms of the Series 2013 A Bonds Debt Service Reserve
34 Agreement;
35

36 WHEREAS, the West Virginia Water Development Authority (the “WDA”) on behalf of the
37 West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered
38 Owner of, the Series 2013 A Bonds;
39

40 WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered
41 Owners of the Series 2013 A Bonds to amendment or modification of the Bond Ordinance is required prior
42 to any such amendment or modification;
43

1 WHEREAS, the WDA, as sole Registered Owner of the Series 2013 A Bonds, has agreed to the
2 amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance
3 Policy and a pledge of the Series 2013 A Bonds Debt Service Reserve Insurance Policy to fund the Series
4 2013 A Bonds Reserve Account as provided in this Second Supplemental Resolution;

5
6 WHEREAS, the Issuer desires to purchase, and pledge to the Series 2013 A Bonds Reserve
7 Account, the Series 2013 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective
8 Reserve Requirements for the Series 2013 A Bonds, and for the monies on deposit in the Series 2013 A
9 Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and

10
11 WHEREAS, the Governing Body deems it essential and desirable that this Second
12 Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth
13 below.

14
15 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF
16 CHARLESTON:

17
18
19 Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section
20 4.05 in the Bond Ordinance as set forth below:

21
22 Section 4.05. Reserve Fund Credit Instrument. In lieu of or in addition
23 to cash or investments, at any time the Issuer may, with the prior written
24 consent of the Registered Owners of the Series 2013 A Bonds, cause to be
25 deposited with the Commission and pledged to the Series 2013 A Bonds
26 Reserve Account any form of Reserve Fund Credit Instrument, in the
27 amount of the Series 2013 A Bonds Reserve Requirements, or as such
28 lesser amount, irrevocably payable to the Commission as beneficiary for
29 the Registered Owners of the Series 2013 A Bonds. In the event the Series
30 2013 A Bonds Reserve Account is initially funded, in whole or in part,
31 with proceeds of the Series 2013 A Bonds, or from monthly payments
32 from Net Revenues of the System by the Issuer, the Issuer may deposit a
33 Reserve Fund Credit Instrument to replace all or any portion of the monies
34 on deposit in the Series 2013 A Bonds Reserve Account and any monies
35 then on deposit in the Series 2013 A Bonds Reserve Account, and required
36 to be on deposit therein, shall be returned to the Issuer and used to pay the
37 costs of delivering such Reserve Fund Credit Instrument and/or to pay the
38 costs of design, acquisition, construction and equipping of capital
39 additions, betterments and improvements for the System. The term
40 “Reserve Fund Credit Instrument” shall mean any municipal bond debt
41 service reserve insurance policy, surety bond, letter of credit or similar
42 financial instrument that the Issuer deposits with the Commission and
43 pledges to the Series 2013 A Bonds Reserve Account.
44

1 (1) Any such Reserve Fund Credit Instrument shall be payable to the
2 Commission as beneficiary for the Registered Owners of the Series 2013
3 A Bonds, shall have a term of no less than one (1) year and shall be payable
4 (upon the giving of such notice as may be required thereunder) (i) on any
5 date on which moneys are required to be withdrawn from the Series 2013
6 A Bonds Reserve Account due to insufficient amounts in the applicable
7 funds and accounts held by the Commission with respect to the Series
8 2013 A Bonds when needed to pay debt service on such Bonds or (ii) on a
9 date not more than ten (10) days prior to the expiration date of the Reserve
10 Fund Credit Instrument in the event the Issuer has not satisfied any of the
11 requirements for a Reserve Fund Credit Instrument for which the
12 expiration date is not coterminous with the Series 2013 A Bonds set forth
13 in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated
14 expiration date of such Reserve Fund Credit Instrument for any Reserve
15 Fund Credit Instrument that is not conterminous with the final maturity
16 date of the Series 2013 A Bonds, the Issuer shall either (i) provide for
17 delivery of a replacement Reserve Fund Credit Instrument which satisfies
18 the requirements of this Section 4.05, (ii) deliver an extension of the
19 Reserve Fund Credit Instrument for a term of not less than one (1) year, or
20 (iii) deposit cash in the Series 2013 A Bonds Reserve Account in an
21 amount which satisfied the requirements of this Section 4.05. Upon
22 delivery of a replacement Reserve Fund Credit Instrument, the
23 Commission shall deliver the then-effective Reserve Fund Credit
24 Instrument to, or at the direction of, the Issuer.

25
26 (2) In the event the Commission draws upon a Reserve Fund Credit
27 Instrument, the Issuer shall pay to the provider thereof, from the Revenue
28 Fund in accordance with the priority for funding of all reserve accounts
29 from Net Revenue set forth in Section 4.03 hereof, all principal and
30 interest and expenses payable thereto under the terms of the applicable
31 Reserve Fund Credit Instrument. This Bond Ordinance shall not be
32 terminated until all such amounts are paid in full.

33
34 (3) The Commission shall maintain adequate records of (i) the amount
35 available to be drawn at any time under any Reserve Fund Credit
36 Instrument; and (ii) the amounts paid and payable by the Issuer to the
37 provider thereof.

38
39 (4) In the event the Series 2013 A Bonds Reserve Account is, at any time,
40 only partially funded by a Reserve Fund Credit Instrument and the
41 Commission is required to withdraw any monies from the Series 2013 A
42 Bonds Reserve Account, the Commission shall (i) first disburse any cash
43 or investments in the Series 2013 A Bonds Reserve Account until such
44 cash or investments are exhausted and, thereafter, draw on said Reserve

1 Fund Credit Instrument, and (ii) reimburse the provider of said Reserve
2 Fund Credit Instrument an amount equal to the aggregate amount drawn
3 on such Reserve Fund Credit Instrument (including any interest accrued
4 on any amount drawn under said Reserve Fund Credit Instrument) before
5 replenishing the cash or investments in order to restore said Series 2013 A
6 Bonds Reserve Account to the Series 2013 A Bonds Reserve
7 Requirements.
8

9 Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section
10 6.16 in the Bond Ordinance as set forth below:
11

12 Section 6.16. Provisions related to Build America Mutual
13 Assurance Company Municipal Bond Debt Service Reserve
14 Insurance Policy.
15

16 With respect to the Municipal Bond Debt Service Reserve Insurance
17 Policy, notwithstanding anything to the contrary set forth in this Bond
18 Ordinance the Issuer agrees to comply, and hereby authorizes and instructs
19 the Commission, as Paying Agent, to comply with the following
20 provisions:
21

22 (a) The Issuer shall repay any draws under the Municipal Bond Debt Service
23 Reserve Insurance Policy (the “Reserve Policy”) and pay all related reasonable
24 expenses incurred by BAM (the “Reserve Insurer”). Interest shall accrue and be
25 payable on such draws and expenses from the date of payment by the Reserve
26 Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (A)
27 the greater of (i) the per annum rate of interest, publicly announced from time to
28 time by JPMorgan Chase Bank at its principal office in the City of New York, as
29 its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to
30 be effective on the date such changes are announced by JPMorgan Chase Bank)
31 plus 5%, and (ii) the then applicable highest rate of interest on the Series 2013 A
32 Bonds, and (B) the maximum rate permissible under applicable usury or similar
33 laws limiting interest rates. The Late Payment Rate shall be computed on the basis
34 of the actual number of days elapsed over a year of 360 days. In the event
35 JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate
36 shall be the publicly announced prime or base lending rate of such bank, banking
37 association or trust company bank as the Reserve Insurer in its sole and absolute
38 discretion shall specify.
39

40 Repayment of draws and payment of expenses and accrued interest
41 thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall
42 commence in the first month following each draw, and each such monthly
43 payment shall be in an amount at least equal to 1/12 of the aggregate of

1 Policy Costs related to such draw.
2

3 Amounts in respect of Policy Costs paid to the Reserve Insurer shall be
4 credited first to interest due, then to the expenses due and then to principal
5 due. As and to the extent that payments are made to the Reserve Insurer
6 on account of principal due, the coverage under the Reserve Policy will be
7 increased by a like amount, subject to the terms of the Reserve Policy.
8

9 All cash and investments in the Series 2013 A Bonds Reserve Account and
10 all other available amounts in any funds available to pay debt service on
11 the Bonds shall be transferred to the respective Series 2013 A Bonds
12 Sinking Fund for payment of the debt service on the applicable Series 2013
13 A Bonds before any drawing may be made on the Reserve Policy or any
14 other credit facility on deposit in the Series 2013 A Bonds Reserve
15 Account in lieu of cash (“Reserve Fund Credit Instrument”).
16

17 Payment of any Policy Cost shall be made prior to replenishment of any
18 cash amounts. Draws on all Reserve Fund Credit Instruments (including
19 the Reserve Policy) on which there is available coverage shall be made on
20 a pro-rata basis (calculated by reference to the coverage then available
21 thereunder) after applying all available cash and investments in the Series
22 2013 A Bonds Reserve Account. Payment of Policy Costs and
23 reimbursement of amounts with respect to other Reserve Fund Credit
24 Instruments shall be made on a pro-rata basis prior to replenishment of any
25 cash drawn from the Series 2013 A Bonds Reserve Account. For the
26 avoidance of doubt, “available coverage” means the coverage then
27 available for disbursement pursuant to the terms of the applicable Reserve
28 Fund Credit Instrument without regard to the legal or financial ability or
29 willingness of the provider of such instrument to honor a claim or draw
30 thereon or the failure of such provider to honor any such claim or draw.
31

32 The Policy Limit shall automatically and irrevocably be reduced from time
33 to time by the amount of each reduction in the reserve requirement of the
34 Series 2013 A Bonds, if any.
35

36 (b) Draws under the Reserve Policy may only be used to make payments on
37 Series 2013 A Bonds covered under the Reserve Policy.
38

39 (c) If the Issuer shall fail to pay any Policy Costs in accordance with the
40 requirements of paragraph (a) above, the Reserve Insurer shall be entitled to
41 exercise any and all legal and equitable remedies available to it, including those
42 provided under this Bond Ordinance, Loan Agreement, or any other document
43 executed in connection with the Series 2013 A Bonds (collectively, the “Security

1 Documents”).

2
3 (d) The Security Documents shall not be discharged until all Policy Costs
4 owing to the Reserve Insurer shall have been paid in full. The Issuer’s obligation
5 to pay such amount shall expressly survive payment in full of the Series 2013 A
6 Bonds.

7
8 (e) The Reserve Policy shall expire and terminate in accordance with the
9 terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.

10
11 (f) Any amendment, supplement, modification to, or waiver of any of the
12 Security Documents that requires the consent of the Registered Owners of the
13 Bonds or adversely affects the rights or interest of the Reserve Insurer shall be
14 subject to the prior written consent of the Reserve Insurer.

15
16 (g) The Reserve Insurer is recognized as and shall be deemed to be a third
17 party beneficiary of the Security Documents and may enforce the provisions of
18 the Security Documents as if it were a party thereto.

19
20 (h) Policy Costs due and owing shall be included in debt service requirements
21 for purposes of calculation of the additional bonds test and the rate covenant in
22 the Security Documents.

23
24 (i) The Commission shall ascertain the necessity for a claim upon the Reserve
25 Policy in accordance with the provisions of paragraph (a) hereof and shall provide
26 notice to the Reserve Insurer in accordance with the terms of the Reserve Policy
27 at least five business days prior to each date upon which interest or principal is
28 due on the Series 2013 A Bonds and a draw on the Reserve Policy is anticipated
29 to make such payment. Where deposits are required to be made by the Issuer with
30 the Commission to the debt service fund for the respective Series 2013 A Bonds
31 more often than semi-annually, the Commission shall give notice to the Reserve
32 Insurer of any failure of the Issuer to make timely payment in full of such deposits
33 within two business days of the date due.

34
35 (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve
36 Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities
37 and expenses that the Reserve Insurer may pay or incur, including, but not limited
38 to, fees and expenses of the Reserve Insurer’s agents, attorneys, accountants,
39 consultants, appraisers and auditors and reasonable costs of investigations, in
40 connection with the administration (including waivers and consents, if any),
41 enforcement, defense, exercise or preservation of any rights and remedies in
42 respect of this Bond Ordinance or any other Security Document (“Administrative
43 Expenses”). For purposes of the foregoing, costs and expenses shall include a

1 reasonable allocation of compensation and overhead attributable to the time of
2 employees of the Reserve Insurer spent in connection with the actions described
3 in the preceding sentence. The Issuer agrees that failure to pay any Administrative
4 Expenses on a timely basis will result in the accrual of interest on the unpaid
5 amount at the Late Payment Rate, compounded semi-annually, from the date that
6 payment is first due to the Reserve Insurer until the date the Reserve Insurer is
7 paid in full.
8

9 (k) Payments made by the Reserve Insurer under the Reserve Policy with
10 respect to claims for interest on or principal of the Series 2013 A Bonds shall not
11 discharge the obligation of the Issuer with respect to such Series 2013 A Bonds,
12 and BAM shall become the owner of such unpaid Series 2013 A Bonds and claims
13 for the interest thereon. The Issuer and the Commission recognize and agree that
14 to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by
15 paying through the Paying Agent), on account of principal of or interest on the
16 Series 2013 A Bonds, the Reserve Insurer will be subrogated to the rights of such
17 holders to receive the amount of such principal and interest from the Issuer, with
18 interest thereon.
19

20 (l) In order to secure the Issuer's payment obligations with respect to Policy
21 Cost, there is hereby granted and perfected in favor of the Reserve Insurer a
22 security interest (subordinate only to that of the owners of the Series 2013 A
23 Bonds) in all revenues and collateral pledged as security for the Series 2013 A
24 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following
25 the payment of principal of and interest on the Series 2013 A Bonds and all Parity
26 Bonds, including following the occurrence of a default or event of default.
27

28 (m) Notice and Other Information to be given to the Reserve Insurer.
29

30 (1) The Issuer will provide the Reserve Insurer with all notices and other
31 information it is obligated to provide (i) under its Continuing Disclosure
32 Agreement and (ii) to the Registered Owners of the Series 2013 A Bonds under
33 the Security Documents.
34

35 (2) In addition, the Issuer shall provide the Reserve Insurer with the following
36 notices and other information: (i) notice of any draw upon a Series 2013 A Bonds
37 Reserve Account within two (2) business days after knowledge thereof, other than
38 in connection with withdrawals of amounts in excess of the Series 2013 A Bonds
39 Reserve Requirement; and (ii) prior written notice of the advance refunding or
40 redemption of any of the Series 2013 A Bonds, including the principal amount,
41 maturities and CUSIP numbers thereof, if any.
42

43 (3) The Reserve Insurer shall be entitled to receive such additional information

1 as it may reasonably request.
2

3 (4) The notice address of Reserve Insurer is:
4

5 Build America Mutual Assurance Company
6 28 Liberty Street, 59th Floor
7 New York, NY 10005
8 Attention: Surveillance, Re: Policy No. _____
9 Telephone: (212) 235-2500
10 Telecopier: (212) 962-1710
11 Email: notices@buildamerica.com
12

13 In each case in which notice or other communication refers to an event of default or
14 a claim on the Reserve Policy, then a copy of such notice or other communication
15 shall also be sent to the attention of the General Counsel at the same address and at
16 claims@buildamerica.com or at Telecopier: (212) 962-1624 and shall be marked to
17 indicate “URGENT MATERIAL ENCLOSED.”
18

19 Section 4. The Issuer hereby accepts, approves and ratifies the Series 2013 A Bonds Debt
20 Service Reserve Insurance Commitment and the form of the Series 2013 A Bonds Debt Service Reserve
21 Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby
22 authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to
23 consummate the transactions contemplated therein, specifically including, but not limited to, (i) the
24 purchase, and pledge to the Series 2013 A Bonds Reserve Account, of the Series 2013 A Bonds Debt
25 Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the
26 Series 2013 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions
27 authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium
28 for the Series 2013 A Bonds Debt Service Reserve Insurance Policy.
29

30 Section 5. The Issuer shall use any funds released from the Series 2013 A Bonds Reserve
31 Account as a result of pledging the Series 2013 A Bonds Debt Reserve Insurance Policy thereto for (i)
32 paying costs associated with obtaining the Series 2013 A Bonds Debt Service Reserve Insurance Policy,
33 specifically including, but not limited to, the premium paid to BAM for the Series 2013 A Bonds Debt
34 Service Reserve Insurance Policy; (ii) paying costs of the Issuer’s Magazine Branch Project and to the
35 extent additional funds are available ((iii) paying costs of design, acquisition, construction and equipping
36 of additions, betterments, and/or improvements to the System. Funds released from the Series 2013 A
37 Bonds Reserve Account in the amount required to fully fund that Reserve Account shall be deposited into
38 the Series 2026 A Bonds Project Account held at the Commission and expended within one and one half
39 years. Any remaining balance in the Series 2013 A Bonds Reserve Account shall be transferred to the
40 Issuer.
41

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: _____, 2026.

[SEAL]

City Clerk

DRAFT 6.30.2026

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment

(see attached)

1 Resolution No. _____

2

3

4 Introduced in Council:

Adopted by Council:

5

6 _____

7

8 Introduced by:

9

10 _____

11

12

13

14 A resolution supplementing Ordinance No. 7560, passed by the Council of The City of Charleston, West
15 Virginia, on February 19, 2013; which supplemented Ordinance No. 4423 passed by the Council of The
16 City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by
17 the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by
18 Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the
19 Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by
20 Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the
21 Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by
22 Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the
23 Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005, by Ordinance
24 No. 7490 passed by the Council on September 6, 2011; authorizing the design, acquisition and construction
25 of certain extensions, additions, betterments and improvements to the existing sewerage system of The City
26 of Charleston; authorizing the issuance of \$11,613,300 in aggregate principal amount of Sewerage System
27 Revenue Bonds, Series 2013 A, of The City of Charleston, the proceeds of which, shall be used, along with
28 other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for
29 such purposes, to permanently finance the cost of such design, acquisition and construction, to fund reserve
30 accounts for such bonds and to pay other costs in connection therewith; providing for the rights and
31 remedies of and security for the registered owners of such bonds; and adopting other provisions related
32 thereto.

33

34 WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly
35 passed a Bond Ordinance on February 19, 2013, effective March 4, 2013, as amended and modified by a
36 Supplemental Resolution, duly and officially adopted on March 4, 2013 (collectively, the "Bond
37 Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds,
38 Series 2013 A (West Virginia CWSRF Program), in the total aggregate principal amount of \$11,613,300
39 (the "Series 2013 A Bonds");

40

41 WHEREAS, the Bond Ordinance provides that the Series 2013 A Bonds are sewer revenue
42 bonds issued pursuant to West Virginia Code 16-13-1 *et seq.*, (the "Act") for the benefit of the Issuer's

1 sewerage treatment and collection system (the “Sewer System”) and, in the case of the Series 2013 A Bonds,
2 secured by the Net Revenues of the Sewer System;
3

4 WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2013 A Bonds
5 (the “Series 2013 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission
6 (the “Bond Commission”) to secure the payment of the principal of, and interest on, the Series 2013 A
7 Bonds, respectively;
8

9 WHEREAS, the Bond Ordinance provides that the Series 2013 A Bonds Reserve Account may
10 be funded with a municipal bond debt service reserve insurance policy (a “Debt Service Reserve Insurance
11 Policy”), or surety bond, letter of credit or similar financial instrument (each known as a “Reserve Account
12 Credit Facility”), in an amount either equal to, or lesser than, the respective reserve requirements for the
13 Series 2013 A Bonds;
14

15 WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt
16 Service Reserve Insurance Policy to the Series 2013 A Bonds Reserve Account (i) is a more financially
17 advantageous method to satisfy the Series 2013 A Bonds Reserve Requirement; and (ii) will allow the
18 monies currently on deposit in the Series 2013 A Bonds Reserve Account, if any, which remain after the
19 payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses
20 related thereto, to be used for the design, acquisition, construction and equipping of capital additions,
21 betterments and improvements for the System;
22

23 WHEREAS, Build America Mutual Assurance Company (“BAM”) has agreed to provide to the
24 Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2013 A Bonds,
25 substantially in the form attached hereto as “Exhibit A” and incorporated herein by reference (the “Series
26 2013 A Bonds Debt Service Reserve Insurance Commitment”), whereby BAM agrees, subject to certain
27 conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2013 A
28 Bonds Debt Service Reserve Account in an amount equal to the respective Series 2013 A Bonds Reserve
29 Requirement (the “Series 2013 A Bonds Debt Service Reserve Insurance Policy”);
30

31 WHEREAS, the Series 2013 A Bonds Debt Service Reserve Insurance Commitment includes a
32 form of “Debt Service Reserve Agreement” by and between the Issuer and BAM (the “Series 2013 A Bonds
33 Debt Service Reserve Agreement”) which provides, in part, that any payments made, or Policy Costs
34 incurred, by BAM pursuant to the Series 2013 A Bonds Debt Service Reserve Insurance Policy shall be
35 repaid to BAM by the Issuer pursuant to the terms of the Series 2013 A Bonds Debt Service Reserve
36 Agreement;
37

38 WHEREAS, the West Virginia Water Development Authority (the “WDA”) on behalf of the
39 West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered
40 Owner of, the Series 2013 A Bonds;
41

1 WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered
2 Owners of the Series 2013 A Bonds to amendment or modification of the Bond Ordinance is required prior
3 to any such amendment or modification;
4

5 WHEREAS, the WDA, as sole Registered Owner of the Series 2013 A Bonds, has agreed to the
6 amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance
7 Policy and a pledge of the Series 2013 A Bonds Debt Service Reserve Insurance Policy to fund the Series
8 2013 A Bonds Reserve Account as provided in this Second Supplemental Resolution;
9

10 WHEREAS, the Issuer desires to purchase, and pledge to the Series 2013 A Bonds Reserve
11 Account, the Series 2013 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective
12 Reserve Requirements for the Series 2013 A Bonds, and for the monies on deposit in the Series 2013 A
13 Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and
14

15 WHEREAS, the Governing Body deems it essential and desirable that this Second
16 Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth
17 below.
18

19 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF
20 CHARLESTON:
21

22
23 Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section
24 4.05 in the Bond Ordinance as set forth below:
25

26 Section 4.05. Reserve Account Credit Facility. In lieu of or in addition
27 to cash or investments, at any time the Issuer may, with the prior written
28 consent of the Registered Owners of the Series 2013 A Bonds, cause to be
29 deposited with the Commission and pledged to the Series 2013 A Bonds
30 Reserve Account any form of Reserve Account Credit Facility, in the
31 amount of the Series 2013 A Bonds Reserve Requirements, or as such
32 lesser amount, irrevocably payable to the Commission as beneficiary for
33 the Registered Owners of the Series 2013 A Bonds. In the event the Series
34 2013 A Bonds Reserve Account is initially funded, in whole or in part,
35 with proceeds of the Series 2013 A Bonds, or from monthly payments
36 from Net Revenues of the System by the Issuer, the Issuer may deposit a
37 Reserve Account Credit Facility to replace all or any portion of the monies
38 on deposit in the Series 2013 A Bonds Reserve Account and any monies
39 then on deposit in the Series 2013 A Bonds Reserve Account, and required
40 to be on deposit therein, shall be returned to the Issuer and used to pay the
41 costs of delivering such Reserve Account Credit Facility and/or to pay the
42 costs of design, acquisition, construction and equipping of capital

1 additions, betterments and improvements for the System. The term
2 “Reserve Account Credit Facility” shall mean any municipal bond debt
3 service reserve insurance policy, surety bond, letter of credit or similar
4 financial instrument that the Issuer deposits with the Commission and
5 pledges to the Series 2013 A Bonds Reserve Account.
6

7 (1) Any such Reserve Account Credit Facility shall be payable to the
8 Commission as beneficiary for the Registered Owners of the Series 2013
9 A Bonds, shall have a term of no less than one (1) year and shall be payable
10 (upon the giving of such notice as may be required thereunder) (i) on any
11 date on which moneys are required to be withdrawn from the Series 2013
12 A Bonds Reserve Account due to insufficient amounts in the applicable
13 funds and accounts held by the Commission with respect to the Series
14 2013 A Bonds when needed to pay debt service on such Bonds or (ii) on a
15 date not more than ten (10) days prior to the expiration date of the Reserve
16 Account Credit Facility in the event the Issuer has not satisfied any of the
17 requirements for a Reserve Account Credit Facility for which the
18 expiration date is not coterminous with the Series 2013 A Bonds set forth
19 in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated
20 expiration date of such Reserve Account Credit Facility for any Reserve
21 Account Credit Facility that is not conterminous with the final maturity
22 date of the Series 2013 A Bonds, the Issuer shall either (i) provide for
23 delivery of a replacement Reserve Account Credit Facility which satisfies
24 the requirements of this Section 4.05, (ii) deliver an extension of the
25 Reserve Account Credit Facility for a term of not less than one (1) year,
26 or (iii) deposit cash in the Series 2013 A Bonds Reserve Account in an
27 amount which satisfied the requirements of this Section 4.05. Upon
28 delivery of a replacement Reserve Account Credit Facility, the
29 Commission shall deliver the then-effective Reserve Account Credit
30 Facility to, or at the direction of, the Issuer.
31

32 (2) In the event the Commission draws upon a Reserve Account
33 Credit Facility, the Issuer shall pay to the provider thereof, from the
34 Revenue Fund in accordance with the priority for funding of all reserve
35 accounts from Net Revenue set forth in Section 4.03 hereof, all principal
36 and interest and expenses payable thereto under the terms of the applicable
37 Reserve Account Credit Facility. This Bond Ordinance shall not be
38 terminated until all such amounts are paid in full.
39

40 (3) The Commission shall maintain adequate records of (i) the amount
41 available to be drawn at any time under any Reserve Account Credit
42 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 Requirements.

Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section 6.16 in the Bond Ordinance as set forth below:

Section 6.16. 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

1 of the actual number of days elapsed over a year of 360 days. In the event
2 JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate
3 shall be the publicly announced prime or base lending rate of such bank, banking
4 association or trust company bank as the Reserve Insurer in its sole and absolute
5 discretion shall specify.
6

7 Repayment of draws and payment of expenses and accrued interest
8 thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall
9 commence in the first month following each draw, and each such monthly
10 payment shall be in an amount at least equal to 1/12 of the aggregate of
11 Policy Costs related to such draw.
12

13 Amounts in respect of Policy Costs paid to the Reserve Insurer shall be
14 credited first to interest due, then to the expenses due and then to principal
15 due. As and to the extent that payments are made to the Reserve Insurer
16 on account of principal due, the coverage under the Reserve Policy will be
17 increased by a like amount, subject to the terms of the Reserve Policy.
18

19 All cash and investments in the Series 2013 A Bonds Reserve Account and
20 all other available amounts in any funds available to pay debt service on
21 the Bonds shall be transferred to the respective Series 2013 A Bonds
22 Sinking Fund for payment of the debt service on the applicable Series 2013
23 A Bonds before any drawing may be made on the Reserve Policy or any
24 other credit facility on deposit in the Series 2013 A Bonds Reserve
25 Account in lieu of cash (“Reserve Fund Credit Instrument”)~~Reserve~~
26 ~~Account Credit Facility.~~
27

28 Payment of any Policy Cost shall be made prior to replenishment of any
29 cash amounts. Draws on all Reserve ~~Fund Credit Instruments~~~~Account~~
30 ~~Credit Facility~~ (including the Reserve Policy) on which there is available
31 coverage shall be made on a pro-rata basis (calculated by reference to the
32 coverage then available thereunder) after applying all available cash and
33 investments in the Series 2013 A Bonds Reserve Account. Payment of
34 Policy Costs and reimbursement of amounts with respect to other Reserve
35 Fund Credit Instruments~~Account~~ ~~Credit Facility~~ shall be made on a pro-
36 rata basis prior to replenishment of any cash drawn from the Series 2013
37 A Bonds Reserve Account. For the avoidance of doubt, “available
38 coverage” means the coverage then available for disbursement pursuant to
39 the terms of the applicable Reserve Fund Credit Instrument~~Account~~ ~~Credit~~
40 ~~Facility~~ without regard to the legal or financial ability or willingness of the
41 provider of such instrument to honor a claim or draw thereon or the failure
42 of such provider to honor any such claim or draw.

1
2 The Policy Limit shall automatically and irrevocably be reduced from time
3 to time by the amount of each reduction in the reserve requirement of the
4 Series 2013 A Bonds, if any.
5

6 (b) Draws under the Reserve Policy may only be used to make payments on
7 Series 2013 A Bonds covered under the Reserve Policy.
8

9 (c) If the Issuer shall fail to pay any Policy Costs in accordance with the
10 requirements of paragraph (a) above, the Reserve Insurer shall be entitled to
11 exercise any and all legal and equitable remedies available to it, including those
12 provided under this Bond Ordinance, Loan Agreement, or any other document
13 executed in connection with the Series 2013 A Bonds (collectively, the “Security
14 Documents”).
15

16 (d) The Security Documents shall not be discharged until all Policy Costs
17 owing to the Reserve Insurer shall have been paid in full. The Issuer’s obligation
18 to pay such amount shall expressly survive payment in full of the Series 2013 A
19 Bonds.
20

21 (e) The Reserve Policy shall expire and terminate in accordance with the
22 terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.
23

24 (f) Any amendment, supplement, modification to, or waiver of any of the
25 Security Documents that requires the consent of the Registered Owners of the
26 Bonds or adversely affects the rights or interest of the Reserve Insurer shall be
27 subject to the prior written consent of the Reserve Insurer.
28

29 (g) The Reserve Insurer is recognized as and shall be deemed to be a third
30 party beneficiary of the Security Documents and may enforce the provisions of
31 the Security Documents as if it were a party thereto.
32

33 (h) Policy Costs due and owing shall be included in debt service requirements
34 for purposes of calculation of the additional bonds test and the rate covenant in
35 the Security Documents.
36

37 (i) The Commission shall ascertain the necessity for a claim upon the Reserve
38 Policy in accordance with the provisions of paragraph (a) hereof and shall provide
39 notice to the Reserve Insurer in accordance with the terms of the Reserve Policy
40 at least five business days prior to each date upon which interest or principal is
41 due on the Series 2013 A Bonds and a draw on the Reserve Policy is anticipated

1 to make such payment. Where deposits are required to be made by the Issuer with
2 the Commission to the debt service fund for the respective Series 2013 A Bonds
3 more often than semi-annually, the Commission shall give notice to the Reserve
4 Insurer of any failure of the Issuer to make timely payment in full of such deposits
5 within two business days of the date due.
6

7 (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve
8 Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities
9 and expenses that the Reserve Insurer may pay or incur, including, but not limited
10 to, fees and expenses of the Reserve Insurer’s agents, attorneys, accountants,
11 consultants, appraisers and auditors and reasonable costs of investigations, in
12 connection with the administration (including waivers and consents, if any),
13 enforcement, defense, exercise or preservation of any rights and remedies in
14 respect of this Bond Ordinance or any other Security Document (“Administrative
15 Expenses”). For purposes of the foregoing, costs and expenses shall include a
16 reasonable allocation of compensation and overhead attributable to the time of
17 employees of the Reserve Insurer spent in connection with the actions described
18 in the preceding sentence. The Issuer agrees that failure to pay any Administrative
19 Expenses on a timely basis will result in the accrual of interest on the unpaid
20 amount at the Late Payment Rate, compounded semi-annually, from the date that
21 payment is first due to the Reserve Insurer until the date the Reserve Insurer is
22 paid in full.
23

24 (k) Payments made by the Reserve Insurer under the Reserve Policy with
25 respect to claims for interest on or principal of the Series 2013 A Bonds shall not
26 discharge the obligation of the Issuer with respect to such Series 2013 A Bonds,
27 and BAM shall become the owner of such unpaid Series 2013 A Bonds and claims
28 for the interest thereon. The Issuer and the Commission recognize and agree that
29 to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by
30 paying through the Paying Agent), on account of principal of or interest on the
31 Series 2013 A Bonds, the Reserve Insurer will be subrogated to the rights of such
32 holders to receive the amount of such principal and interest from the Issuer, with
33 interest thereon.
34

35 (l) In order to secure the Issuer’s payment obligations with respect to Policy
36 Cost, there is hereby granted and perfected in favor of the Reserve Insurer a
37 security interest (subordinate only to that of the owners of the Series 2013 A
38 Bonds ~~and all bonds issued on a parity therewith, including the Prior Bonds and~~
39 ~~all subsequently issued additional parity bonds~~) in all revenues and collateral
40 pledged as security for the Series 2013 A Bonds. Policy Costs shall be paid to the
41 Reserve Insurer immediately following the payment of principal of and interest
42 on the Series 2013 A Bonds and all Parity Bonds, including following the

1 occurrence of a default or event of default.

2
3 (m) Notice and Other Information to be given to the Reserve Insurer.

4
5 (1) The Issuer will provide the Reserve Insurer with all notices and other
6 information it is obligated to provide (i) under its Continuing Disclosure
7 Agreement and (ii) to the Registered Owners of the Series 2013 A Bonds under
8 the Security Documents.

9
10 (2) In addition, the Issuer shall provide the Reserve Insurer with the following
11 notices and other information: (i) notice of any draw upon a Series 2013 A Bonds
12 Reserve Account within two (2) business days after knowledge thereof, other than
13 in connection with withdrawals of amounts in excess of the Series 2013 A Bonds
14 Reserve Requirement; and (ii) prior written notice of the advance refunding or
15 redemption of any of the Series 2013 A Bonds, including the principal amount,
16 maturities and CUSIP numbers thereof, if any.

17
18 (3) The Reserve Insurer shall be entitled to receive such additional information
19 as it may reasonably request.

20
21 (4) The notice address of Reserve Insurer is:

22
23 Build America Mutual Assurance Company
24 28 Liberty Street, 59th Floor
25 New York, NY 10005
26 Attention: Surveillance, Re: Policy No. _____
27 Telephone: (212) 235-2500
28 Telecopier: (212) 962-1710235-1542
29 Email: notices@buildamerica.com
30

31 In each case in which notice or other communication refers to an event of default or
32 a claim on the Reserve Policy, then a copy of such notice or other communication
33 shall also be sent to the attention of the General Counsel at the same address and at
34 claims@buildamerica.com or at Telecopier: (212) 962-1624235-5214 and shall be
35 marked to indicate "URGENT MATERIAL ENCLOSED."

36
37 Section 4. The Issuer hereby accepts, approves and ratifies the Series 2013 A Bonds Debt
38 Service Reserve Insurance Commitment and the form of the Series 2013 A Bonds Debt Service Reserve
39 Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby
40 authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to
41 consummate the transactions contemplated therein, specifically including, but not limited to, (i) the

1 purchase, and pledge to the Series 2013 A Bonds Reserve Account, of the Series 2013 A Bonds Debt
2 Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the
3 Series 2013 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions
4 authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium
5 for the Series 2013 A Bonds Debt Service Reserve Insurance Policy.
6

7 Section 5. The Issuer shall use any funds released from the Series 2013 A Bonds Reserve
8 Account as a result of pledging the Series 2013 A Bonds Debt Reserve Insurance Policy thereto for (i)
9 paying costs associated with obtaining the Series 2013 A Bonds Debt Service Reserve Insurance Policy,
10 specifically including, but not limited to, the premium paid to BAM for the Series 2013 A Bonds Debt
11 Service Reserve Insurance Policy; (ii) paying costs of the Issuer’s Magazine Branch Project and to the
12 extent additional funds are available (and (iii) paying costs of design, acquisition, construction and
13 equipping of additions, betterments, and/or improvements to the System. Funds released from the Series
14 2013 A Bonds Reserve Account in the amount required to fully fund that Reserve Account shall be
15 deposited into the Series 2026 A Bonds Project Account held at the Commission and expended within one
16 and one half years. Any remaining balance in the Series 2013 A Bonds Reserve Account shall be transferred
17 to the Issuer. All funds released from the Series 2013 A Bonds Reserve Account shall be deposited into the
18 [Series 2026 A Bonds Project Account/The Sanitary Board of The City of Charleston West Virginia] and
19 expended within one and one half years of such funds being received by the Issuer.
20

21 Section 6. The Mayor and City Clerk, and all other appropriate officers, employees and
22 agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and
23 necessary to cause to occur the actions provided for in this Second Supplemental Resolution, and no further
24 authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such
25 further assurance and do such further acts as may be legally required.
26

27 Section 7. This Second Supplemental Resolution shall be effective immediately following
28 adoption hereof.
29

30 [Remainder of Page Intentionally Left Blank]

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: _____, 2026.

[SEAL]

City Clerk

DRAFT 6.30.2026

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment

(see attached)

1 Resolution No.26-080 _____

2

3

4 Introduced in Council:

Adopted by Council:

5

6 July 6, 2026 _____

7

8 Introduced by:

9

10 Joseph Jenkins _____

11

12

13

14 A resolution supplementing Ordinance No. 7490, passed by the Council of The City of Charleston, West
15 Virginia, on September 11, 2011; which supplemented Ordinance No. 4423 passed by the Council of The
16 City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by
17 the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by
18 Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the
19 Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by
20 Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the
21 Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by
22 Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the
23 Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005; authorizing
24 the design, acquisition and construction of certain extensions, additions, betterments and improvements to
25 the existing sewerage system of The City of Charleston; authorizing the issuance of \$25,877,009 in
26 aggregate principal amount of Sewerage System Revenue Bonds, Series 2011 A, of The City of Charleston,
27 the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of
28 Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such
29 design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in
30 connection therewith; providing for the rights and remedies of and security for the registered owners of
31 such bonds; and adopting other provisions related thereto.

32

33 WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly
34 passed a Bond Ordinance on September 6, 2011, effective September 19, 2011, as amended and modified
35 by a Supplemental Resolution, duly and officially adopted on December 5, 2011 (collectively, the "Bond
36 Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds,
37 Series 2011 A (West Virginia CWSRF Program), in the total aggregate principal amount of \$25,877,009
38 (the "Series 2011 A Bonds");

39

40 WHEREAS, the Bond Ordinance provides that the Series 2011 A Bonds are sewer revenue
41 bonds issued pursuant to West Virginia Code 16-13-1 *et seq.*, (the "Act") for the benefit of the Issuer's
42 sewerage treatment and collection system (the "Sewer System") and, in the case of the Series 2011 A Bonds,
43 secured by the Net Revenues of the Sewer System;

44

1 WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2011 A Bonds
2 (the “Series 2011 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission
3 (the “Bond Commission”) to secure the payment of the principal of, and interest on, the Series 2011 A
4 Bonds, respectively;
5

6 WHEREAS, the Bond Ordinance provides that the Series 2011 A Bonds Reserve Account may
7 be funded with a municipal bond debt service reserve insurance policy (a “Debt Service Reserve Insurance
8 Policy”), or surety bond, letter of credit or similar financial instrument (each known as a “Reserve Fund
9 Credit Instrument”), in an amount either equal to, or lesser than, the respective reserve requirements for the
10 Series 2011 A Bonds;
11

12 WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt
13 Service Reserve Insurance Policy to the Series 2011 A Bonds Reserve Account (i) is a more financially
14 advantageous method to satisfy the Series 2011 A Bonds Reserve Requirement; and (ii) will allow the
15 monies currently on deposit in the Series 2011 A Bonds Reserve Account, if any, which remain after the
16 payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses
17 related thereto, to be used for the design, acquisition, construction and equipping of capital additions,
18 betterments and improvements for the System;
19

20 WHEREAS, Build America Mutual Assurance Company (“BAM”) has agreed to provide to the
21 Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2011 A Bonds,
22 substantially in the form attached hereto as “Exhibit A” and incorporated herein by reference (the “Series
23 2011 A Bonds Debt Service Reserve Insurance Commitment”), whereby BAM agrees, subject to certain
24 conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2011 A
25 Bonds Debt Service Reserve Account in an amount equal to the respective Series 2011 A Bonds Reserve
26 Requirement (the “Series 2011 A Bonds Debt Service Reserve Insurance Policy”);
27

28 WHEREAS, the Series 2011 A Bonds Debt Service Reserve Insurance Commitment includes a
29 form of “Debt Service Reserve Agreement” by and between the Issuer and BAM (the “Series 2011 A Bonds
30 Debt Service Reserve Agreement”) which provides, in part, that any payments made, or Policy Costs
31 incurred, by BAM pursuant to the Series 2011 A Bonds Debt Service Reserve Insurance Policy shall be
32 repaid to BAM by the Issuer pursuant to the terms of the Series 2011 A Bonds Debt Service Reserve
33 Agreement;
34

35 WHEREAS, the West Virginia Water Development Authority (the “WDA”) on behalf of the
36 West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered
37 Owner of, the Series 2011 A Bonds;
38

39 WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered
40 Owners of the Series 2011 A Bonds to amendment or modification of the Bond Ordinance is required prior
41 to any such amendment or modification;
42

43 WHEREAS, the WDA, as sole Registered Owner of the Series 2011 A Bonds, has agreed to the
44 amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance

1 Policy and a pledge of the Series 2011 A Bonds Debt Service Reserve Insurance Policy to fund the Series
2 2011 A Bonds Reserve Account as provided in this Second Supplemental Resolution;

3
4 WHEREAS, the Issuer desires to purchase, and pledge to the Series 2011 A Bonds Reserve
5 Account, the Series 2011 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective
6 Reserve Requirements for the Series 2011 A Bonds, and for the monies on deposit in the Series 2011 A
7 Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and

8
9 WHEREAS, the Governing Body deems it essential and desirable that this Second
10 Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth
11 below.

12
13 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF
14 CHARLESTON:

15
16
17 Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section
18 4.05 in the Bond Ordinance as set forth below:

19
20 Section 4.05. Reserve Fund Credit Instrument. In lieu of or in addition
21 to cash or investments, at any time the Issuer may, with the prior written
22 consent of the Registered Owners of the Series 2011 A Bonds, cause to be
23 deposited with the Commission and pledged to the Series 2011 A Bonds
24 Reserve Account any form of Reserve Fund Credit Instrument, in the
25 amount of the Series 2011 A Bonds Reserve Requirements, or as such
26 lesser amount, irrevocably payable to the Commission as beneficiary for
27 the Registered Owners of the Series 2011 A Bonds. In the event the Series
28 2011 A Bonds Reserve Account is initially funded, in whole or in part,
29 with proceeds of the Series 2011 A Bonds, or from monthly payments
30 from Net Revenues of the System by the Issuer, the Issuer may deposit a
31 Reserve Fund Credit Instrument to replace all or any portion of the monies
32 on deposit in the Series 2011 A Bonds Reserve Account and any monies
33 then on deposit in the Series 2011 A Bonds Reserve Account, and required
34 to be on deposit therein, shall be returned to the Issuer and used to pay the
35 costs of delivering such Reserve Fund Credit Instrument and/or to pay the
36 costs of design, acquisition, construction and equipping of capital
37 additions, betterments and improvements for the System. The term
38 “Reserve Fund Credit Instrument” shall mean any municipal bond debt
39 service reserve insurance policy, surety bond, letter of credit or similar
40 financial instrument that the Issuer deposits with the Commission and
41 pledges to the Series 2011 A Bonds Reserve Account.

42
43 (1) Any such Reserve Fund Credit Instrument shall be payable to the
44 Commission as beneficiary for the Registered Owners of the Series 2011

1 A Bonds, shall have a term of no less than one (1) year and shall be payable
2 (upon the giving of such notice as may be required thereunder) (i) on any
3 date on which moneys are required to be withdrawn from the Series 2011
4 A Bonds Reserve Account due to insufficient amounts in the applicable
5 funds and accounts held by the Commission with respect to the Series
6 2011 A Bonds when needed to pay debt service on such Bonds or (ii) on a
7 date not more than ten (10) days prior to the expiration date of the Reserve
8 Fund Credit Instrument in the event the Issuer has not satisfied any of the
9 requirements for a Reserve Fund Credit Instrument for which the
10 expiration date is not coterminous with the Series 2011 A Bonds set forth
11 in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated
12 expiration date of such Reserve Fund Credit Instrument for any Reserve
13 Fund Credit Instrument that is not conterminous with the final maturity
14 date of the Series 2011 A Bonds, the Issuer shall either (i) provide for
15 delivery of a replacement Reserve Fund Credit Instrument which satisfies
16 the requirements of this Section 4.05, (ii) deliver an extension of the
17 Reserve Fund Credit Instrument for a term of not less than one (1) year, or
18 (iii) deposit cash in the Series 2011 A Bonds Reserve Account in an
19 amount which satisfied the requirements of this Section 4.05. Upon
20 delivery of a replacement Reserve Fund Credit Instrument, the
21 Commission shall deliver the then-effective Reserve Fund Credit
22 Instrument to, or at the direction of, the Issuer.

23
24 (2) In the event the Commission draws upon a Reserve Fund Credit
25 Instrument, the Issuer shall pay to the provider thereof, from the Revenue
26 Fund in accordance with the priority for funding of all reserve accounts
27 from Net Revenue set forth in Section 4.03 hereof, all principal and
28 interest and expenses payable thereto under the terms of the applicable
29 Reserve Fund Credit Instrument. This Bond Ordinance shall not be
30 terminated until all such amounts are paid in full.

31
32 (3) The Commission shall maintain adequate records of (i) the amount
33 available to be drawn at any time under any Reserve Fund Credit
34 Instrument; and (ii) the amounts paid and payable by the Issuer to the
35 provider thereof.

36
37 (4) In the event the Series 2011 A Bonds Reserve Account is, at any time,
38 only partially funded by a Reserve Fund Credit Instrument and the
39 Commission is required to withdraw any monies from the Series 2011 A
40 Bonds Reserve Account, the Commission shall (i) first disburse any cash
41 or investments in the Series 2011 A Bonds Reserve Account until such
42 cash or investments are exhausted and, thereafter, draw on said Reserve
43 Fund Credit Instrument, and (ii) reimburse the provider of said Reserve
44 Fund Credit Instrument an amount equal to the aggregate amount drawn

1 on such Reserve Fund Credit Instrument (including any interest accrued
2 on any amount drawn under said Reserve Fund Credit Instrument) before
3 replenishing the cash or investments in order to restore said Series 2011 A
4 Bonds Reserve Account to the Series 2011 A Bonds Reserve
5 Requirements.
6

7 Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section
8 6.16 in the Bond Ordinance as set forth below:
9

10 Section 6.16. Provisions related to Build America Mutual
11 Assurance Company Municipal Bond Debt Service Reserve
12 Insurance Policy.
13

14 With respect to the Municipal Bond Debt Service Reserve Insurance
15 Policy, notwithstanding anything to the contrary set forth in this Bond
16 Ordinance the Issuer agrees to comply, and hereby authorizes and instructs
17 the Commission, as Paying Agent, to comply with the following
18 provisions:
19

20 (a) The Issuer shall repay any draws under the Municipal Bond Debt Service
21 Reserve Insurance Policy (the “Reserve Policy”) and pay all related reasonable
22 expenses incurred by BAM (the “Reserve Insurer”). Interest shall accrue and be
23 payable on such draws and expenses from the date of payment by the Reserve
24 Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (A)
25 the greater of (i) the per annum rate of interest, publicly announced from time to
26 time by JPMorgan Chase Bank at its principal office in the City of New York, as
27 its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to
28 be effective on the date such changes are announced by JPMorgan Chase Bank)
29 plus 5%, and (ii) the then applicable highest rate of interest on the Series 2011 A
30 Bonds, and (B) the maximum rate permissible under applicable usury or similar
31 laws limiting interest rates. The Late Payment Rate shall be computed on the basis
32 of the actual number of days elapsed over a year of 360 days. In the event
33 JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate
34 shall be the publicly announced prime or base lending rate of such bank, banking
35 association or trust company bank as the Reserve Insurer in its sole and absolute
36 discretion shall specify.
37

38 Repayment of draws and payment of expenses and accrued interest
39 thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall
40 commence in the first month following each draw, and each such monthly
41 payment shall be in an amount at least equal to 1/12 of the aggregate of
42 Policy Costs related to such draw.
43

1 Amounts in respect of Policy Costs paid to the Reserve Insurer shall be
2 credited first to interest due, then to the expenses due and then to principal
3 due. As and to the extent that payments are made to the Reserve Insurer
4 on account of principal due, the coverage under the Reserve Policy will be
5 increased by a like amount, subject to the terms of the Reserve Policy.
6

7 All cash and investments in the Series 2011 A Bonds Reserve Account and
8 all other available amounts in any funds available to pay debt service on
9 the Bonds shall be transferred to the respective Series 2011 A Bonds
10 Sinking Fund for payment of the debt service on the applicable Series 2011
11 A Bonds before any drawing may be made on the Reserve Policy or any
12 other credit facility on deposit in the Series 2011 A Bonds Reserve
13 Account in lieu of cash (“Reserve Fund Credit Instrument”).
14

15 Payment of any Policy Cost shall be made prior to replenishment of any
16 cash amounts. Draws on all Reserve Fund Credit Instruments (including
17 the Reserve Policy) on which there is available coverage shall be made on
18 a pro-rata basis (calculated by reference to the coverage then available
19 thereunder) after applying all available cash and investments in the Series
20 2011 A Bonds Reserve Account. Payment of Policy Costs and
21 reimbursement of amounts with respect to other Reserve Fund Credit
22 Instruments shall be made on a pro-rata basis prior to replenishment of any
23 cash drawn from the Series 2011 A Bonds Reserve Account. For the
24 avoidance of doubt, “available coverage” means the coverage then
25 available for disbursement pursuant to the terms of the applicable Reserve
26 Fund Credit Instrument without regard to the legal or financial ability or
27 willingness of the provider of such instrument to honor a claim or draw
28 thereon or the failure of such provider to honor any such claim or draw.
29

30 The Policy Limit shall automatically and irrevocably be reduced from time
31 to time by the amount of each reduction in the reserve requirement of the
32 Series 2011 A Bonds, if any.
33

34 (b) Draws under the Reserve Policy may only be used to make payments on
35 Series 2011 A Bonds covered under the Reserve Policy.
36

37 (c) If the Issuer shall fail to pay any Policy Costs in accordance with the
38 requirements of paragraph (a) above, the Reserve Insurer shall be entitled to
39 exercise any and all legal and equitable remedies available to it, including those
40 provided under this Bond Ordinance, Loan Agreement, or any other document
41 executed in connection with the Series 2011 A Bonds (collectively, the “Security
42 Documents”).
43

1 (d) The Security Documents shall not be discharged until all Policy Costs
2 owing to the Reserve Insurer shall have been paid in full. The Issuer’s obligation
3 to pay such amount shall expressly survive payment in full of the Series 2011 A
4 Bonds.

5
6 (e) The Reserve Policy shall expire and terminate in accordance with the
7 terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.
8

9 (f) Any amendment, supplement, modification to, or waiver of any of the
10 Security Documents that requires the consent of the Registered Owners of the
11 Bonds or adversely affects the rights or interest of the Reserve Insurer shall be
12 subject to the prior written consent of the Reserve Insurer.
13

14 (g) The Reserve Insurer is recognized as and shall be deemed to be a third
15 party beneficiary of the Security Documents and may enforce the provisions of
16 the Security Documents as if it were a party thereto.
17

18 (h) Policy Costs due and owing shall be included in debt service requirements
19 for purposes of calculation of the additional bonds test and the rate covenant in
20 the Security Documents.
21

22 (i) The Commission shall ascertain the necessity for a claim upon the Reserve
23 Policy in accordance with the provisions of paragraph (a) hereof and shall provide
24 notice to the Reserve Insurer in accordance with the terms of the Reserve Policy
25 at least five business days prior to each date upon which interest or principal is
26 due on the Series 2011 A Bonds and a draw on the Reserve Policy is anticipated
27 to make such payment. Where deposits are required to be made by the Issuer with
28 the Commission to the debt service fund for the respective Series 2011 A Bonds
29 more often than semi-annually, the Commission shall give notice to the Reserve
30 Insurer of any failure of the Issuer to make timely payment in full of such deposits
31 within two business days of the date due.
32

33 (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve
34 Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities
35 and expenses that the Reserve Insurer may pay or incur, including, but not limited
36 to, fees and expenses of the Reserve Insurer’s agents, attorneys, accountants,
37 consultants, appraisers and auditors and reasonable costs of investigations, in
38 connection with the administration (including waivers and consents, if any),
39 enforcement, defense, exercise or preservation of any rights and remedies in
40 respect of this Bond Ordinance or any other Security Document (“Administrative
41 Expenses”). For purposes of the foregoing, costs and expenses shall include a
42 reasonable allocation of compensation and overhead attributable to the time of
43 employees of the Reserve Insurer spent in connection with the actions described

1 in the preceding sentence. The Issuer agrees that failure to pay any Administrative
2 Expenses on a timely basis will result in the accrual of interest on the unpaid
3 amount at the Late Payment Rate, compounded semi-annually, from the date that
4 payment is first due to the Reserve Insurer until the date the Reserve Insurer is
5 paid in full.
6

7 (k) Payments made by the Reserve Insurer under the Reserve Policy with
8 respect to claims for interest on or principal of the Series 2011 A Bonds shall not
9 discharge the obligation of the Issuer with respect to such Series 2011 A Bonds,
10 and BAM shall become the owner of such unpaid Series 2011 A Bonds and claims
11 for the interest thereon. The Issuer and the Commission recognize and agree that
12 to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by
13 paying through the Paying Agent), on account of principal of or interest on the
14 Series 2011 A Bonds, the Reserve Insurer will be subrogated to the rights of such
15 holders to receive the amount of such principal and interest from the Issuer, with
16 interest thereon.
17

18 (l) In order to secure the Issuer's payment obligations with respect to Policy
19 Cost, there is hereby granted and perfected in favor of the Reserve Insurer a
20 security interest (subordinate only to that of the owners of the Series 2011 A
21 Bonds) in all revenues and collateral pledged as security for the Series 2011 A
22 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following
23 the payment of principal of and interest on the Series 2011 A Bonds and all Parity
24 Bonds, including following the occurrence of a default or event of default.
25

26 (m) Notice and Other Information to be given to the Reserve Insurer.
27

28 (1) The Issuer will provide the Reserve Insurer with all notices and other
29 information it is obligated to provide (i) under its Continuing Disclosure
30 Agreement and (ii) to the Registered Owners of the Series 2011 A Bonds under
31 the Security Documents.
32

33 (2) In addition, the Issuer shall provide the Reserve Insurer with the following
34 notices and other information: (i) notice of any draw upon a Series 2011 A Bonds
35 Reserve Account within two (2) business days after knowledge thereof, other than
36 in connection with withdrawals of amounts in excess of the Series 2011 A Bonds
37 Reserve Requirement; and (ii) prior written notice of the advance refunding or
38 redemption of any of the Series 2011 A Bonds, including the principal amount,
39 maturities and CUSIP numbers thereof, if any.
40

41 (3) The Reserve Insurer shall be entitled to receive such additional information
42 as it may reasonably request.
43

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company
28 Liberty Street, 59th Floor
New York, NY 10005
Attention: Surveillance, Re: Policy No. _____
Telephone: (212) 235-2500
Telecopier: (212) 962-1710
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) 962-1624 and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

Section 4. 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 and City Clerk 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, if any; and (iii) the payment of the costs associated with actions authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2011 A Bonds Debt Service Reserve Insurance Policy.

Section 5. 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; (ii) paying costs of the Issuer’s Magazine Branch Project and to the extent additional funds are available (iii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. Funds released from the Series 2011 A Bonds Reserve Account in the amount required to fully fund that Reserve Account shall be deposited into the Series 2026 A Bonds Project Account held at the Commission and expended within one and one half years. Any remaining balance in the Series 2011 A Bonds Reserve Account shall be transferred to the Issuer.

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: _____, 2026.

[SEAL]

City Clerk

DRAFT 6.30.2026

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment

(see attached)

1 Resolution No. _____

2

3

4 Introduced in Council:

Adopted by Council:

5

6

7

8 Introduced by:

9

10

11

12

13

14 A resolution supplementing Ordinance No. 7490, passed by the Council of The City of Charleston, West
15 Virginia, on September 11, 2011; which supplemented Ordinance No. 4423 passed by the Council of The
16 City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by
17 the Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by
18 Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the
19 Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by
20 Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the
21 Council on February 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by
22 Ordinance No. 6948 passed by the Council on November 4, 2002, by Ordinance No. 6977 passed by the
23 Council on May 19, 2003, by Ordinance No. 7132 passed by the Council on March 7, 2005; authorizing
24 the design, acquisition and construction of certain extensions, additions, betterments and improvements to
25 the existing sewerage system of The City of Charleston; authorizing the issuance of \$25,877,009 in
26 aggregate principal amount of Sewerage System Revenue Bonds, Series 2011 A, of The City of Charleston,
27 the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of
28 Charleston which may be lawfully expended for such purposes, to permanently finance the cost of such
29 design, acquisition and construction, to fund reserve accounts for such bonds and to pay other costs in
30 connection therewith; providing for the rights and remedies of and security for the registered owners of
31 such bonds; and adopting other provisions related thereto.

32

33 WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly
34 passed a Bond Ordinance on September 6, 2011, effective September 19, 2011, as amended and modified
35 by a Supplemental Resolution, duly and officially adopted on December 5, 2011 (collectively, the "Bond
36 Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds,
37 Series 2011 A (West Virginia CWSRF Program), in the total aggregate principal amount of \$25,877,009
38 (the "Series 2011 A Bonds");

39

40 WHEREAS, the Bond Ordinance provides that the Series 2011 A Bonds are sewer revenue
41 bonds issued pursuant to West Virginia Code 16-13-1 *et seq.*, (the "Act") for the benefit of the Issuer's
42 sewerage treatment and collection system (the "Sewer System") and, in the case of the Series 2011 A Bonds,
43 secured by the Net Revenues of the Sewer System;

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WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2011 A Bonds (the “Series 2011 A Bonds Reserve Account”) each 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, respectively;

WHEREAS, the Bond Ordinance provides that the Series 2011 A Bonds Reserve Account may be funded with 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 respective reserve requirements for the Series 2011 A Bonds;

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, if any, 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 respective 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 8.1 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;

1 WHEREAS, the WDA, as sole Registered Owner of the Series 2011 A Bonds, has agreed to the
2 amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance
3 Policy and a pledge of the Series 2011 A Bonds Debt Service Reserve Insurance Policy to fund the Series
4 2011 A Bonds Reserve Account as provided in this Second Supplemental Resolution;

5
6 WHEREAS, the Issuer desires to purchase, and pledge to the Series 2011 A Bonds Reserve
7 Account, the Series 2011 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective
8 Reserve Requirements for the Series 2011 A Bonds, and for the monies on deposit in the Series 2011 A
9 Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and

10
11 WHEREAS, the Governing Body deems it essential and desirable that this Second
12 Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth
13 below.

14
15 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF
16 CHARLESTON:

17
18
19 Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section
20 4.05 in the Bond Ordinance as set forth below:

21
22 Section 4.05. Reserve Account Credit Facility. In lieu of or in addition
23 to cash or investments, at any time the Issuer may, with the prior written
24 consent of the Registered Owners of the Series 2011 A Bonds, cause to be
25 deposited with the Commission and pledged to the Series 2011 A Bonds
26 Reserve Account any form of Reserve Account Credit Facility, in the
27 amount of the Series 2011 A Bonds Reserve Requirements, or as such
28 lesser amount, irrevocably payable to the Commission as beneficiary for
29 the Registered Owners of the Series 2011 A Bonds. In the event the Series
30 2011 A Bonds Reserve Account is initially funded, in whole or in part,
31 with proceeds of the Series 2011 A Bonds, or from monthly payments
32 from Net Revenues of the System by the Issuer, the Issuer may deposit a
33 Reserve Account Credit Facility to replace all or any portion of the monies
34 on deposit in the Series 2011 A Bonds Reserve Account and any monies
35 then on deposit in the Series 2011 A Bonds Reserve Account, and required
36 to be on deposit therein, shall be returned to the Issuer and used to pay the
37 costs of delivering such Reserve Account Credit Facility and/or to pay the
38 costs of design, acquisition, construction and equipping of capital
39 additions, betterments and improvements for the System. The term
40 “Reserve Account Credit Facility” shall mean any municipal bond debt
41 service reserve insurance policy, surety bond, letter of credit or similar
42 financial instrument that the Issuer deposits with the Commission and
43 pledges to the Series 2011 A Bonds Reserve Account.

1
2 (1) Any such Reserve Account Credit Facility shall be payable to the
3 Commission as beneficiary for the Registered Owners of the Series 2011
4 A Bonds, shall have a term of no less than one (1) year and shall be payable
5 (upon the giving of such notice as may be required thereunder) (i) on any
6 date on which moneys are required to be withdrawn from the Series 2011
7 A Bonds Reserve Account due to insufficient amounts in the applicable
8 funds and accounts held by the Commission with respect to the Series
9 2011 A Bonds when needed to pay debt service on such Bonds or (ii) on a
10 date not more than ten (10) days prior to the expiration date of the Reserve
11 Account Credit Facility in the event the Issuer has not satisfied any of the
12 requirements for a Reserve Account Credit Facility for which the
13 expiration date is not coterminous with the Series 2011 A Bonds set forth
14 in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated
15 expiration date of such Reserve Account Credit Facility for any Reserve
16 Account Credit Facility that is not conterminous with the final maturity
17 date of the Series 2011 A Bonds, the Issuer shall either (i) provide for
18 delivery of a replacement Reserve Account Credit Facility which satisfies
19 the requirements of this Section 4.05, (ii) deliver an extension of the
20 Reserve Account Credit Facility for a term of not less than one (1) year,
21 or (iii) deposit cash in the Series 2011 A Bonds Reserve Account in an
22 amount which satisfied the requirements of this Section 4.05. Upon
23 delivery of a replacement Reserve Account Credit Facility, the
24 Commission shall deliver the then-effective Reserve Account Credit
25 Facility to, or at the direction of, the Issuer.

26
27 (2) In the event the Commission draws upon a Reserve Account
28 Credit Facility, the Issuer shall pay to the provider thereof, from the
29 Revenue Fund in accordance with the priority for funding of all reserve
30 accounts from Net Revenue set forth in Section 4.03 hereof, all principal
31 and interest and expenses payable thereto under the terms of the applicable
32 Reserve Account Credit Facility. This Bond Ordinance shall not be
33 terminated until all such amounts are paid in full.

34
35 (3) The Commission shall maintain adequate records of (i) the amount
36 available to be drawn at any time under any Reserve Account Credit
37 Facility; and (ii) the amounts paid and payable by the Issuer to the provider
38 thereof.

39
40 (4) In the event the Series 2011 A Bonds Reserve Account is, at any time,
41 only partially funded by a Reserve Account Credit Facility and the
42 Commission is required to withdraw any monies from the Series 2011 A
43 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 Requirements.

Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section 6.16 in the Bond Ordinance as set forth below:

Section 6.16. 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

1 thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall
2 commence in the first month following each draw, and each such monthly
3 payment shall be in an amount at least equal to 1/12 of the aggregate of
4 Policy Costs related to such draw.
5

6 Amounts in respect of Policy Costs paid to the Reserve Insurer shall be
7 credited first to interest due, then to the expenses due and then to principal
8 due. As and to the extent that payments are made to the Reserve Insurer
9 on account of principal due, the coverage under the Reserve Policy will be
10 increased by a like amount, subject to the terms of the Reserve Policy.
11

12 All cash and investments in the Series 2011 A Bonds Reserve Account and
13 all other available amounts in any funds available to pay debt service on
14 the Bonds shall be transferred to the respective Series 2011 A Bonds
15 Sinking Fund for payment of the debt service on the applicable Series 2011
16 A Bonds before any drawing may be made on the Reserve Policy or any
17 other credit facility on deposit in the Series 2011 A Bonds Reserve
18 Account in lieu of cash (“Reserve Fund Credit Instrument”)~~Reserve~~
19 ~~Account Credit Facility~~.
20

21 Payment of any Policy Cost shall be made prior to replenishment of any
22 cash amounts. Draws on all Reserve ~~Fund Credit Instruments Account~~
23 ~~Credit Facility~~ (including the Reserve Policy) on which there is available
24 coverage shall be made on a pro-rata basis (calculated by reference to the
25 coverage then available thereunder) after applying all available cash and
26 investments in the Series 2011 A Bonds Reserve Account. Payment of
27 Policy Costs and reimbursement of amounts with respect to other Reserve
28 ~~Fund Credit Instruments Account Credit Facility~~ shall be made on a pro-
29 rata basis prior to replenishment of any cash drawn from the Series 2011
30 A Bonds Reserve Account. For the avoidance of doubt, “available
31 coverage” means the coverage then available for disbursement pursuant to
32 the terms of the applicable Reserve ~~Fund Credit Instrument Account~~
33 ~~Credit Facility~~ without regard to the legal or financial ability or willingness
34 of the provider of such instrument to honor a claim or draw thereon or the
35 failure of such provider to honor any such claim or draw.
36

37 The Policy Limit shall automatically and irrevocably be reduced from time
38 to time by the amount of each reduction in the reserve requirement of the
39 Series 2011 A Bonds, if any.
40

- 41 (b) Draws under the Reserve Policy may only be used to make payments on
42 Series 2011 A Bonds covered under the Reserve Policy.
43

1 (c) If the Issuer shall fail to pay any Policy Costs in accordance with the
2 requirements of paragraph (a) above, the Reserve Insurer shall be entitled to
3 exercise any and all legal and equitable remedies available to it, including those
4 provided under this Bond Ordinance, Loan Agreement, or any other document
5 executed in connection with the Series 2011 A Bonds (collectively, the “Security
6 Documents”).
7

8 (d) The Security Documents shall not be discharged until all Policy Costs
9 owing to the Reserve Insurer shall have been paid in full. The Issuer’s obligation
10 to pay such amount shall expressly survive payment in full of the Series 2011 A
11 Bonds.
12

13 (e) The Reserve Policy shall expire and terminate in accordance with the
14 terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.
15

16 (f) Any amendment, supplement, modification to, or waiver of any of the
17 Security Documents that requires the consent of the Registered Owners of the
18 Bonds or adversely affects the rights or interest of the Reserve Insurer shall be
19 subject to the prior written consent of the Reserve Insurer.
20

21 (g) The Reserve Insurer is recognized as and shall be deemed to be a third
22 party beneficiary of the Security Documents and may enforce the provisions of
23 the Security Documents as if it were a party thereto.
24

25 (h) Policy Costs due and owing shall be included in debt service requirements
26 for purposes of calculation of the additional bonds test and the rate covenant in
27 the Security Documents.
28

29 (i) The Commission shall ascertain the necessity for a claim upon the Reserve
30 Policy in accordance with the provisions of paragraph (a) hereof and shall provide
31 notice to the Reserve Insurer in accordance with the terms of the Reserve Policy
32 at least five business days prior to each date upon which interest or principal is
33 due on the Series 2011 A Bonds and a draw on the Reserve Policy is anticipated
34 to make such payment. Where deposits are required to be made by the Issuer with
35 the Commission to the debt service fund for the respective Series 2011 A Bonds
36 more often than semi-annually, the Commission shall give notice to the Reserve
37 Insurer of any failure of the Issuer to make timely payment in full of such deposits
38 within two business days of the date due.
39

40 (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve
41 Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities
42 and expenses that the Reserve Insurer may pay or incur, including, but not limited

1 to, fees and expenses of the Reserve Insurer’s agents, attorneys, accountants,
2 consultants, appraisers and auditors and reasonable costs of investigations, in
3 connection with the administration (including waivers and consents, if any),
4 enforcement, defense, exercise or preservation of any rights and remedies in
5 respect of this Bond Ordinance or any other Security Document (“Administrative
6 Expenses”). For purposes of the foregoing, costs and expenses shall include a
7 reasonable allocation of compensation and overhead attributable to the time of
8 employees of the Reserve Insurer spent in connection with the actions described
9 in the preceding sentence. The Issuer agrees that failure to pay any Administrative
10 Expenses on a timely basis will result in the accrual of interest on the unpaid
11 amount at the Late Payment Rate, compounded semi-annually, from the date that
12 payment is first due to the Reserve Insurer until the date the Reserve Insurer is
13 paid in full.
14

15 (k) Payments made by the Reserve Insurer under the Reserve Policy with
16 respect to claims for interest on or principal of the Series 2011 A Bonds shall not
17 discharge the obligation of the Issuer with respect to such Series 2011 A Bonds,
18 and BAM shall become the owner of such unpaid Series 2011 A Bonds and claims
19 for the interest thereon. The Issuer and the Commission recognize and agree that
20 to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by
21 paying through the Paying Agent), on account of principal of or interest on the
22 Series 2011 A Bonds, the Reserve Insurer will be subrogated to the rights of such
23 holders to receive the amount of such principal and interest from the Issuer, with
24 interest thereon.
25

26 (l) In order to secure the Issuer’s payment obligations with respect to Policy
27 Cost, there is hereby granted and perfected in favor of the Reserve Insurer a
28 security interest (subordinate only to that of the owners of the Series 2011 A
29 Bonds ~~and all bonds issued on a parity therewith, including the Prior Bonds and~~
30 ~~all subsequently issued additional parity bonds~~) in all revenues and collateral
31 pledged as security for the Series 2011 A Bonds. Policy Costs shall be paid to the
32 Reserve Insurer immediately following the payment of principal of and interest
33 on the Series 2011 A Bonds and all Parity Bonds, including following the
34 occurrence of a default or event of default.
35

36 (m) Notice and Other Information to be given to the Reserve Insurer.
37

38 (1) The Issuer will provide the Reserve Insurer with all notices and other
39 information it is obligated to provide (i) under its Continuing Disclosure
40 Agreement and (ii) to the Registered Owners of the Series 2011 A Bonds under
41 the Security Documents.
42

43 (2) In addition, the Issuer shall provide the Reserve Insurer with the following

1 notices and other information: (i) notice of any draw upon a Series 2011 A Bonds
2 Reserve Account within two (2) business days after knowledge thereof, other than
3 in connection with withdrawals of amounts in excess of the Series 2011 A Bonds
4 Reserve Requirement; and (ii) prior written notice of the advance refunding or
5 redemption of any of the Series 2011 A Bonds, including the principal amount,
6 maturities and CUSIP numbers thereof, if any.
7

8 (3) The Reserve Insurer shall be entitled to receive such additional information
9 as it may reasonably request.
10

11 (4) The notice address of Reserve Insurer is:
12

13 Build America Mutual Assurance Company
14 28 Liberty Street, 59th Floor
15 New York, NY 10005
16 Attention: Surveillance, Re: Policy No. _____
17 Telephone: (212) 235-2500
18 Telecopier: (212) ~~962-1710235-1542~~
19 Email: notices@buildamerica.com
20

21 In each case in which notice or other communication refers to an event of default or
22 a claim on the Reserve Policy, then a copy of such notice or other communication
23 shall also be sent to the attention of the General Counsel at the same address and at
24 claims@buildamerica.com or at Telecopier: (212) ~~962-1624235-5214~~ and shall be
25 marked to indicate “URGENT MATERIAL ENCLOSED.”
26

27 Section 4. The Issuer hereby accepts, approves and ratifies the Series 2011 A Bonds Debt
28 Service Reserve Insurance Commitment and the form of the Series 2011 A Bonds Debt Service Reserve
29 Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby
30 authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to
31 consummate the transactions contemplated therein, specifically including, but not limited to, (i) the
32 purchase, and pledge to the Series 2011 A Bonds Reserve Account, of the Series 2011 A Bonds Debt
33 Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the
34 Series 2011 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions
35 authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium
36 for the Series 2011 A Bonds Debt Service Reserve Insurance Policy.
37

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: _____, 2026.

[SEAL]

City Clerk

DRAFT 6.26.2026

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment

(see attached)

1 Resolution No. 26-081 _____

2

3

4 Introduced in Council:

Adopted by Council:

5

6 July 6, 2026 _____

7

8 Introduced by:

9

10 Joseph Jenkins _____

11

12

13

14 A resolution supplementing Ordinance No. 7132, passed by the Council of The City of Charleston, West
15 Virginia, on May 5, 2005; which supplemented Ordinance No. 4423 passed by the Council of The City of
16 Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the
17 Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance
18 No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on
19 June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No.
20 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February
21 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed
22 by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003;
23 authorizing the design, acquisition and construction of certain extensions, additions, betterments and
24 improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not
25 more than \$42,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, Series 2005 A
26 and Series 2005 B, of The City of Charleston, the proceeds of which, shall be used, along with other funds
27 and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes,
28 to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for
29 such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and
30 security for the registered owners of such bonds; and adopting other provisions related thereto.

31

32 WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly
33 enacted a Bond Ordinance on May 5, 2005, as amended and modified by a Supplemental Resolution, duly
34 and officially adopted on May 5, 2005 (collectively, the "Bond Ordinance"), which provided for the
35 issuance of The City of Charleston Sewerage System Revenue Bonds, Series 2005 A (West Virginia WDA),
36 in the total aggregate principal amount of \$36,617,310 (the "Series 2005 A Bonds");

37

38 WHEREAS, the Bond Ordinance provides that the Series 2005 A Bonds are sewer revenue
39 bonds issued pursuant to West Virginia Code 16-13-1 *et seq.*, (the "Act") for the benefit of the Issuer's
40 sewerage treatment and collection system (the "Sewer System") and, in the case of the Series 2005 A Bonds,
41 secured by the Net Revenues of the Sewer System;

42

43 WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2005 A Bonds
44 (the "Series 2005 A Bonds Reserve Account") each held by the West Virginia Municipal Bond Commission

1 (the “Commission”) to secure the payment of the principal of, and interest on, the Series 2005 A Bonds,
2 respectively;

3
4 WHEREAS, the Bond Ordinance provides that the Series 2005 A Bonds Reserve Account may
5 be funded with a municipal bond debt service reserve insurance policy (a “Debt Service Reserve Insurance
6 Policy”), or surety bond, letter of credit or similar financial instrument (each known as a “Reserve Fund
7 Credit Instrument”), in an amount either equal to, or lesser than, the respective reserve requirements for the
8 Series 2005 A Bonds;

9
10 WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt
11 Service Reserve Insurance Policy to the Series 2005 A Bonds Reserve Account (i) is a more financially
12 advantageous method to satisfy the Series 2005 A Bonds Reserve Requirement; and (ii) will allow the
13 monies currently on deposit in the Series 2005 A Bonds Reserve Account, if any, which remain after the
14 payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses
15 related thereto, to be used for the design, acquisition, construction and equipping of capital additions,
16 betterments and improvements for the System;

17
18 WHEREAS, Build America Mutual Assurance Company (“BAM”) has agreed to provide to the
19 Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2005 A Bonds,
20 substantially in the form attached hereto as “Exhibit A” and incorporated herein by reference (the “Series
21 2005 A Bonds Debt Service Reserve Insurance Commitment”), whereby BAM agrees, subject to certain
22 conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2005 A
23 Bonds Debt Service Reserve Account in an amount equal to the respective Series 2005 A Bonds Reserve
24 Requirement (the “Series 2005 A Bonds Debt Service Reserve Insurance Policy”);

25
26 WHEREAS, the Series 2005 A Bonds Debt Service Reserve Insurance Commitment includes a
27 form of “Debt Service Reserve Agreement” by and between the Issuer and BAM (the “Series 2005 A Bonds
28 Debt Service Reserve Agreement”) which provides, in part, that any payments made, or Policy Costs
29 incurred, by BAM pursuant to the Series 2005 A Bonds Debt Service Reserve Insurance Policy shall be
30 repaid to BAM by the Issuer pursuant to the terms of the Series 2005 A Bonds Debt Service Reserve
31 Agreement;

32
33 WHEREAS, the West Virginia Water Development Authority (the “WDA”) initially purchased,
34 and remains the sole Registered Owner of, the Series 2005 A Bonds;

35
36 WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered
37 Owners of the Series 2005 A Bonds to amendment or modification of the Bond Ordinance is required prior
38 to any such amendment or modification;

39
40 WHEREAS, the WDA, as sole Registered Owner of the Series 2005 A Bonds, has agreed to the
41 amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance
42 Policy and a pledge of the Series 2005 A Bonds Debt Service Reserve Insurance Policy to fund the Series
43 2005 A Bonds Reserve Account as provided in this Second Supplemental Resolution;

1 WHEREAS, the Issuer desires to purchase, and pledge to the Series 2005 A Bonds Reserve
2 Account, the Series 2005 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective
3 Reserve Requirements for the Series 2005 A Bonds, and for the monies on deposit in the Series 2005 A
4 Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and
5

6 WHEREAS, the Governing Body deems it essential and desirable that this Second
7 Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth
8 below.
9

10 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF
11 CHARLESTON:
12
13

14 Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section
15 4.05 in the Bond Ordinance as set forth below:
16

17 Section 4.05. Reserve Fund Credit Instrument. In lieu of or in addition
18 to cash or investments, at any time the Issuer may, with the prior written
19 consent of the Registered Owners of the Series 2005 A Bonds, cause to be
20 deposited with the Commission and pledged to the Series 2005 A Bonds
21 Reserve Account any form of Reserve Fund Credit Instrument, in the
22 amount of the Series 2005 A Bonds Reserve Requirements, or as such
23 lesser amount, irrevocably payable to the Commission as beneficiary for
24 the Registered Owners of the Series 2005 A Bonds. In the event the Series
25 2005 A Bonds Reserve Account is initially funded, in whole or in part,
26 with proceeds of the Series 2005 A Bonds, or from monthly payments
27 from Net Revenues of the System by the Issuer, the Issuer may deposit a
28 Reserve Fund Credit Instrument to replace all or any portion of the monies
29 on deposit in the Series 2005 A Bonds Reserve Account and any monies
30 then on deposit in the Series 2005 A Bonds Reserve Account, and required
31 to be on deposit therein, shall be returned to the Issuer and used to pay the
32 costs of delivering such Reserve Fund Credit Instrument and/or to pay the
33 costs of design, acquisition, construction and equipping of capital
34 additions, betterments and improvements for the System. The term
35 “Reserve Fund Credit Instrument” shall mean any municipal bond debt
36 service reserve insurance policy, surety bond, letter of credit or similar
37 financial instrument that the Issuer deposits with the Commission and
38 pledges to the Series 2005 A Bonds Reserve Account.
39

40 (1) Any such Reserve Fund Credit Instrument shall be payable to the
41 Commission as beneficiary for the Registered Owners of the Series 2005
42 A Bonds, shall have a term of no less than one (1) year and shall be payable
43 (upon the giving of such notice as may be required thereunder) (i) on any
44 date on which moneys are required to be withdrawn from the Series 2005
45 A Bonds Reserve Account due to insufficient amounts in the applicable

1 funds and accounts held by the Commission with respect to the Series
2 2005 A Bonds when needed to pay debt service on such Bonds or (ii) on a
3 date not more than ten (10) days prior to the expiration date of the Reserve
4 Fund Credit Instrument in the event the Issuer has not satisfied any of the
5 requirements for a Reserve Fund Credit Instrument for which the
6 expiration date is not coterminous with the Series 2005 A Bonds set forth
7 in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated
8 expiration date of such Reserve Fund Credit Instrument for any Reserve
9 Fund Credit Instrument that is not conterminous with the final maturity
10 date of the Series 2005 A Bonds, the Issuer shall either (i) provide for
11 delivery of a replacement Reserve Fund Credit Instrument which satisfies
12 the requirements of this Section 4.05, (ii) deliver an extension of the
13 Reserve Fund Credit Instrument for a term of not less than one (1) year, or
14 (iii) deposit cash in the Series 2005 A Bonds Reserve Account in an
15 amount which satisfied the requirements of this Section 4.05. Upon
16 delivery of a replacement Reserve Fund Credit Instrument, the
17 Commission shall deliver the then-effective Reserve Fund Credit
18 Instrument to, or at the direction of, the Issuer.

19
20 (2) In the event the Commission draws upon a Reserve Fund Credit
21 Instrument, the Issuer shall pay to the provider thereof, from the Revenue
22 Fund in accordance with the priority for funding of all reserve accounts
23 from Net Revenue set forth in Section 4.03 hereof, all principal and
24 interest and expenses payable thereto under the terms of the applicable
25 Reserve Fund Credit Instrument. This Bond Ordinance shall not be
26 terminated until all such amounts are paid in full.

27
28 (3) The Commission shall maintain adequate records of (i) the amount
29 available to be drawn at any time under any Reserve Fund Credit
30 Instrument; and (ii) the amounts paid and payable by the Issuer to the
31 provider thereof.

32
33 (4) In the event the Series 2005 A Bonds Reserve Account is, at any time,
34 only partially funded by a Reserve Fund Credit Instrument and the
35 Commission is required to withdraw any monies from the Series 2005 A
36 Bonds Reserve Account, the Commission shall (i) first disburse any cash
37 or investments in the Series 2005 A Bonds Reserve Account until such
38 cash or investments are exhausted and, thereafter, draw on said Reserve
39 Fund Credit Instrument, and (ii) reimburse the provider of said Reserve
40 Fund Credit Instrument an amount equal to the aggregate amount drawn
41 on such Reserve Fund Credit Instrument (including any interest accrued
42 on any amount drawn under said Reserve Fund Credit Instrument) before
43 replenishing the cash or investments in order to restore said Series 2005 A
44 Bonds Reserve Account to the Series 2005 A Bonds Reserve
45 Requirements.

1
2 Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section
3 6.17 in the Bond Ordinance as set forth below:
4

5 Section 6.17. Provisions related to Build America Mutual
6 Assurance Company Municipal Bond Debt Service Reserve
7 Insurance Policy.
8

9 With respect to the Municipal Bond Debt Service Reserve Insurance
10 Policy, notwithstanding anything to the contrary set forth in this Bond
11 Ordinance the Issuer agrees to comply, and hereby authorizes and instructs
12 the Commission, as Paying Agent, to comply with the following
13 provisions:
14

15 (a) The Issuer shall repay any draws under the Municipal Bond Debt Service
16 Reserve Insurance Policy (the “Reserve Policy”) and pay all related reasonable
17 expenses incurred by BAM (the “Reserve Insurer”). Interest shall accrue and be
18 payable on such draws and expenses from the date of payment by the Reserve
19 Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (A)
20 the greater of (i) the per annum rate of interest, publicly announced from time to
21 time by JPMorgan Chase Bank at its principal office in the City of New York, as
22 its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to
23 be effective on the date such changes are announced by JPMorgan Chase Bank)
24 plus 5%, and (ii) the then applicable highest rate of interest on the Series 2005 A
25 Bonds, and (B) the maximum rate permissible under applicable usury or similar
26 laws limiting interest rates. The Late Payment Rate shall be computed on the basis
27 of the actual number of days elapsed over a year of 360 days. In the event
28 JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate
29 shall be the publicly announced prime or base lending rate of such bank, banking
30 association or trust company bank as the Reserve Insurer in its sole and absolute
31 discretion shall specify.
32

33 Repayment of draws and payment of expenses and accrued interest
34 thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall
35 commence in the first month following each draw, and each such monthly
36 payment shall be in an amount at least equal to 1/12 of the aggregate of
37 Policy Costs related to such draw.
38

39 Amounts in respect of Policy Costs paid to the Reserve Insurer shall be
40 credited first to interest due, then to the expenses due and then to principal
41 due. As and to the extent that payments are made to the Reserve Insurer
42 on account of principal due, the coverage under the Reserve Policy will be
43 increased by a like amount, subject to the terms of the Reserve Policy.
44

1 All cash and investments in the Series 2005 A Bonds Reserve Account and
2 all other available amounts in any funds available to pay debt service on
3 the Bonds shall be transferred to the respective Series 2005 A Bonds
4 Sinking Fund for payment of the debt service on the applicable Series 2005
5 A Bonds before any drawing may be made on the Reserve Policy or any
6 other credit facility on deposit in the Series 2005 A Bonds Reserve
7 Account in lieu of cash (“Reserve Fund Credit Instrument”).
8

9 Payment of any Policy Cost shall be made prior to replenishment of any
10 cash amounts. Draws on all Reserve Fund Credit Instruments (including
11 the Reserve Policy) on which there is available coverage shall be made on
12 a pro-rata basis (calculated by reference to the coverage then available
13 thereunder) after applying all available cash and investments in the Series
14 2005 A Bonds Reserve Account. Payment of Policy Costs and
15 reimbursement of amounts with respect to other Reserve Fund Credit
16 Instruments shall be made on a pro-rata basis prior to replenishment of any
17 cash drawn from the Series 2005 A Bonds Reserve Account. For the
18 avoidance of doubt, “available coverage” means the coverage then
19 available for disbursement pursuant to the terms of the applicable Reserve
20 Fund Credit Instrument without regard to the legal or financial ability or
21 willingness of the provider of such instrument to honor a claim or draw
22 thereon or the failure of such provider to honor any such claim or draw.
23

24 The Policy Limit shall automatically and irrevocably be reduced from time
25 to time by the amount of each reduction in the reserve requirement of the
26 Series 2005 A Bonds, if any.
27

28 (b) Draws under the Reserve Policy may only be used to make payments on
29 Series 2005 A Bonds covered under the Reserve Policy.
30

31 (c) If the Issuer shall fail to pay any Policy Costs in accordance with the
32 requirements of paragraph (a) above, the Reserve Insurer shall be entitled to
33 exercise any and all legal and equitable remedies available to it, including those
34 provided under this Bond Ordinance, the Loan Agreement, or any other document
35 executed in connection with the Series 2005 A Bonds (collectively, the “Security
36 Documents”).
37

38 (d) The Security Documents shall not be discharged until all Policy Costs
39 owing to the Reserve Insurer shall have been paid in full. The Issuer’s obligation
40 to pay such amount shall expressly survive payment in full of the Series 2005 A
41 Bonds.
42

43 (e) The Reserve Policy shall expire and terminate in accordance with the
44 terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.
45

1 (f) Any amendment, supplement, modification to, or waiver of any of the
2 Security Documents that requires the consent of the Registered Owners of the
3 Bonds or adversely affects the rights or interest of the Reserve Insurer shall be
4 subject to the prior written consent of the Reserve Insurer.
5

6 (g) The Reserve Insurer is recognized as and shall be deemed to be a third
7 party beneficiary of the Security Documents and may enforce the provisions of
8 the Security Documents as if it were a party thereto.
9

10 (h) Policy Costs due and owing shall be included in debt service requirements
11 for purposes of calculation of the additional bonds test and the rate covenant in
12 the Security Documents.
13

14 (i) The Commission shall ascertain the necessity for a claim upon the Reserve
15 Policy in accordance with the provisions of paragraph (a) hereof and shall provide
16 notice to the Reserve Insurer in accordance with the terms of the Reserve Policy
17 at least five business days prior to each date upon which interest or principal is
18 due on the Series 2005 A Bonds and a draw on the Reserve Policy is anticipated
19 to make such payment. Where deposits are required to be made by the Issuer with
20 the Commission to the debt service fund for the respective Series 2005 A Bonds
21 more often than semi-annually, the Commission shall give notice to the Reserve
22 Insurer of any failure of the Issuer to make timely payment in full of such deposits
23 within two business days of the date due.
24

25 (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve
26 Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities
27 and expenses that the Reserve Insurer may pay or incur, including, but not limited
28 to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants,
29 consultants, appraisers and auditors and reasonable costs of investigations, in
30 connection with the administration (including waivers and consents, if any),
31 enforcement, defense, exercise or preservation of any rights and remedies in
32 respect of this Bond Ordinance or any other Security Document ("Administrative
33 Expenses"). For purposes of the foregoing, costs and expenses shall include a
34 reasonable allocation of compensation and overhead attributable to the time of
35 employees of the Reserve Insurer spent in connection with the actions described
36 in the preceding sentence. The Issuer agrees that failure to pay any Administrative
37 Expenses on a timely basis will result in the accrual of interest on the unpaid
38 amount at the Late Payment Rate, compounded semi-annually, from the date that
39 payment is first due to the Reserve Insurer until the date the Reserve Insurer is
40 paid in full.
41

42 (k) Payments made by the Reserve Insurer under the Reserve Policy with
43 respect to claims for interest on or principal of the Series 2005 A Bonds shall not
44 discharge the obligation of the Issuer with respect to such Series 2005 A Bonds,
45 and BAM shall become the owner of such unpaid Series 2005 A Bonds and claims

1 for the interest thereon. The Issuer and the Commission recognize and agree that
2 to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by
3 paying through the Paying Agent), on account of principal of or interest on the
4 Series 2005 A Bonds, the Reserve Insurer will be subrogated to the rights of such
5 holders to receive the amount of such principal and interest from the Issuer, with
6 interest thereon.
7

8 (l) In order to secure the Issuer's payment obligations with respect to Policy
9 Cost, there is hereby granted and perfected in favor of the Reserve Insurer a
10 security interest (subordinate only to that of the owners of the Series 2005 A
11 Bonds) in all revenues and collateral pledged as security for the Series 2005 A
12 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following
13 the payment of principal of and interest on the Series 2005 A Bonds and all Parity
14 Bonds, including following the occurrence of a default or event of default.
15

16 (m) Notice and Other Information to be given to the Reserve Insurer.
17

18 (1) The Issuer will provide the Reserve Insurer with all notices and other
19 information it is obligated to provide (i) under its Continuing Disclosure
20 Agreement and (ii) to the Registered Owners of the Series 2005 A Bonds under
21 the Security Documents.
22

23 (2) In addition, the Issuer shall provide the Reserve Insurer with the following
24 notices and other information: (i) notice of any draw upon a Series 2005 A Bonds
25 Reserve Account within two (2) business days after knowledge thereof, other than
26 in connection with withdrawals of amounts in excess of the Series 2005 A Bonds
27 Reserve Requirement; and (ii) prior written notice of the advance refunding or
28 redemption of any of the Series 2005 A Bonds, including the principal amount,
29 maturities and CUSIP numbers thereof, if any.
30

31 (3) The Reserve Insurer shall be entitled to receive such additional information
32 as it may reasonably request.
33

34 (4) The notice address of Reserve Insurer is:
35

36 Build America Mutual Assurance Company
37 28 Liberty Street, 59th Floor
38 New York, NY 10005
39 Attention: Surveillance, Re: Policy No. _____
40 Telephone: (212) 235-2500
41 Telecopier: (212) 962-1710
42 Email: notices@buildamerica.com
43

44 In each case in which notice or other communication refers to an event of default or
45 a claim on the Reserve Policy, then a copy of such notice or other communication

1 shall also be sent to the attention of the General Counsel at the same address and at
2 claims@buildamerica.com or at Telecopier: (212) 962-1624 and shall be marked to
3 indicate “URGENT MATERIAL ENCLOSED.”

4
5 Section 4. The Issuer hereby accepts, approves and ratifies the Series 2005 A Bonds Debt
6 Service Reserve Insurance Commitment and the form of the Series 2005 A Bonds Debt Service Reserve
7 Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby
8 authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to
9 consummate the transactions contemplated therein, specifically including, but not limited to, (i) the
10 purchase, and pledge to the Series 2005 A Bonds Reserve Account, of the Series 2005 A Bonds Debt
11 Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the
12 Series 2005 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions
13 authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium
14 for the Series 2005 A Bonds Debt Service Reserve Insurance Policy.

15
16 Section 5. The Issuer shall use any funds released from the Series 2005 A Bonds Reserve
17 Account as a result of pledging the Series 2005 A Bonds Debt Reserve Insurance Policy thereto for (i)
18 paying costs associated with obtaining the Series 2005 A Bonds Debt Service Reserve Insurance Policy,
19 specifically including, but not limited to, the premium paid to BAM for the Series 2005 A Bonds Debt
20 Service Reserve Insurance Policy; (ii) paying costs of the Issuer’s Magazine Branch Project and to the
21 extent additional funds are available (iii) paying costs of design, acquisition, construction and equipping of
22 additions, betterments, and/or improvements to the System. Funds released from the Series 2005 A Bonds
23 Reserve Account in the amount required to fully fund the Series 2005 A Bonds Reserve Account shall be
24 deposited into the Series 2026 A Bonds Project Account held at the Commission and expended within one
25 and one half years. Any remaining balance in the Series 2005 A Bonds Reserve Account shall be transferred
26 to the Issuer.

27
28 Section 6. The Mayor and City Clerk, and all other appropriate officers, employees and
29 agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and
30 necessary to cause to occur the actions provided for in this Second Supplemental Resolution, and no further
31 authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such
32 further assurance and do such further acts as may be legally required.

33
34 Section 7. This Second Supplemental Resolution shall be effective immediately following
35 adoption hereof.

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CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: _____, 2026.

[SEAL]

City Clerk

DRAFT 6.30.2026

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment

(see attached)

1 Resolution No. _____

2

3

4 Introduced in Council:

Adopted by Council:

5

6

7

8 Introduced by:

9

10

11

12

13

14 A resolution supplementing Ordinance No. 7132, passed by the Council of The City of Charleston, West
15 Virginia, on May 5, 2005; which supplemented Ordinance No. 4423 passed by the Council of The City of
16 Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the
17 Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance
18 No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on
19 June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No.
20 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February
21 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed
22 by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003;
23 authorizing the design, acquisition and construction of certain extensions, additions, betterments and
24 improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not
25 more than \$42,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, Series 2005 A
26 and Series 2005 B, of The City of Charleston, the proceeds of which, shall be used, along with other funds
27 and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes,
28 to permanently finance the cost of such design, acquisition and construction, to fund reserve accounts for
29 such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and
30 security for the registered owners of such bonds; and adopting other provisions related thereto.

31

32 WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly
33 enacted a Bond Ordinance on May 5, 2005, as amended and modified by a Supplemental Resolution, duly
34 and officially adopted on May 5, 2005 (collectively, the "Bond Ordinance"), which provided for the
35 issuance of The City of Charleston Sewerage System Revenue Bonds, Series 2005 A (West Virginia WDA),
36 in the total aggregate principal amount of \$36,617,310 (the "Series 2005 A Bonds");

37

38 WHEREAS, the Bond Ordinance provides that the Series 2005 A Bonds are sewer revenue
39 bonds issued pursuant to West Virginia Code 16-13-1 *et seq.*, (the "Act") for the benefit of the Issuer's
40 sewerage treatment and collection system (the "Sewer System") and, in the case of the Series 2005 A Bonds,
41 secured by the Net Revenues of the Sewer System;

42

43 WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2005 A Bonds
44 (the "Series 2005 A Bonds Reserve Account") each held by the West Virginia Municipal Bond Commission

1 (the “Commission”) to secure the payment of the principal of, and interest on, the Series 2005 A Bonds,
2 respectively;

3
4 WHEREAS, the Bond Ordinance provides that the Series 2005 A Bonds Reserve Account may
5 be funded with a municipal bond debt service reserve insurance policy (a “Debt Service Reserve Insurance
6 Policy”), or surety bond, letter of credit or similar financial instrument (each known as a “Reserve Account
7 Credit Facility”), in an amount either equal to, or lesser than, the respective reserve requirements for the
8 Series 2005 A Bonds;

9
10 WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt
11 Service Reserve Insurance Policy to the Series 2005 A Bonds Reserve Account (i) is a more financially
12 advantageous method to satisfy the Series 2005 A Bonds Reserve Requirement; and (ii) will allow the
13 monies currently on deposit in the Series 2005 A Bonds Reserve Account, if any, which remain after the
14 payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses
15 related thereto, to be used for the design, acquisition, construction and equipping of capital additions,
16 betterments and improvements for the System;

17
18 WHEREAS, Build America Mutual Assurance Company (“BAM”) has agreed to provide to the
19 Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2005 A Bonds,
20 substantially in the form attached hereto as “Exhibit A” and incorporated herein by reference (the “Series
21 2005 A Bonds Debt Service Reserve Insurance Commitment”), whereby BAM agrees, subject to certain
22 conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2005 A
23 Bonds Debt Service Reserve Account in an amount equal to the respective Series 2005 A Bonds Reserve
24 Requirement (the “Series 2005 A Bonds Debt Service Reserve Insurance Policy”);

25
26 WHEREAS, the Series 2005 A Bonds Debt Service Reserve Insurance Commitment includes a
27 form of “Debt Service Reserve Agreement” by and between the Issuer and BAM (the “Series 2005 A Bonds
28 Debt Service Reserve Agreement”) which provides, in part, that any payments made, or Policy Costs
29 incurred, by BAM pursuant to the Series 2005 A Bonds Debt Service Reserve Insurance Policy shall be
30 repaid to BAM by the Issuer pursuant to the terms of the Series 2005 A Bonds Debt Service Reserve
31 Agreement;

32
33 WHEREAS, the West Virginia Water Development Authority (the “WDA”) initially purchased,
34 and remains the sole Registered Owner of, the Series 2005 A Bonds;

35
36 WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered
37 Owners of the Series 2005 A Bonds to amendment or modification of the Bond Ordinance is required prior
38 to any such amendment or modification;

39
40 WHEREAS, the WDA, as sole Registered Owner of the Series 2005 A Bonds, has agreed to the
41 amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance
42 Policy and a pledge of the Series 2005 A Bonds Debt Service Reserve Insurance Policy to fund the Series
43 2005 A Bonds Reserve Account as provided in this Second Supplemental Resolution;

1 WHEREAS, the Issuer desires to purchase, and pledge to the Series 2005 A Bonds Reserve
2 Account, the Series 2005 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective
3 Reserve Requirements for the Series 2005 A Bonds, and for the monies on deposit in the Series 2005 A
4 Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and
5

6 WHEREAS, the Governing Body deems it essential and desirable that this Second
7 Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth
8 below.
9

10 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF
11 CHARLESTON:
12
13

14 Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section
15 4.05 in the Bond Ordinance as set forth below:
16

17 Section 4.05. Reserve Account Credit Facility. In lieu of or in addition
18 to cash or investments, at any time the Issuer may, with the prior written
19 consent of the Registered Owners of the Series 2005 A Bonds, cause to be
20 deposited with the Commission and pledged to the Series 2005 A Bonds
21 Reserve Account any form of Reserve Account Credit Facility, in the
22 amount of the Series 2005 A Bonds Reserve Requirements, or as such
23 lesser amount, irrevocably payable to the Commission as beneficiary for
24 the Registered Owners of the Series 2005 A Bonds. In the event the Series
25 2005 A Bonds Reserve Account is initially funded, in whole or in part,
26 with proceeds of the Series 2005 A Bonds, or from monthly payments
27 from Net Revenues of the System by the Issuer, the Issuer may deposit a
28 Reserve Account Credit Facility to replace all or any portion of the monies
29 on deposit in the Series 2005 A Bonds Reserve Account and any monies
30 then on deposit in the Series 2005 A Bonds Reserve Account, and required
31 to be on deposit therein, shall be returned to the Issuer and used to pay the
32 costs of delivering such Reserve Account Credit Facility and/or to pay the
33 costs of design, acquisition, construction and equipping of capital
34 additions, betterments and improvements for the System. The term
35 “Reserve Account Credit Facility” shall mean any municipal bond debt
36 service reserve insurance policy, surety bond, letter of credit or similar
37 financial instrument that the Issuer deposits with the Commission and
38 pledges to the Series 2005 A Bonds Reserve Account.
39

40 (1) Any such Reserve Account Credit Facility shall be payable to the
41 Commission as beneficiary for the Registered Owners of the Series 2005
42 A Bonds, shall have a term of no less than one (1) year and shall be payable
43 (upon the giving of such notice as may be required thereunder) (i) on any
44 date on which moneys are required to be withdrawn from the Series 2005

1 A Bonds Reserve Account due to insufficient amounts in the applicable
2 funds and accounts held by the Commission with respect to the Series
3 2005 A Bonds when needed to pay debt service on such Bonds or (ii) on a
4 date not more than ten (10) days prior to the expiration date of the Reserve
5 Account Credit Facility in the event the Issuer has not satisfied any of the
6 requirements for a Reserve Account Credit Facility for which the
7 expiration date is not coterminous with the Series 2005 A Bonds set forth
8 in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated
9 expiration date of such Reserve Account Credit Facility for any Reserve
10 Account Credit Facility that is not conterminous with the final maturity
11 date of the Series 2005 A Bonds, the Issuer shall either (i) provide for
12 delivery of a replacement Reserve Account Credit Facility which satisfies
13 the requirements of this Section 4.05, (ii) deliver an extension of the
14 Reserve Account Credit Facility for a term of not less than one (1) year,
15 or (iii) deposit cash in the Series 2005 A Bonds Reserve Account in an
16 amount which satisfied the requirements of this Section 4.05. Upon
17 delivery of a replacement Reserve Account Credit Facility, the
18 Commission shall deliver the then-effective Reserve Account Credit
19 Facility to, or at the direction of, the Issuer.

20
21 (2) In the event the Commission draws upon a Reserve Account
22 Credit Facility, the Issuer shall pay to the provider thereof, from the
23 Revenue Fund in accordance with the priority for funding of all reserve
24 accounts from Net Revenue set forth in Section 4.03 hereof, all principal
25 and interest and expenses payable thereto under the terms of the applicable
26 Reserve Account Credit Facility. This Bond Ordinance shall not be
27 terminated until all such amounts are paid in full.

28
29 (3) The Commission shall maintain adequate records of (i) the amount
30 available to be drawn at any time under any Reserve Account Credit
31 Facility; and (ii) the amounts paid and payable by the Issuer to the provider
32 thereof.

33
34 (4) In the event the Series 2005 A Bonds Reserve Account is, at any time,
35 only partially funded by a Reserve Account Credit Facility and the
36 Commission is required to withdraw any monies from the Series 2005 A
37 Bonds Reserve Account, the Commission shall (i) first disburse any cash
38 or investments in the Series 2005 A Bonds Reserve Account until such
39 cash or investments are exhausted and, thereafter, draw on said Reserve
40 Account Credit Facility, and (ii) reimburse the provider of said Reserve
41 Account Credit Facility an amount equal to the aggregate amount drawn
42 on such Reserve Account Credit Facility (including any interest accrued
43 on any amount drawn under said Reserve Account Credit Facility) before
44 replenishing the cash or investments in order to restore said Series 2005 A

1 Bonds Reserve Account to the Series 2005 A Bonds Reserve
2 Requirements.
3

4 Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section
5 6.17 in the Bond Ordinance as set forth below:
6

7 Section 6.17. Provisions related to Build America Mutual
8 Assurance Company Municipal Bond Debt Service Reserve
9 Insurance Policy.
10

11 With respect to the Municipal Bond Debt Service Reserve Insurance
12 Policy, notwithstanding anything to the contrary set forth in this Bond
13 Ordinance the Issuer agrees to comply, and hereby authorizes and instructs
14 the Commission, as Paying Agent, to comply with the following
15 provisions:
16

17 (a) The Issuer shall repay any draws under the Municipal Bond Debt Service
18 Reserve Insurance Policy (the “Reserve Policy”) and pay all related reasonable
19 expenses incurred by BAM (the “Reserve Insurer”). Interest shall accrue and be
20 payable on such draws and expenses from the date of payment by the Reserve
21 Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (A)
22 the greater of (i) the per annum rate of interest, publicly announced from time to
23 time by JPMorgan Chase Bank at its principal office in the City of New York, as
24 its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to
25 be effective on the date such changes are announced by JPMorgan Chase Bank)
26 plus 5%, and (ii) the then applicable highest rate of interest on the Series 2005 A
27 Bonds, and (B) the maximum rate permissible under applicable usury or similar
28 laws limiting interest rates. The Late Payment Rate shall be computed on the basis
29 of the actual number of days elapsed over a year of 360 days. In the event
30 JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate
31 shall be the publicly announced prime or base lending rate of such bank, banking
32 association or trust company bank as the Reserve Insurer in its sole and absolute
33 discretion shall specify.
34

35 Repayment of draws and payment of expenses and accrued interest
36 thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall
37 commence in the first month following each draw, and each such monthly
38 payment shall be in an amount at least equal to 1/12 of the aggregate of
39 Policy Costs related to such draw.
40

41 Amounts in respect of Policy Costs paid to the Reserve Insurer shall be
42 credited first to interest due, then to the expenses due and then to principal
43 due. As and to the extent that payments are made to the Reserve Insurer
44 on account of principal due, the coverage under the Reserve Policy will be

1 increased by a like amount, subject to the terms of the Reserve Policy.
2

3 All cash and investments in the Series 2005 A Bonds Reserve Account and
4 all other available amounts in any funds available to pay debt service on
5 the Bonds shall be transferred to the respective Series 2005 A Bonds
6 Sinking Fund for payment of the debt service on the applicable Series 2005
7 A Bonds before any drawing may be made on the Reserve Policy or any
8 other credit facility on deposit in the Series 2005 A Bonds Reserve
9 Account in lieu of cash ("Reserve Fund Credit Instrument")~~Reserve~~
10 ~~Account Credit Facility.~~
11

12 Payment of any Policy Cost shall be made prior to replenishment of any
13 cash amounts. Draws on all Reserve Fund Credit Instruments~~Account~~
14 Credit Facility (including the Reserve Policy) on which there is available
15 coverage shall be made on a pro-rata basis (calculated by reference to the
16 coverage then available thereunder) after applying all available cash and
17 investments in the Series 2005 A Bonds Reserve Account. Payment of
18 Policy Costs and reimbursement of amounts with respect to other Reserve
19 Fund Credit Instruments~~Account Credit Facility~~ shall be made on a pro-
20 rata basis prior to replenishment of any cash drawn from the Series 2005
21 A Bonds Reserve Account. For the avoidance of doubt, "available
22 coverage" means the coverage then available for disbursement pursuant to
23 the terms of the applicable Reserve Fund Credit Instrument~~Account Credit~~
24 Facility without regard to the legal or financial ability or willingness of the
25 provider of such instrument to honor a claim or draw thereon or the failure
26 of such provider to honor any such claim or draw.
27

28 The Policy Limit shall automatically and irrevocably be reduced from time
29 to time by the amount of each reduction in the reserve requirement of the
30 Series 2005 A Bonds, if any.
31

32 (b) Draws under the Reserve Policy may only be used to make payments on
33 Series 2005 A Bonds covered under the Reserve Policy.
34

35 (c) If the Issuer shall fail to pay any Policy Costs in accordance with the
36 requirements of paragraph (a) above, the Reserve Insurer shall be entitled to
37 exercise any and all legal and equitable remedies available to it, including those
38 provided under this Bond Ordinance, the Loan Agreement, or any other document
39 executed in connection with the Series 2005 A Bonds (collectively, the "Security
40 Documents").
41

42 (d) The Security Documents shall not be discharged until all Policy Costs
43 owing to the Reserve Insurer shall have been paid in full. The Issuer's obligation

1 to pay such amount shall expressly survive payment in full of the Series 2005 A
2 Bonds.

3
4 (e) The Reserve Policy shall expire and terminate in accordance with the
5 terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.
6

7 (f) Any amendment, supplement, modification to, or waiver of any of the
8 Security Documents that requires the consent of the Registered Owners of the
9 Bonds or adversely affects the rights or interest of the Reserve Insurer shall be
10 subject to the prior written consent of the Reserve Insurer.
11

12 (g) The Reserve Insurer is recognized as and shall be deemed to be a third
13 party beneficiary of the Security Documents and may enforce the provisions of
14 the Security Documents as if it were a party thereto.
15

16 (h) Policy Costs due and owing shall be included in debt service requirements
17 for purposes of calculation of the additional bonds test and the rate covenant in
18 the Security Documents.
19

20 (i) The Commission shall ascertain the necessity for a claim upon the Reserve
21 Policy in accordance with the provisions of paragraph (a) hereof and shall provide
22 notice to the Reserve Insurer in accordance with the terms of the Reserve Policy
23 at least five business days prior to each date upon which interest or principal is
24 due on the Series 2005 A Bonds and a draw on the Reserve Policy is anticipated
25 to make such payment. Where deposits are required to be made by the Issuer with
26 the Commission to the debt service fund for the respective Series 2005 A Bonds
27 more often than semi-annually, the Commission shall give notice to the Reserve
28 Insurer of any failure of the Issuer to make timely payment in full of such deposits
29 within two business days of the date due.
30

31 (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve
32 Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities
33 and expenses that the Reserve Insurer may pay or incur, including, but not limited
34 to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants,
35 consultants, appraisers and auditors and reasonable costs of investigations, in
36 connection with the administration (including waivers and consents, if any),
37 enforcement, defense, exercise or preservation of any rights and remedies in
38 respect of this Bond Ordinance or any other Security Document ("Administrative
39 Expenses"). For purposes of the foregoing, costs and expenses shall include a
40 reasonable allocation of compensation and overhead attributable to the time of
41 employees of the Reserve Insurer spent in connection with the actions described
42 in the preceding sentence. The Issuer agrees that failure to pay any Administrative
43 Expenses on a timely basis will result in the accrual of interest on the unpaid
44 amount at the Late Payment Rate, compounded semi-annually, from the date that

1 payment is first due to the Reserve Insurer until the date the Reserve Insurer is
2 paid in full.

3
4 (k) Payments made by the Reserve Insurer under the Reserve Policy with
5 respect to claims for interest on or principal of the Series 2005 A Bonds shall not
6 discharge the obligation of the Issuer with respect to such Series 2005 A Bonds,
7 and BAM shall become the owner of such unpaid Series 2005 A Bonds and claims
8 for the interest thereon. The Issuer and the Commission recognize and agree that
9 to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by
10 paying through the Paying Agent), on account of principal of or interest on the
11 Series 2005 A Bonds, the Reserve Insurer will be subrogated to the rights of such
12 holders to receive the amount of such principal and interest from the Issuer, with
13 interest thereon.

14
15 (l) In order to secure the Issuer's payment obligations with respect to Policy
16 Cost, there is hereby granted and perfected in favor of the Reserve Insurer a
17 security interest (subordinate only to that of the owners of the Series 2005 A
18 Bonds ~~and all bonds issued on a parity therewith, including the Prior Bonds and~~
19 ~~all subsequently issued additional parity bonds~~) in all revenues and collateral
20 pledged as security for the Series 2005 A Bonds. Policy Costs shall be paid to the
21 Reserve Insurer immediately following the payment of principal of and interest
22 on the Series 2005 A Bonds and all Parity Bonds, including following the
23 occurrence of a default or event of default.

24
25 (m) Notice and Other Information to be given to the Reserve Insurer.

26
27 (1) The Issuer will provide the Reserve Insurer with all notices and other
28 information it is obligated to provide (i) under its Continuing Disclosure
29 Agreement and (ii) to the Registered Owners of the Series 2005 A Bonds under
30 the Security Documents.

31
32 (2) In addition, the Issuer shall provide the Reserve Insurer with the following
33 notices and other information: (i) notice of any draw upon a Series 2005 A Bonds
34 Reserve Account within two (2) business days after knowledge thereof, other than
35 in connection with withdrawals of amounts in excess of the Series 2005 A Bonds
36 Reserve Requirement; and (ii) prior written notice of the advance refunding or
37 redemption of any of the Series 2005 A Bonds, including the principal amount,
38 maturities and CUSIP numbers thereof, if any.

39
40 (3) The Reserve Insurer shall be entitled to receive such additional information
41 as it may reasonably request.

42
43 (4) The notice address of Reserve Insurer is:
44

1 Build America Mutual Assurance Company
2 28 Liberty Street, 59th Floor
3 New York, NY 10005
4 Attention: Surveillance, Re: Policy No. _____
5 Telephone: (212) 235-2500
6 Telecopier: (212) 962-1710235-1542
7 Email: notices@buildamerica.com
8

9 In each case in which notice or other communication refers to an event of default or
10 a claim on the Reserve Policy, then a copy of such notice or other communication
11 shall also be sent to the attention of the General Counsel at the same address and at
12 claims@buildamerica.com or at Telecopier: (212) 962-1624235-5214 and shall be
13 marked to indicate “URGENT MATERIAL ENCLOSED.”

14
15 Section 4. The Issuer hereby accepts, approves and ratifies the Series 2005 A Bonds Debt
16 Service Reserve Insurance Commitment and the form of the Series 2005 A Bonds Debt Service Reserve
17 Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby
18 authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to
19 consummate the transactions contemplated therein, specifically including, but not limited to, (i) the
20 purchase, and pledge to the Series 2005 A Bonds Reserve Account, of the Series 2005 A Bonds Debt
21 Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the
22 Series 2005 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions
23 authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium
24 for the Series 2005 A Bonds Debt Service Reserve Insurance Policy.
25

26 Section 5. The Issuer shall use any funds released from the Series 2005 A Bonds Reserve
27 Account as a result of pledging the Series 2005 A Bonds Debt Reserve Insurance Policy thereto for (i)
28 paying costs associated with obtaining the Series 2005 A Bonds Debt Service Reserve Insurance Policy,
29 specifically including, but not limited to, the premium paid to BAM for the Series 2005 A Bonds Debt
30 Service Reserve Insurance Policy; (ii) paying costs of the Issuer’s Magazine Branch Project and to the
31 extent additional funds are available (iii) paying costs of design, acquisition, construction and equipping of
32 additions, betterments, and/or improvements to the System. Funds released from the Series 2005 A Bonds
33 Reserve Account in the amount required to fully fund the Series 2005 A Bonds Reserve Account shall be
34 deposited into the Series 2026 A Bonds Project Account held at the Commission and expended within one
35 and one half years. Any remaining balance in the Series 2005 A Bonds Reserve Account shall be transferred
36 to the Issuer.
37

38 Section 6. The Mayor and City Clerk, and all other appropriate officers, employees and
39 agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and
40 necessary to cause to occur the actions provided for in this Second Supplemental Resolution, and no further
41 authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such
42 further assurance and do such further acts as may be legally required.
43

1 Section 7. This Second Supplemental Resolution shall be effective immediately following
2 adoption hereof.

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: _____, 2026.

[SEAL]

City Clerk

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DRAFT 6.30.2026

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment

(see attached)

1 Resolution No.26-082 _____

2

3

4 Introduced in Council:

Adopted by Council:

5

6 July 6, 2026 _____

7

8 Introduced by:

9

10 Joseph Jenkins _____

11

12

13

14 A resolution supplementing Ordinance No. 7132, passed by the Council of The City of Charleston, West
15 Virginia, on March 7, 2005; which supplemented Ordinance No. 4423 passed by the Council of The City
16 of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the
17 Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance
18 No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on
19 June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No.
20 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February
21 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed
22 by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003;
23 authorizing the design, acquisition and construction of certain extensions, additions, betterments and
24 improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not
25 more than \$9,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, Series 2008 A,
26 of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or
27 available to, The City of Charleston which may be lawfully expended for such purposes, to permanently
28 finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and
29 to pay other costs in connection therewith; providing for the rights and remedies of and security for the
30 registered owners of such bonds; and adopting other provisions related thereto.

31

32 WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly
33 passed a Bond Ordinance on March 7, 2005, effective March 21, 2005, as amended and modified by a
34 Supplemental Resolution, duly and officially adopted on June 16, 2008 (collectively, the "Bond
35 Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds,
36 Series 2008 A (West Virginia CWSRF Program), in the total aggregate principal amount of \$9,000,000 (the
37 "Series 2008 A Bonds");

38

39 WHEREAS, the Bond Ordinance provides that the Series 2008 A Bonds are sewer revenue
40 bonds issued pursuant to West Virginia Code 16-13-1 *et seq.*, (the "Act") for the benefit of the Issuer's
41 sewerage treatment and collection system (the "Sewer System") and, in the case of the Series 2008 A Bonds,
42 secured by the Net Revenues of the Sewer System;

43

1 WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2008 A Bonds
2 (the “Series 2008 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission
3 (the “Bond Commission”) to secure the payment of the principal of, and interest on, the Series 2008 A
4 Bonds, respectively;

5
6 WHEREAS, the Bond Ordinance provides that the Series 2008 A Bonds Reserve Account may
7 be funded with a municipal bond debt service reserve insurance policy (a “Debt Service Reserve Insurance
8 Policy”), or surety bond, letter of credit or similar financial instrument (each known as a “Reserve Fund
9 Credit Instrument”), in an amount either equal to, or lesser than, the respective reserve requirements for the
10 Series 2008 A Bonds;

11
12 WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt
13 Service Reserve Insurance Policy to the Series 2008 A Bonds Reserve Account (i) is a more financially
14 advantageous method to satisfy the Series 2008 A Bonds Reserve Requirement; and (ii) will allow the
15 monies currently on deposit in the Series 2008 A Bonds Reserve Account, if any, which remain after the
16 payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses
17 related thereto, to be used for the design, acquisition, construction and equipping of capital additions,
18 betterments and improvements for the System;

19
20 WHEREAS, Build America Mutual Assurance Company (“BAM”) has agreed to provide to the
21 Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2008 A Bonds,
22 substantially in the form attached hereto as “Exhibit A” and incorporated herein by reference (the “Series
23 2008 A Bonds Debt Service Reserve Insurance Commitment”), whereby BAM agrees, subject to certain
24 conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2008 A
25 Bonds Debt Service Reserve Account in an amount equal to the respective Series 2008 A Bonds Reserve
26 Requirement (the “Series 2008 A Bonds Debt Service Reserve Insurance Policy”);

27
28 WHEREAS, the Series 2008 A Bonds Debt Service Reserve Insurance Commitment includes a
29 form of “Debt Service Reserve Agreement” by and between the Issuer and BAM (the “Series 2008 A Bonds
30 Debt Service Reserve Agreement”) which provides, in part, that any payments made, or Policy Costs
31 incurred, by BAM pursuant to the Series 2008 A Bonds Debt Service Reserve Insurance Policy shall be
32 repaid to BAM by the Issuer pursuant to the terms of the Series 2008 A Bonds Debt Service Reserve
33 Agreement;

34
35 WHEREAS, the West Virginia Water Development Authority (the “WDA”) on behalf of the
36 West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered
37 Owner of, the Series 2008 A Bonds;

38
39 WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered
40 Owners of the Series 2008 A Bonds to amendment or modification of the Bond Ordinance is required prior
41 to any such amendment or modification;

42
43 WHEREAS, the WDA, as sole Registered Owner of the Series 2008 A Bonds, has agreed to the
44 amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance

1 Policy and a pledge of the Series 2008 A Bonds Debt Service Reserve Insurance Policy to fund the Series
2 2008 A Bonds Reserve Account as provided in this Second Supplemental Resolution;

3
4 WHEREAS, the Issuer desires to purchase, and pledge to the Series 2008 A Bonds Reserve
5 Account, the Series 2008 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective
6 Reserve Requirements for the Series 2008 A Bonds, and for the monies on deposit in the Series 2008 A
7 Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and

8
9 WHEREAS, the Governing Body deems it essential and desirable that this Second
10 Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth
11 below.

12
13 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF
14 CHARLESTON:

15
16
17 Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section
18 4.05 in the Bond Ordinance as set forth below:

19
20 Section 4.05. Reserve Fund Credit Instrument. In lieu of or in addition
21 to cash or investments, at any time the Issuer may, with the prior written
22 consent of the Registered Owners of the Series 2008 A Bonds, cause to be
23 deposited with the Commission and pledged to the Series 2008 A Bonds
24 Reserve Account any form of Reserve Fund Credit Instrument, in the
25 amount of the Series 2008 A Bonds Reserve Requirements, or as such
26 lesser amount, irrevocably payable to the Commission as beneficiary for
27 the Registered Owners of the Series 2008 A Bonds. In the event the Series
28 2008 A Bonds Reserve Account is initially funded, in whole or in part,
29 with proceeds of the Series 2008 A Bonds, or from monthly payments
30 from Net Revenues of the System by the Issuer, the Issuer may deposit a
31 Reserve Fund Credit Instrument to replace all or any portion of the monies
32 on deposit in the Series 2008 A Bonds Reserve Account and any monies
33 then on deposit in the Series 2008 A Bonds Reserve Account, and required
34 to be on deposit therein, shall be returned to the Issuer and used to pay the
35 costs of delivering such Reserve Fund Credit Instrument and/or to pay the
36 costs of design, acquisition, construction and equipping of capital
37 additions, betterments and improvements for the System. The term
38 “Reserve Fund Credit Instrument” shall mean any municipal bond debt
39 service reserve insurance policy, surety bond, letter of credit or similar
40 financial instrument that the Issuer deposits with the Commission and
41 pledges to the Series 2008 A Bonds Reserve Account.

42
43 (1) Any such Reserve Fund Credit Instrument shall be payable to the
44 Commission as beneficiary for the Registered Owners of the Series 2008

1 A Bonds, shall have a term of no less than one (1) year and shall be payable
2 (upon the giving of such notice as may be required thereunder) (i) on any
3 date on which moneys are required to be withdrawn from the Series 2008
4 A Bonds Reserve Account due to insufficient amounts in the applicable
5 funds and accounts held by the Commission with respect to the Series
6 2008 A Bonds when needed to pay debt service on such Bonds or (ii) on a
7 date not more than ten (10) days prior to the expiration date of the Reserve
8 Fund Credit Instrument in the event the Issuer has not satisfied any of the
9 requirements for a Reserve Fund Credit Instrument for which the
10 expiration date is not coterminous with the Series 2008 A Bonds set forth
11 in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated
12 expiration date of such Reserve Fund Credit Instrument for any Reserve
13 Fund Credit Instrument that is not conterminous with the final maturity
14 date of the Series 2008 A Bonds, the Issuer shall either (i) provide for
15 delivery of a replacement Reserve Fund Credit Instrument which satisfies
16 the requirements of this Section 4.05, (ii) deliver an extension of the
17 Reserve Fund Credit Instrument for a term of not less than one (1) year, or
18 (iii) deposit cash in the Series 2008 A Bonds Reserve Account in an
19 amount which satisfied the requirements of this Section 4.05. Upon
20 delivery of a replacement Reserve Fund Credit Instrument, the
21 Commission shall deliver the then-effective Reserve Fund Credit
22 Instrument to, or at the direction of, the Issuer.

23
24 (2) In the event the Commission draws upon a Reserve Fund Credit
25 Instrument, the Issuer shall pay to the provider thereof, from the Revenue
26 Fund in accordance with the priority for funding of all reserve accounts
27 from Net Revenue set forth in Section 4.03 hereof, all principal and
28 interest and expenses payable thereto under the terms of the applicable
29 Reserve Fund Credit Instrument. This Bond Ordinance shall not be
30 terminated until all such amounts are paid in full.

31
32 (3) The Commission shall maintain adequate records of (i) the amount
33 available to be drawn at any time under any Reserve Fund Credit
34 Instrument; and (ii) the amounts paid and payable by the Issuer to the
35 provider thereof.

36
37 (4) In the event the Series 2008 A Bonds Reserve Account is, at any time,
38 only partially funded by a Reserve Fund Credit Instrument and the
39 Commission is required to withdraw any monies from the Series 2008 A
40 Bonds Reserve Account, the Commission shall (i) first disburse any cash
41 or investments in the Series 2008 A Bonds Reserve Account until such
42 cash or investments are exhausted and, thereafter, draw on said Reserve
43 Fund Credit Instrument, and (ii) reimburse the provider of said Reserve
44 Fund Credit Instrument an amount equal to the aggregate amount drawn

on such Reserve Fund Credit Instrument (including any interest accrued on any amount drawn under said Reserve Fund Credit Instrument) before replenishing the cash or investments in order to restore said Series 2008 A Bonds Reserve Account to the Series 2008 A Bonds Reserve Requirements.

Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section 6.17 in the Bond Ordinance as set forth below:

Section 6.17. 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 2008 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

1 credited first to interest due, then to the expenses due and then to principal
2 due. As and to the extent that payments are made to the Reserve Insurer
3 on account of principal due, the coverage under the Reserve Policy will be
4 increased by a like amount, subject to the terms of the Reserve Policy.
5

6 All cash and investments in the Series 2008 A Bonds Reserve Account and
7 all other available amounts in any funds available to pay debt service on
8 the Bonds shall be transferred to the respective Series 2008 A Bonds
9 Sinking Fund for payment of the debt service on the applicable Series 2008
10 A Bonds before any drawing may be made on the Reserve Policy or any
11 other credit facility on deposit in the Series 2008 A Bonds Reserve
12 Account in lieu of cash (“Reserve Fund Credit Instrument”).
13

14 Payment of any Policy Cost shall be made prior to replenishment of any
15 cash amounts. Draws on all Reserve Fund Credit Instruments (including
16 the Reserve Policy) on which there is available coverage shall be made on
17 a pro-rata basis (calculated by reference to the coverage then available
18 thereunder) after applying all available cash and investments in the Series
19 2008 A Bonds Reserve Account. Payment of Policy Costs and
20 reimbursement of amounts with respect to other Reserve Fund Credit
21 Instruments shall be made on a pro-rata basis prior to replenishment of any
22 cash drawn from the Series 2008 A Bonds Reserve Account. For the
23 avoidance of doubt, “available coverage” means the coverage then
24 available for disbursement pursuant to the terms of the applicable Reserve
25 Fund Credit Instrument without regard to the legal or financial ability or
26 willingness of the provider of such instrument to honor a claim or draw
27 thereon or the failure of such provider to honor any such claim or draw.
28

29 The Policy Limit shall automatically and irrevocably be reduced from time
30 to time by the amount of each reduction in the reserve requirement of the
31 Series 2008 A Bonds, if any.
32

33 (b) Draws under the Reserve Policy may only be used to make payments on
34 Series 2008 A Bonds covered under the Reserve Policy.
35

36 (c) If the Issuer shall fail to pay any Policy Costs in accordance with the
37 requirements of paragraph (a) above, the Reserve Insurer shall be entitled to
38 exercise any and all legal and equitable remedies available to it, including those
39 provided under this Bond Ordinance, the Loan Agreement, or any other document
40 executed in connection with the Series 2008 A Bonds (collectively, the “Security
41 Documents”).
42

43 (d) The Security Documents shall not be discharged until all Policy Costs
44 owing to the Reserve Insurer shall have been paid in full. The Issuer’s obligation

1 to pay such amount shall expressly survive payment in full of the Series 2008 A
2 Bonds.

3
4 (e) The Reserve Policy shall expire and terminate in accordance with the
5 terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.
6

7 (f) Any amendment, supplement, modification to, or waiver of any of the
8 Security Documents that requires the consent of the Registered Owners of the
9 Bonds or adversely affects the rights or interest of the Reserve Insurer shall be
10 subject to the prior written consent of the Reserve Insurer.
11

12 (g) The Reserve Insurer is recognized as and shall be deemed to be a third
13 party beneficiary of the Security Documents and may enforce the provisions of
14 the Security Documents as if it were a party thereto.
15

16 (h) Policy Costs due and owing shall be included in debt service requirements
17 for purposes of calculation of the additional bonds test and the rate covenant in
18 the Security Documents.
19

20 (i) The Commission shall ascertain the necessity for a claim upon the Reserve
21 Policy in accordance with the provisions of paragraph (a) hereof and shall provide
22 notice to the Reserve Insurer in accordance with the terms of the Reserve Policy
23 at least five business days prior to each date upon which interest or principal is
24 due on the Series 2008 A Bonds and a draw on the Reserve Policy is anticipated
25 to make such payment. Where deposits are required to be made by the Issuer with
26 the Commission to the debt service fund for the respective Series 2008 A Bonds
27 more often than semi-annually, the Commission shall give notice to the Reserve
28 Insurer of any failure of the Issuer to make timely payment in full of such deposits
29 within two business days of the date due.
30

31 (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve
32 Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities
33 and expenses that the Reserve Insurer may pay or incur, including, but not limited
34 to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants,
35 consultants, appraisers and auditors and reasonable costs of investigations, in
36 connection with the administration (including waivers and consents, if any),
37 enforcement, defense, exercise or preservation of any rights and remedies in
38 respect of this Bond Ordinance or any other Security Document ("Administrative
39 Expenses"). For purposes of the foregoing, costs and expenses shall include a
40 reasonable allocation of compensation and overhead attributable to the time of
41 employees of the Reserve Insurer spent in connection with the actions described
42 in the preceding sentence. The Issuer agrees that failure to pay any Administrative
43 Expenses on a timely basis will result in the accrual of interest on the unpaid
44 amount at the Late Payment Rate, compounded semi-annually, from the date that

1 payment is first due to the Reserve Insurer until the date the Reserve Insurer is
2 paid in full.
3

4 (k) Payments made by the Reserve Insurer under the Reserve Policy with
5 respect to claims for interest on or principal of the Series 2008 A Bonds shall not
6 discharge the obligation of the Issuer with respect to such Series 2008 A Bonds,
7 and BAM shall become the owner of such unpaid Series 2008 A Bonds and claims
8 for the interest thereon. The Issuer and the Commission recognize and agree that
9 to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by
10 paying through the Paying Agent), on account of principal of or interest on the
11 Series 2008 A Bonds, the Reserve Insurer will be subrogated to the rights of such
12 holders to receive the amount of such principal and interest from the Issuer, with
13 interest thereon.
14

15 (l) In order to secure the Issuer's payment obligations with respect to Policy
16 Cost, there is hereby granted and perfected in favor of the Reserve Insurer a
17 security interest (subordinate only to that of the owners of the Series 2008 A
18 Bonds in all revenues and collateral pledged as security for the Series 2008 A
19 Bonds. Policy Costs shall be paid to the Reserve Insurer immediately following
20 the payment of principal of and interest on the Series 2008 A Bonds and all Parity
21 Bonds, including following the occurrence of a default or event of default.
22

23 (m) Notice and Other Information to be given to the Reserve Insurer.
24

25 (1) The Issuer will provide the Reserve Insurer with all notices and other
26 information it is obligated to provide (i) under its Continuing Disclosure
27 Agreement and (ii) to the Registered Owners of the Series 2008 A Bonds under
28 the Security Documents.
29

30 (2) In addition, the Issuer shall provide the Reserve Insurer with the following
31 notices and other information: (i) notice of any draw upon a Series 2008 A Bonds
32 Reserve Account within two (2) business days after knowledge thereof, other than
33 in connection with withdrawals of amounts in excess of the Series 2008 A Bonds
34 Reserve Requirement; and (ii) prior written notice of the advance refunding or
35 redemption of any of the Series 2008 A Bonds, including the principal amount,
36 maturities and CUSIP numbers thereof, if any.
37

38 (3) The Reserve Insurer shall be entitled to receive such additional information
39 as it may reasonably request.
40

41 (4) The notice address of Reserve Insurer is:
42

43 Build America Mutual Assurance Company
44 28 Liberty Street, 59th Floor

1 New York, NY 10005
2 Attention: Surveillance, Re: Policy No. _____
3 Telephone: (212) 235-2500
4 Telecopier: (212) 962-1710
5 Email: notices@buildamerica.com
6

7 In each case in which notice or other communication refers to an event of default or
8 a claim on the Reserve Policy, then a copy of such notice or other communication
9 shall also be sent to the attention of the General Counsel at the same address and at
10 claims@buildamerica.com or at Telecopier: (212) 962-1624 and shall be marked to
11 indicate “URGENT MATERIAL ENCLOSED.”

12
13 Section 4. The Issuer hereby accepts, approves and ratifies the Series 2008 A Bonds Debt
14 Service Reserve Insurance Commitment and the form of the Series 2008 A Bonds Debt Service Reserve
15 Agreement, with such changes as shall be approved by the Mayor in his discretion, and does hereby
16 authorize the Mayor and City Clerk to execute such documents and to take any and all actions required to
17 consummate the transactions contemplated therein, specifically including, but not limited to, (i) the
18 purchase, and pledge to the Series 2008 A Bonds Reserve Account, of the Series 2008 A Bonds Debt
19 Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the
20 Series 2008 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions
21 authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium
22 for the Series 2008 A Bonds Debt Service Reserve Insurance Policy.
23

24 Section 5. The Issuer shall use any funds released from the Series 2008 A Bonds Reserve
25 Account as a result of pledging the Series 2008 A Bonds Debt Reserve Insurance Policy thereto for (i)
26 paying costs associated with obtaining the Series 2008 A Bonds Debt Service Reserve Insurance Policy,
27 specifically including, but not limited to, the premium paid to BAM for the Series 2008 A Bonds Debt
28 Service Reserve Insurance Policy; (ii) paying costs of the Issuer’s Magazine Branch Project and to the
29 extent additional funds are available (iii) paying costs of design, acquisition, construction and equipping of
30 additions, betterments, and/or improvements to the System. Funds released from the Series 2008 A Bonds
31 Reserve Account in the amount required to fully fund that Reserve Account shall be deposited into the
32 Series 2026 A Bonds Project Account held at the Commission and expended within one and one half years.
33 Any remaining balance in the Series 2008 A Bonds Reserve Account shall be transferred to the Issuer.
34

35 Section 6. The Mayor and City Clerk, and all other appropriate officers, employees and
36 agents of the Issuer, are hereby authorized, empowered and directed to do any and all things proper and
37 necessary to cause to occur the actions provided for in this Second Supplemental Resolution, and no further
38 authority shall be necessary to authorize any such officers, employees and agents of the Issuer to give such
39 further assurance and do such further acts as may be legally required.
40

41 Section 7. This Second Supplemental Resolution shall be effective immediately following
42 adoption hereof.

1

2

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CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: _____, 2026.

[SEAL]

City Clerk

DRAFT 6.30.2026

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment

(see attached)

1 Resolution No. _____

2

3

4 Introduced in Council:

Adopted by Council:

5

6

7

8 Introduced by:

9

10

11

12

13

14 A resolution supplementing Ordinance No. 7132, passed by the Council of The City of Charleston, West
15 Virginia, on March 7, 2005; which supplemented Ordinance No. 4423 passed by the Council of The City
16 of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the
17 Council on November 6, 1989, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance
18 No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on
19 June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No.
20 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February
21 5, 2001, by Ordinance No. 6777 passed by the Council on March 19, 2001, by Ordinance No. 6948 passed
22 by the Council on November 4, 2002, by Ordinance No. 6977 passed by the Council on May 19, 2003;
23 authorizing the design, acquisition and construction of certain extensions, additions, betterments and
24 improvements to the existing sewerage system of The City of Charleston; authorizing the issuance of not
25 more than \$9,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, Series 2008 A,
26 of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or
27 available to, The City of Charleston which may be lawfully expended for such purposes, to permanently
28 finance the cost of such design, acquisition and construction, to fund reserve accounts for such bonds and
29 to pay other costs in connection therewith; providing for the rights and remedies of and security for the
30 registered owners of such bonds; and adopting other provisions related thereto.

31

32 WHEREAS, the Council (the "Governing Body") of The City of Charleston (the "Issuer") duly
33 passed a Bond Ordinance on March 7, 2005, effective March 21, 2005, as amended and modified by a
34 Supplemental Resolution, duly and officially adopted on June 16, 2008 (collectively, the "Bond
35 Ordinance"), which provided for the issuance of The City of Charleston Sewerage System Revenue Bonds,
36 Series 2008 A (West Virginia CWSRF Program), in the total aggregate principal amount of \$9,000,000 (the
37 "Series 2008 A Bonds");

38

39 WHEREAS, the Bond Ordinance provides that the Series 2008 A Bonds are sewer revenue
40 bonds issued pursuant to West Virginia Code 16-13-1 *et seq.*, (the "Act") for the benefit of the Issuer's
41 sewerage treatment and collection system (the "Sewer System") and, in the case of the Series 2008 A Bonds,
42 secured by the Net Revenues of the Sewer System;

43

1 WHEREAS, the Bond Ordinance provides for a reserve account for the Series 2008 A Bonds
2 (the “Series 2008 A Bonds Reserve Account”) each held by the West Virginia Municipal Bond Commission
3 (the “Bond Commission”) to secure the payment of the principal of, and interest on, the Series 2008 A
4 Bonds, respectively;

5
6 WHEREAS, the Bond Ordinance provides that the Series 2008 A Bonds Reserve Account may
7 be funded with a municipal bond debt service reserve insurance policy (a “Debt Service Reserve Insurance
8 Policy”), or surety bond, letter of credit or similar financial instrument (each known as a “Reserve Account
9 Credit Facility”), in an amount either equal to, or lesser than, the respective reserve requirements for the
10 Series 2008 A Bonds;

11
12 WHEREAS, the Issuer has been advised, and does hereby determine, that pledging a Debt
13 Service Reserve Insurance Policy to the Series 2008 A Bonds Reserve Account (i) is a more financially
14 advantageous method to satisfy the Series 2008 A Bonds Reserve Requirement; and (ii) will allow the
15 monies currently on deposit in the Series 2008 A Bonds Reserve Account, if any, which remain after the
16 payment of the cost of purchasing such Debt Service Reserve Insurance Policy and paying any expenses
17 related thereto, to be used for the design, acquisition, construction and equipping of capital additions,
18 betterments and improvements for the System;

19
20 WHEREAS, Build America Mutual Assurance Company (“BAM”) has agreed to provide to the
21 Issuer a Municipal Bond Debt Service Reserve Insurance Commitment for the Series 2008 A Bonds,
22 substantially in the form attached hereto as “Exhibit A” and incorporated herein by reference (the “Series
23 2008 A Bonds Debt Service Reserve Insurance Commitment”), whereby BAM agrees, subject to certain
24 conditions, to provide a Municipal Bond Debt Service Reserve Insurance Policy to fund the Series 2008 A
25 Bonds Debt Service Reserve Account in an amount equal to the respective Series 2008 A Bonds Reserve
26 Requirement (the “Series 2008 A Bonds Debt Service Reserve Insurance Policy”);

27
28 WHEREAS, the Series 2008 A Bonds Debt Service Reserve Insurance Commitment includes a
29 form of “Debt Service Reserve Agreement” by and between the Issuer and BAM (the “Series 2008 A Bonds
30 Debt Service Reserve Agreement”) which provides, in part, that any payments made, or Policy Costs
31 incurred, by BAM pursuant to the Series 2008 A Bonds Debt Service Reserve Insurance Policy shall be
32 repaid to BAM by the Issuer pursuant to the terms of the Series 2008 A Bonds Debt Service Reserve
33 Agreement;

34
35 WHEREAS, the West Virginia Water Development Authority (the “WDA”) on behalf of the
36 West Virginia Department of Environmental Protection initially purchased, and remains the sole Registered
37 Owner of, the Series 2008 A Bonds;

38
39 WHEREAS, Section 8.1 Bond Ordinance provides that written consent of the Registered
40 Owners of the Series 2008 A Bonds to amendment or modification of the Bond Ordinance is required prior
41 to any such amendment or modification;

42
43 WHEREAS, the WDA, as sole Registered Owner of the Series 2008 A Bonds, has agreed to the
44 amendment and modification of the Bond Ordinance to authorize any Debt Service Reserve Insurance

1 Policy and a pledge of the Series 2008 A Bonds Debt Service Reserve Insurance Policy to fund the Series
2 2008 A Bonds Reserve Account as provided in this Second Supplemental Resolution;

3
4 WHEREAS, the Issuer desires to purchase, and pledge to the Series 2008 A Bonds Reserve
5 Account, the Series 2008 A Bonds Debt Service Reserve Insurance Policy in the amount of the respective
6 Reserve Requirements for the Series 2008 A Bonds, and for the monies on deposit in the Series 2008 A
7 Bonds Reserve Account, if any, to be released to the Issuer and used as provided herein; and

8
9 WHEREAS, the Governing Body deems it essential and desirable that this Second
10 Supplemental Resolution be adopted, and that the Bond Ordinance be amended and modified as set forth
11 below.

12
13 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF
14 CHARLESTON:

15
16
17 Section 2. The Bond Ordinance is hereby amended and modified by adding a new Section
18 4.05 in the Bond Ordinance as set forth below:

19
20 Section 4.05. Reserve Account Credit Facility. In lieu of or in addition
21 to cash or investments, at any time the Issuer may, with the prior written
22 consent of the Registered Owners of the Series 2008 A Bonds, cause to be
23 deposited with the Commission and pledged to the Series 2008 A Bonds
24 Reserve Account any form of Reserve Account Credit Facility, in the
25 amount of the Series 2008 A Bonds Reserve Requirements, or as such
26 lesser amount, irrevocably payable to the Commission as beneficiary for
27 the Registered Owners of the Series 2008 A Bonds. In the event the Series
28 2008 A Bonds Reserve Account is initially funded, in whole or in part,
29 with proceeds of the Series 2008 A Bonds, or from monthly payments
30 from Net Revenues of the System by the Issuer, the Issuer may deposit a
31 Reserve Account Credit Facility to replace all or any portion of the monies
32 on deposit in the Series 2008 A Bonds Reserve Account and any monies
33 then on deposit in the Series 2008 A Bonds Reserve Account, and required
34 to be on deposit therein, shall be returned to the Issuer and used to pay the
35 costs of delivering such Reserve Account Credit Facility and/or to pay the
36 costs of design, acquisition, construction and equipping of capital
37 additions, betterments and improvements for the System. The term
38 “Reserve Account Credit Facility” shall mean any municipal bond debt
39 service reserve insurance policy, surety bond, letter of credit or similar
40 financial instrument that the Issuer deposits with the Commission and
41 pledges to the Series 2008 A Bonds Reserve Account.

42
43 (1) Any such Reserve Account Credit Facility shall be payable to the
44 Commission as beneficiary for the Registered Owners of the Series 2008

1 A Bonds, shall have a term of no less than one (1) year and shall be payable
2 (upon the giving of such notice as may be required thereunder) (i) on any
3 date on which moneys are required to be withdrawn from the Series 2008
4 A Bonds Reserve Account due to insufficient amounts in the applicable
5 funds and accounts held by the Commission with respect to the Series
6 2008 A Bonds when needed to pay debt service on such Bonds or (ii) on a
7 date not more than ten (10) days prior to the expiration date of the Reserve
8 Account Credit Facility in the event the Issuer has not satisfied any of the
9 requirements for a Reserve Account Credit Facility for which the
10 expiration date is not coterminous with the Series 2008 A Bonds set forth
11 in (i), (ii) or (iii) below. Not less than three (3) months prior to any stated
12 expiration date of such Reserve Account Credit Facility for any Reserve
13 Account Credit Facility that is not conterminous with the final maturity
14 date of the Series 2008 A Bonds, the Issuer shall either (i) provide for
15 delivery of a replacement Reserve Account Credit Facility which satisfies
16 the requirements of this Section 4.05, (ii) deliver an extension of the
17 Reserve Account Credit Facility for a term of not less than one (1) year,
18 or (iii) deposit cash in the Series 2008 A Bonds Reserve Account in an
19 amount which satisfied the requirements of this Section 4.05. Upon
20 delivery of a replacement Reserve Account Credit Facility, the
21 Commission shall deliver the then-effective Reserve Account Credit
22 Facility to, or at the direction of, the Issuer.

23
24 (2) In the event the Commission draws upon a Reserve Account
25 Credit Facility, the Issuer shall pay to the provider thereof, from the
26 Revenue Fund in accordance with the priority for funding of all reserve
27 accounts from Net Revenue set forth in Section 4.03 hereof, all principal
28 and interest and expenses payable thereto under the terms of the applicable
29 Reserve Account Credit Facility. This Bond Ordinance shall not be
30 terminated until all such amounts are paid in full.

31
32 (3) The Commission shall maintain adequate records of (i) the amount
33 available to be drawn at any time under any Reserve Account Credit
34 Facility; and (ii) the amounts paid and payable by the Issuer to the provider
35 thereof.

36
37 (4) In the event the Series 2008 A Bonds Reserve Account is, at any time,
38 only partially funded by a Reserve Account Credit Facility and the
39 Commission is required to withdraw any monies from the Series 2008 A
40 Bonds Reserve Account, the Commission shall (i) first disburse any cash
41 or investments in the Series 2008 A Bonds Reserve Account until such
42 cash or investments are exhausted and, thereafter, draw on said Reserve
43 Account Credit Facility, and (ii) reimburse the provider of said Reserve
44 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 2008 A Bonds Reserve Account to the Series 2008 A Bonds Reserve Requirements.

Section 3. The Bond Ordinance is hereby amended and modified by adding a new Section 6.17 in the Bond Ordinance as set forth below:

Section 6.17. 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 2008 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

1 credited first to interest due, then to the expenses due and then to principal
2 due. As and to the extent that payments are made to the Reserve Insurer
3 on account of principal due, the coverage under the Reserve Policy will be
4 increased by a like amount, subject to the terms of the Reserve Policy.
5

6 All cash and investments in the Series 2008 A Bonds Reserve Account and
7 all other available amounts in any funds available to pay debt service on
8 the Bonds shall be transferred to the respective Series 2008 A Bonds
9 Sinking Fund for payment of the debt service on the applicable Series 2008
10 A Bonds before any drawing may be made on the Reserve Policy or any
11 other credit facility on deposit in the Series 2008 A Bonds Reserve
12 Account in lieu of cash (“Reserve Fund Credit Instrument”)~~Reserve~~
13 ~~Account Credit Facility.~~
14

15 Payment of any Policy Cost shall be made prior to replenishment of any
16 cash amounts. Draws on all Reserve ~~Fund Credit Instruments Account~~
17 ~~Credit Facility~~ (including the Reserve Policy) on which there is available
18 coverage shall be made on a pro-rata basis (calculated by reference to the
19 coverage then available thereunder) after applying all available cash and
20 investments in the Series 2008 A Bonds Reserve Account. Payment of
21 Policy Costs and reimbursement of amounts with respect to other Reserve
22 ~~Fund Credit Instrument Account Credit Facility~~ shall be made on a pro-
23 rata basis prior to replenishment of any cash drawn from the Series 2008
24 A Bonds Reserve Account. For the avoidance of doubt, “available
25 coverage” means the coverage then available for disbursement pursuant to
26 the terms of the applicable Reserve ~~Fund Credit Instrument Account Credit~~
27 ~~Facility~~ without regard to the legal or financial ability or willingness of the
28 provider of such instrument to honor a claim or draw thereon or the failure
29 of such provider to honor any such claim or draw.
30

31 The Policy Limit shall automatically and irrevocably be reduced from time
32 to time by the amount of each reduction in the reserve requirement of the
33 Series 2008 A Bonds, if any.
34

35 (b) Draws under the Reserve Policy may only be used to make payments on
36 Series 2008 A Bonds covered under the Reserve Policy.
37

38 (c) If the Issuer shall fail to pay any Policy Costs in accordance with the
39 requirements of paragraph (a) above, the Reserve Insurer shall be entitled to
40 exercise any and all legal and equitable remedies available to it, including those
41 provided under this Bond Ordinance, the Loan Agreement, or any other document
42 executed in connection with the Series 2008 A Bonds (collectively, the “Security
43 Documents”).
44

1 (d) The Security Documents shall not be discharged until all Policy Costs
2 owing to the Reserve Insurer shall have been paid in full. The Issuer’s obligation
3 to pay such amount shall expressly survive payment in full of the Series 2008 A
4 Bonds.

5
6 (e) The Reserve Policy shall expire and terminate in accordance with the
7 terms and provisions of the Reserve Policy and Debt Service Reserve Agreement.
8

9 (f) Any amendment, supplement, modification to, or waiver of any of the
10 Security Documents that requires the consent of the Registered Owners of the
11 Bonds or adversely affects the rights or interest of the Reserve Insurer shall be
12 subject to the prior written consent of the Reserve Insurer.
13

14 (g) The Reserve Insurer is recognized as and shall be deemed to be a third
15 party beneficiary of the Security Documents and may enforce the provisions of
16 the Security Documents as if it were a party thereto.
17

18 (h) Policy Costs due and owing shall be included in debt service requirements
19 for purposes of calculation of the additional bonds test and the rate covenant in
20 the Security Documents.
21

22 (i) The Commission shall ascertain the necessity for a claim upon the Reserve
23 Policy in accordance with the provisions of paragraph (a) hereof and shall provide
24 notice to the Reserve Insurer in accordance with the terms of the Reserve Policy
25 at least five business days prior to each date upon which interest or principal is
26 due on the Series 2008 A Bonds and a draw on the Reserve Policy is anticipated
27 to make such payment. Where deposits are required to be made by the Issuer with
28 the Commission to the debt service fund for the respective Series 2008 A Bonds
29 more often than semi-annually, the Commission shall give notice to the Reserve
30 Insurer of any failure of the Issuer to make timely payment in full of such deposits
31 within two business days of the date due.
32

33 (j) The Issuer agrees unconditionally that it will pay or reimburse the Reserve
34 Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities
35 and expenses that the Reserve Insurer may pay or incur, including, but not limited
36 to, fees and expenses of the Reserve Insurer’s agents, attorneys, accountants,
37 consultants, appraisers and auditors and reasonable costs of investigations, in
38 connection with the administration (including waivers and consents, if any),
39 enforcement, defense, exercise or preservation of any rights and remedies in
40 respect of this Bond Ordinance or any other Security Document (“Administrative
41 Expenses”). For purposes of the foregoing, costs and expenses shall include a
42 reasonable allocation of compensation and overhead attributable to the time of
43 employees of the Reserve Insurer spent in connection with the actions described

1 in the preceding sentence. The Issuer agrees that failure to pay any Administrative
2 Expenses on a timely basis will result in the accrual of interest on the unpaid
3 amount at the Late Payment Rate, compounded semi-annually, from the date that
4 payment is first due to the Reserve Insurer until the date the Reserve Insurer is
5 paid in full.
6

7 (k) Payments made by the Reserve Insurer under the Reserve Policy with
8 respect to claims for interest on or principal of the Series 2008 A Bonds shall not
9 discharge the obligation of the Issuer with respect to such Series 2008 A Bonds,
10 and BAM shall become the owner of such unpaid Series 2008 A Bonds and claims
11 for the interest thereon. The Issuer and the Commission recognize and agree that
12 to the extent the Reserve Insurer makes payments directly or indirectly (e.g., by
13 paying through the Paying Agent), on account of principal of or interest on the
14 Series 2008 A Bonds, the Reserve Insurer will be subrogated to the rights of such
15 holders to receive the amount of such principal and interest from the Issuer, with
16 interest thereon.
17

18 (l) In order to secure the Issuer's payment obligations with respect to Policy
19 Cost, there is hereby granted and perfected in favor of the Reserve Insurer a
20 security interest (subordinate only to that of the owners of the Series 2008 A
21 Bonds ~~and all bonds issued on a parity therewith, including the Prior Bonds and~~
22 ~~all subsequently issued additional parity bonds~~) in all revenues and collateral
23 pledged as security for the Series 2008 A Bonds. Policy Costs shall be paid to the
24 Reserve Insurer immediately following the payment of principal of and interest
25 on the Series 2008 A Bonds and all Parity Bonds, including following the
26 occurrence of a default or event of default.
27

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

29
30 (1) The Issuer will provide the Reserve Insurer with all notices and other
31 information it is obligated to provide (i) under its Continuing Disclosure
32 Agreement and (ii) to the Registered Owners of the Series 2008 A Bonds under
33 the Security Documents.
34

35 (2) In addition, the Issuer shall provide the Reserve Insurer with the following
36 notices and other information: (i) notice of any draw upon a Series 2008 A Bonds
37 Reserve Account within two (2) business days after knowledge thereof, other than
38 in connection with withdrawals of amounts in excess of the Series 2008 A Bonds
39 Reserve Requirement; and (ii) prior written notice of the advance refunding or
40 redemption of any of the Series 2008 A Bonds, including the principal amount,
41 maturities and CUSIP numbers thereof, if any.
42

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

(4) The notice address of Reserve Insurer is:

Build America Mutual Assurance Company
28 Liberty Street, 59th Floor
New York, NY 10005
Attention: Surveillance, Re: Policy No. _____
Telephone: (212) 235-2500
Telecopier: (212) 962-1710235-1542
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) 962-1624235-5214 and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

Section 4. The Issuer hereby accepts, approves and ratifies the Series 2008 A Bonds Debt Service Reserve Insurance Commitment and the form of the Series 2008 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 and City Clerk 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 2008 A Bonds Reserve Account, of the Series 2008 A Bonds Debt Service Reserve Insurance Policy; (ii) the release to the Issuer of the monies currently on deposit in the Series 2008 A Bonds Reserve Account, if any; and (iii) the payment of the costs associated with actions authorized in this Second Supplemental Resolution, specifically including, but not limited to, the premium for the Series 2008 A Bonds Debt Service Reserve Insurance Policy.

Section 5. The Issuer shall use any funds released from the Series 2008 A Bonds Reserve Account as a result of pledging the Series 2008 A Bonds Debt Reserve Insurance Policy thereto for (i) paying costs associated with obtaining the Series 2008 A Bonds Debt Service Reserve Insurance Policy, specifically including, but not limited to, the premium paid to BAM for the Series 2008 A Bonds Debt Service Reserve Insurance Policy; ~~and (ii) paying costs of the Issuer’s Magazine Branch Project and to the extent additional funds are available~~ (iii) paying costs of design, acquisition, construction and equipping of additions, betterments, and/or improvements to the System. ~~Funds released from the Series 2008 A Bonds Reserve Account in the amount required to fully fund that Reserve Account shall be deposited into the Series 2026 A Bonds Project Account held at the Commission and expended within one and one half years. Any remaining balance in the Series 2008 A Bonds Reserve Account shall be transferred to the Issuer. All funds released from the Series 2008 A Bonds Reserve Account shall be deposited into the [Series 2026 A Bonds Project Account/The Sanitary Board of The City of Charleston West Virginia] and expended within one and one half years of such funds being received by the Issuer.~~

CERTIFICATION

Certified a true, correct and complete copy of a Second Supplemental Resolution duly adopted by the Council of The City of Charleston on the ____ day of July, 2026.

Dated: _____, 2026.

[SEAL]

City Clerk

DRAFT 6.30.2026

EXHIBIT A

Form of

BAM Municipal Bond Debt Service Reserve Insurance Commitment

(see attached)