

CITY OF CHARLES TOWN

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF THE CHARLES TOWN BUILDING COMMISSION LEASE REVENUE REFUNDING BONDS, SERIES 2021 B (BANK QUALIFIED), AND THE LEASING OF CERTAIN REAL AND PERSONAL PROPERTY FROM THE CHARLES TOWN BUILDING COMMISSION; APPROVING THE FORM OF A TRUST INDENTURE, LEASE AGREEMENT, DEED OF TRUST, ASSIGNMENT OF LEASE, TAX CERTIFICATE, BOND PURCHASE AGREEMENT, CONTINUING DISCLOSURE AGREEMENT, PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENT AND OTHER INSTRUMENTS, AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2021 B BONDS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS, DOCUMENTS AND OTHER MATTERS REGARDING THE ISSUANCE OF THE SERIES 2021 B BONDS.

WHEREAS, the City of Charles Town (the "City") duly enacted an ordinance (the "Ordinance") entitled:

ORDINANCE AUTHORIZING AND APPROVING THE REFUNDING OF THE CHARLES TOWN BUILDING COMMISSION'S LEASE REVENUE BONDS, SERIES 2017 A (BANK OF CHARLES TOWN) THROUGH THE ISSUANCE BY THE CHARLES TOWN BUILDING COMMISSION OF ITS LEASE REVENUE REFUNDING BONDS, SERIES 2021 B (BANK QUALIFIED); AUTHORIZING AND APPROVING THE LEASING OF THE CHARLES TOWN MUNICIPAL BUILDING BY THE CITY OF CHARLES TOWN (THE "CITY") FROM THE CHARLES TOWN BUILDING COMMISSION PURSUANT TO A LEASE AGREEMENT; APPROVING THE FORM OF THE LEASE AGREEMENT AND THE EXECUTION AND DELIVERY OF THE LEASE AGREEMENT BY THE APPROPRIATE OFFICIALS OF THE CITY; AUTHORIZING THE FORMS OF, AND EXECUTION BY THE MAYOR AND CITY CLERK OF, A CONTINUING DISCLOSURE AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT AND A BOND PURCHASE AGREEMENT AND EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS, DOCUMENTS AND OTHER MATTERS REGARDING THE ISSUANCE BY THE CHARLES TOWN BUILDING COMMISSION OF ITS LEASE REVENUE REFUNDING BONDS, SERIES 2021 B (BANK QUALIFIED).

WHEREAS, the draft forms of certain of such Bond Documents, being the Trust Indenture, Lease Agreement, Deed of Trust, Assignment of Lease, Tax Certificate, Bond Purchase Agreement, Continuing Disclosure Agreement, Preliminary Official Statement and certain other documents relating to the Series 2021 B Bonds have been prepared;

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

WHEREAS, the members of the City deem it essential and desirable that this Supplemental Resolution be adopted, and that the Trust Indenture, Lease Agreement, Deed of Trust, Assignment of Lease, Tax Certificate, Bond Purchase Agreement, Continuing Disclosure Agreement and Preliminary Official Statement in the draft forms relating to the Series 2021 B Bonds as presented be approved, and that the delivery of the Preliminary Official Statement and the use of the Official Statement in connection with the marketing and sale of the Series 2021 B Bonds be authorized and approved, all in accordance with the Ordinance;

NOW, THEREFORE, THE CITY OF CHARLES TOWN HEREBY RESOLVES:

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized to be issued the Series 2021 B Bonds.

Section 2. The Trust Indenture, Lease Agreement, Deed of Trust, Assignment of Lease, Tax Certificate, Bond Purchase Agreement, Continuing Disclosure Agreement and Preliminary Official Statement relating to the Series 2021 B Bonds (collectively the "Bond Documents") in the draft forms as presented to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor and City Clerk of the City shall be and the same are hereby authorized, approved, and directed. The Mayor and City Clerk shall execute and deliver the Bond Documents with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Documents by the Mayor shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Documents relating to the issuance and sale of the Series 2021 B Bonds, including the payment of all necessary fees and expenses in connection therewith.

Section 3. The distribution by the Underwriter of the Preliminary Official Statement for the Series 2021 B Bonds substantially in the form submitted to this meeting and, the use of the Preliminary Official Statement and the Official Statement in connection with the marketing and sale of the Series 2021 B Bonds, is hereby ratified and approved. The certificate of the City relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor are hereby ratified and approved.

Section 4. The Mayor and City Clerk of the City are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2021 B Bonds, to the end that the Series 2021 B Bonds may be delivered on a timely basis to the Underwriter pursuant to the Bond Purchase Agreement.

Section 5. A. The Continuing Disclosure Agreement, to be dated the date of execution and delivery of the Series 2021 B Bonds, by and between the City and Digital Assurance Certification, LLC, substantially in the form to be approved pursuant to the execution and delivery by the Mayor of the Certificate of Determinations, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as

may be approved by the Mayor. The execution of the Continuing Disclosure Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

B. The City hereby ratifies the Continuing Disclosure Policy attached hereto as EXHIBIT A.

Section 6. The Mayor, City Clerk and other appropriate officers and members of the City are hereby authorized and directed to take all further actions necessary to cause the Series 2021 B Bonds to be issued and delivered at the earliest practicable date.

Section 7. This Supplemental Resolution shall be effective immediately.

Adopted this 15th day of March, 2021.

CITY OF CHARLES TOWN

By:

A handwritten signature in blue ink, appearing to read "Robert J. Turner", is written over a horizontal line.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the City of Charles Town on the 15th day of March, 2021.

Dated: March 29 2021.

By:  _____
City Clerk

EXHIBIT A
CONTINUING DISCLOSURE POLICY

CHARLES TOWN BUILDING COMMISSION

CONTINUING DISCLOSURE PROCEDURES

**PROCEDURES FOR COMPLIANCE WITH OBLIGATIONS
UNDER CONTINUING DISCLOSURE UNDERTAKINGS
(Current as of April 2021)**

These Procedures for Compliance with Obligations under Continuing Disclosure Undertakings (these “Procedures”) set forth specific procedures of the Charles Town Building Commission (the “Issuer”), designed to assist in compliance with applicable requirements set forth in undertakings (“Continuing Disclosure Undertakings”) providing for ongoing disclosure in connection with the offering of obligations to investors (whether or not tax-exempt/tax-advantaged) which are subject to the continuing disclosure requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

These Procedures document practices and describe various procedures for preparing and disseminating related reports and information and reporting “listed events” for the benefit of the holders of the Issuer’s obligations and to assist the Participating Underwriter (within the meaning of the Rule) in complying with the Rule and the Continuing Disclosure Undertaking.

The Issuer recognizes that compliance with pertinent law is an ongoing process, is necessary during the entire term of any obligations issued by the Issuer that are subject to (and not exempt from) the Rule and is an integral component of the Issuer’s debt management responsibilities. Accordingly, implementation of these Procedures will require ongoing monitoring and consultation with bond counsel and the Issuer’s accountants and advisors.

General Policies and Procedures

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

1. The Executive Director of the Issuer or his or her designee (the “Compliance Officer”) shall be responsible for monitoring post-issuance compliance issues.
2. The Compliance Officer will coordinate procedures for record retention and review of such records.
3. All documents and other records relating to obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer.
4. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.
5. The Compliance Officer will review the annual information required to be filed pursuant to each Continuing Disclosure Undertaking.

Continuing Disclosure

Under the provisions of the Rule, Participating Underwriters are required to reasonably determine that issuers (such as the Issuer) have entered into written Continuing Disclosure Undertakings to make ongoing disclosure in connection with offerings of obligations to investors subject to the Rule. Unless the Issuer is exempt from compliance with the Rule or the continuing disclosure provisions of the Rule as a result of certain permitted exemptions, a Continuing Disclosure Undertaking executed by the Issuer will be required.

In order to monitor compliance by the Issuer with its Continuing Disclosure Undertakings, the Compliance Officer will take the actions listed below, if and as required by such Continuing Disclosure Undertakings. The Compliance Officer may coordinate with staff, and may engage a dissemination agent, administrator, counsel, and/or other professionals to assist in discharging the Compliance Officer's duties under these Procedures as the Compliance Officer deems necessary.

A. Compilation of Currently Effective Continuing Disclosure Undertakings

The Compliance Officer shall compile and maintain a set of all currently effective Continuing Disclosure Undertakings of the Issuer. Such agreements are included in the transcript of proceedings for the Issuer's respective obligation issue. Continuing Disclosure Undertakings are "Currently Effective" for purposes of these Procedures (and hence shall be included in the set of Currently Effective Continuing Disclosure Undertakings) for so long as the obligations to which they relate are outstanding. As obligations are completely repaid or redeemed, the Compliance Officer shall remove the related Continuing Disclosure Undertakings from the set of Currently Effective Continuing Disclosure Undertakings.

B. Annual Review and Annual Reporting Requirements

The Compliance Officer shall ensure that all necessary financial statements, financial information and operating data is filed in the manner and by the filing dates set forth in the Currently Effective Continuing Disclosure Undertakings. The Compliance Officer shall review the set of Currently Effective Continuing Disclosure Undertakings annually, prior to each annual filing, keeping in mind:

- The financial information and operating data required to be reported under a particular Continuing Disclosure Undertaking may differ from the financial information and operating data required to be reported under another Continuing Disclosure Undertaking; and
- The timing requirements for reporting under a particular Continuing Disclosure Undertaking may differ from the timing requirements for filing under another Continuing Disclosure Undertaking.

C. Calendar; EMMA Notification System

The Compliance Officer shall keep a calendar of all pertinent filing dates required under the Issuer's Currently Effective Continuing Disclosure Undertakings. The Compliance Officer shall also subscribe to notification services made available through the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

D. Annual Review of Prior Filings

As part of the annual review process, the Compliance Officer shall also review prior filings made within the past five years subsequent to the last such review of prior filings. If the Compliance Officer discovers any late or missing filings, the Compliance Officer (after discussing the circumstances with the Issuer's dissemination agent, counsel or other agents as necessary) shall file the missing information.

E. Monitoring of Listed Events

The Compliance Officer shall monitor the occurrence of any of the following events and/or other events set forth in the Currently Effective Continuing Disclosure Undertakings and shall provide notice of the same in the required manner and by the relevant reporting deadline (generally within 10 business days of the occurrence):

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's obligations, or other material events affecting the tax status of the Issuer's obligations;
- Modification to rights of holders of the Issuer's obligations, if material;
- Calls of the Issuer's obligations, if material, and tender offers;
- Defeasances of the Issuer's obligations;
- Release, substitution or sale of property securing repayment of the Issuer's obligations, if material;
- Rating changes;

- Bankruptcy, insolvency, receivership or similar event of the obligated person;
- The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Bondholders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The term “Financial Obligation” is defined in the undertaking as a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

F. Review of Official Statements

The Compliance Officer shall review drafts of any offering document for a new offering of obligations, with assistance from its dissemination agent, counsel or other agents of the Issuer as necessary, and shall determine that the offering document accurately and completely describes the Issuer’s continuing disclosure compliance history within the five years prior to the date of the respective Official Statement. This compliance review is not meant to limit the Issuer’s other reviews of or diligence procedures relating to its offering documents.

G. Record Retention

The Compliance Officer shall retain documentation evidencing the Issuer’s annual reviews and its reviews of offering documents in connection with new offerings as set forth above. The Issuer shall retain this documentation, for each Continuing Disclosure Undertaking, for the period that the related obligations are outstanding.

H. Annual Review Checklist

To assist in implementing the Procedures set forth herein, the Compliance Officer may (or may not) choose to use and retain the annual review checklist attached hereto as “**Exhibit A – Continuing Disclosure Annual Review Checklist.**”

**EXHIBIT A – CONTINUING DISCLOSURE ANNUAL REVIEW CHECKLIST
CHARLES TOWN BUILDING COMMISSION**

CONTINUING DISCLOSURE ANNUAL REVIEW CHECKLIST

1. **Fiscal Year Ending:** _____
2. **Compliance Officer:** _____
3. **Checklist Completion Date:** _____

4. **Obligations for which there are Currently Effective Continuing Disclosure Undertakings
- Attach Agreements:**

\$ _____, _____, dated _____, 20

\$ _____, _____, dated _____, 20

\$ _____, _____, dated _____, 20

\$ _____, _____, dated _____, 20

\$ _____, _____, dated _____, 20

\$ _____, _____, dated _____, 20

\$ _____, _____, dated _____, 20

5. **Have any new Obligations subject to Continuing Disclosure Been Issued this Year?**

_____ No

_____ Yes (Add Agreement to Currently Effective Continuing Disclosure Undertakings). If Yes, did the Compliance Officer review the Offering Document's Description of the Issuer's Continuing Disclosure Compliance History within the Prior 5 Years?

Circle: Y/ N (If N, review and discuss any issues with counsel.)

6. Have any Obligations subject to Continuing Disclosure Been Completely Paid or Redeemed this Year?

_____ No

_____ Yes (Remove Agreement from Currently Effective Continuing Disclosure Undertakings)

7. (a) Has the Compliance Officer Reviewed the Annual Continuing Disclosure Filing to Ensure that all Necessary Financial Statements, Financial Information and Operating Data is Included?

_____ Yes

_____ No (Compliance Officer must review the Annual Continuing Disclosure Filing)

(b) For purposes of this review, please keep in mind:

| | Checked? |
|--|----------|
| Different Continuing Disclosure Undertakings may require different information to be filed (so check each one) | Y / N |
| Different Continuing Disclosure Undertakings may have different filing timing requirements (so check each one) | Y / N |

Have any of the Following Events Occurred this Year?

| Event | Circle |
|---|---------------|
| 1. Principal and interest payment delinquencies | Y / N |
| 2. Non-payment related defaults, if material | Y / N |
| 3. Unscheduled draws on debt service reserves reflecting financial difficulties | Y / N |
| 4. Unscheduled draws on credit enhancements reflecting financial difficulties | Y / N |
| 5. Substitution of credit or liquidity providers, or their failure to perform | Y / N |
| 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's obligations, or other material events affecting the tax status of the Issuer's obligations | Y / N |
| 7. Modification to rights of holders of the Issuer's obligations, if material | Y / N |
| 8. Calls of the Issuer's obligations, if material, and tender offers | Y / N |
| 9. Defeasances of the Issuer's obligations | Y / N |
| 10. Release, substitution or sale of property securing repayment of the Issuer's obligations, if material | Y / N |
| 11. Rating changes | Y / N |
| 12. Bankruptcy, insolvency, receivership or similar event of the Issuer | Y / N |
| 13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material | Y / N |
| 14. Appointment of a successor or additional trustee or the change of name of a trustee, if material | Y / N |
| 15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Bondholders, if material | Y / N |
| 16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties | Y / N |

If any such Event Occurred, was Proper Notice Provided?

_____ Yes

_____ No (Call your dissemination agent or counsel immediately to discuss)

_____ N/A

Has the Issuer Retained a Dissemination Agent? (i.e., a Paid Third Party that Assists with Filings)

_____ Yes: Name/Contact: _____

_____ No