

ORDINANCE 150
OF THE
BOARD OF SUPERVISORS OF THE
TOWNSHIP OF WEST COCALICO
LANCASTER COUNTY, PENNSYLVANIA

TO AUTHORIZE AND DIRECT THE INCURRING OF NON-ELECTORAL DEBT THROUGH THE ISSUANCE OF ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS (THE "BONDS") IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$8,500,000 OF THE TOWNSHIP OF WEST COCALICO, LANCASTER COUNTY, PENNSYLVANIA (THE "TOWNSHIP") FOR THE PURPOSE OF PROVIDING FUNDS TO (1) FINANCE CERTAIN CAPITAL PROJECTS OF WEST COCALICO TOWNSHIP AUTHORITY (THE "CAPITAL PROJECT"), AND (2) PAY THE COSTS OF ISSUING THE BONDS; STATING THAT REALISTIC COST ESTIMATES HAVE BEEN MADE FOR THE CAPITAL PROJECT AND STATING THE ESTIMATED COMPLETION DATE; STATING THE REALISTIC ESTIMATED USEFUL LIFE OF THE CAPITAL PROJECT FOR WHICH SAID BONDS ARE ISSUED; DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP TO PREPARE, CERTIFY AND FILE THE REQUIRED DEBT STATEMENT AND BORROWING BASE CERTIFICATE; COVENANTING THAT THE TOWNSHIP SHALL INCLUDE THE AMOUNT OF ANNUAL DEBT SERVICE IN ITS BUDGET FOR EACH FISCAL YEAR; PROVIDING FOR FULLY REGISTERED BONDS, DATE OF THE BONDS, INTEREST PAYMENT DATES, PROVISIONS FOR REDEMPTION AND STATED PRINCIPAL MATURITY AMOUNTS AND FIXING THE RATES OF INTEREST ON SUCH BONDS AND PROVIDING FOR BOOK-ENTRY ONLY BONDS; AUTHORIZING THE PROPER OFFICERS OF THE TOWNSHIP TO CONTRACT WITH FULTON BANK, NATIONAL ASSOCIATION FOR ITS SERVICES AS SINKING FUND DEPOSITORY, PAYING AGENT AND REGISTRAR AND STATING A COVENANT AS TO PAYMENT OF PRINCIPAL AND INTEREST WITHOUT DEDUCTION FOR CERTAIN TAXES; PROVIDING FOR THE REGISTRATION, TRANSFER AND EXCHANGE OF BONDS; PROVIDING FOR THE EXECUTION, DELIVERY AND AUTHENTICATION OF BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; APPROVING THE FORM OF THE BONDS, PAYING AGENT'S AUTHENTICATION CERTIFICATE AND ASSIGNMENT AND PROVIDING FOR CUSIP NUMBERS TO BE PRINTED ON THE BONDS; AWARDING SUCH BONDS AT A NEGOTIATED SALE AND STATING THAT SUCH SALE

IS IN THE BEST FINANCIAL INTEREST OF THE TOWNSHIP; CREATING A SINKING FUND AND APPROPRIATING ANNUAL AMOUNTS FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP TO CERTIFY AND TO FILE WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT CERTIFIED COPIES OF THE NECESSARY PROCEEDINGS; MAKING CERTAIN REPRESENTATIONS AND COVENANTS UNDER FEDERAL TAX LAW PROVISIONS; DESIGNATING EACH OF THE BONDS AS A "QUALIFIED TAX-EXEMPT OBLIGATION"; APPROVING THE CONTENT AND FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE DISTRIBUTION THEREOF AND AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT AND THE UNDERTAKING OF CERTAIN CONTINUING DISCLOSURE; AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF A CERTAIN AMENDMENT TO SUBSIDY AGREEMENT BY AND BETWEEN THE TOWNSHIP AND THE WEST COCALICO TOWNSHIP AUTHORITY; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP TO DO ALL THINGS NECESSARY TO CARRY OUT THE ORDINANCE; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP TO PAY ISSUANCE COSTS; AUTHORIZING INCIDENTAL ACTIONS; RESCINDING INCONSISTENT ORDINANCES; AND STATING THE EFFECTIVE DATE.

WHEREAS, the Township of West Cocalico, Lancaster County, Pennsylvania (the "Township") is a political subdivision of the Commonwealth of Pennsylvania, is governed by the Board of Supervisors (the "Governing Body"), and is a "township" within the meaning of the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended (the "Debt Act"); and

WHEREAS, West Cocalico Township Authority (the "Authority"), a municipality authority created by the Township and existing under the Pennsylvania Municipality Authorities Act, 53 Pa. Cons. Stat. §§5601-5622, as amended, presently owns and operates certain water and sewer facilities for the collection, transportation, treatment or disposition of water and sewage within the Township and portions of adjacent municipalities, as applicable, or within such additional areas as may, from time to time, be designated by the Township and the Authority; and

WHEREAS, the Governing Body of the Township has determined to issue its General Obligation Bonds, Series of 2022, in the maximum aggregate principal amount of \$8,500,000 (the "Bonds"), with the proceeds to be applied for and toward (i) certain capital projects (collectively, the "Capital Project"), consisting of the design, planning, acquisition, construction and/or equipping of improvements to the Authority's sewer system; and (ii) the payment of the

costs of issuance related to the issuance of the Bonds ((i) - (ii) collectively, the "Project"), all in accordance with the applicable and appropriate provisions of the Debt Act; and

WHEREAS, Raymond James & Associates, Inc., Lancaster, Pennsylvania (the "Underwriter") has presented to the Township a written contract as its proposal for the purchase of the Bonds (the "Proposal"); and

WHEREAS, the Governing Body of the Township has determined to appoint Fulton Bank, National Association, Lancaster, Pennsylvania (the "Paying Agent"), as paying agent and sinking fund depository with respect to the Bonds, and has determined to provide that the principal of and interest on the Bonds shall be payable, when due, at such office of the Paying Agent; and

WHEREAS, the Township previously authorized one or more series of General Obligation Bonds in the maximum aggregate principal amount of \$16,000,000 (the "Authorized Bonds") pursuant to its Ordinance enacted on February 16, 2021, which Authorized Bonds were approved by the Department of Community and Economic Development ("DCED") (Approval No. GOB-210315-05), the proceeds of which were to be applied to certain capital projects (collectively, the "2021 Capital Project"), consisting of the design, planning, acquisition, construction and/or equipping of improvements to the Authority's sewer system; and

WHEREAS, on April 7, 2021, as part of the Authorized Bonds, the Township issued \$9,995,000 General Obligation Bonds, Series of 2021 (the "2021 Bonds"), the proceeds of which were used to fund a portion of the 2021 Capital Project; and

WHEREAS, the Governing Body of this Township has determined to not issue any additional amounts of the Authorized Bonds and has determined to file concurrently herewith a Notice of Partial Noncompletion of Sale for the remaining balance of the Authorized Bonds; and

WHEREAS, the Township and the Authority heretofore entered into a Subsidy Agreement, dated as of April 7, 2021 (the "Original Subsidy Agreement"), whereby the Authority agreed to periodically pay certain sums to the Township, derived from the Receipts and Revenues of the Sewer System (as defined in the Subsidy Agreement), for application toward the payment of debt service on the Township's 2021 Bonds; and

WHEREAS, in connection with the Project, the Township and the Authority shall enter into a First Amendment to Subsidy Agreement (the "First Amendment to Subsidy Agreement", and together with the Original Subsidy Agreement, the "Subsidy Agreement"), whereby the Authority shall agree to periodically pay certain sums to the Township, derived from the Receipts and Revenues of the Sewer System (as defined in the Subsidy Agreement), for application toward the payment of debt service on the Bonds; and

WHEREAS, the Township desires to approve the form of the Bonds, authorize and approve the execution and delivery of the Proposal and related instruments, and to execute and deliver such other documents as may be necessary to implement the Proposal and to authorize such further action by its officers consistent with this Ordinance, the Debt Act, and all other applicable law.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF WEST COCALICO, LANCASTER COUNTY, PENNSYLVANIA, AS FOLLOWS:

Section 1. Incurrence of Debt; Amount and Purpose of Bonds; Approval of Refunding Project; Estimated Project Completion Date. The Governing Body of the Township hereby authorizes and directs the incurring of non-electoral debt through the issuance of the Bonds in the maximum aggregate principal amount of \$8,500,000, to provide funds for and toward the Project.

Realistic cost estimates have been obtained for the Capital Project through estimates made by qualified persons, as required by Section 8006 of the Act.

The Township hereby reserves the right to undertake components of the Project in such order and at such time or times as it shall determine and to allocate the proceeds of the Bonds and other available moneys to the final costs of the Project in such amounts and order of priority as it shall determine; but the proceeds of the Bonds shall be used solely to pay the "costs," as defined in the Act, of the Project described herein, or, upon appropriate amendment hereto, to pay the costs of other projects for which the Township is authorized to incur indebtedness.

The estimated completion date of the Capital Project is October 31, 2023.

The first stated principal installment of the Bonds shall be made within the later of two years from the date of issue or one year following such estimated completion date of the Capital Project in compliance with Section 8142(c) of the Act.

Section 2. Realistic Estimated Useful Life. Components of the Capital Project have useful lives in excess of forty (40) years. The principal amount of the Bonds equal to the separate cost of such capital projects having a shorter useful life than the period during which the Bonds will be outstanding has been scheduled to mature prior to the end of such useful life, and the balance prior to the end of the longest useful life.

Section 3. Debt Statement and Borrowing Base Certificate. The Chairman or Vice Chairman of this Governing Body and the Secretary or Assistant Secretary of the Township (or other authorized officers or officials of the Township) are hereby authorized and directed to prepare and verify the debt statement required by Section 8110 of the Debt Act and to prepare or cause to be prepared a borrowing base certificate, and the Secretary or Assistant Secretary of the Township is hereby authorized and directed to certify to and file with DCED, in accordance with the Debt Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder, including the debt statement and borrowing base certificate referred to hereinabove, and to pay the filing fees necessary in connection therewith.

The Chairman or Vice Chairman of this Governing Body and the Secretary or Assistant Secretary of the Township (or other authorized officers or officials of the Township) are further authorized to provide notice to DCED (which may be included in the debt statement) of the Notice of Partial Noncompletion of Sale for the remaining balance of the Authorized Bonds.

Section 4. First Amendment to Subsidy Agreement. The Township shall enter into the First Amendment to Subsidy Agreement, to be dated the date of issuance and delivery of the Bonds issued hereunder with the Authority, amending and supplementing the Original Subsidy Agreement with respect to the Bonds. The Subsidy Agreement shall provide that the Authority shall periodically pay certain sums to the Township, derived from the receipts and revenues of the Systems, for application toward the payment of debt service on the outstanding 2021 Bonds and the Bonds.

The First Amendment to Subsidy Agreement shall be substantially in the form presented to this meeting, which form is approved, together with such changes therein as shall be approved by the Township Solicitor and Bond Counsel for the Township and the Chairman or Vice Chairman of this Governing Body and the Secretary or Assistant Secretary of the Township executing the same, their execution and delivery thereof to constitute conclusive evidence of such approval.

The Chairman or Vice Chairman of this Governing Body and the Secretary or Assistant Secretary of the Township, respectively, are hereby authorized and directed to execute, to attest and to deliver the First Amendment to Subsidy Agreement.

Section 5. Covenant to Pay Bonds. It is covenanted with the holder of the Bonds that the Township shall (i) include the amount of the debt service for the Bonds for each fiscal year in which the sums are payable in its budget for that year; (ii) appropriate those amounts from its general revenues for the payment of the debt service; and (iii) duly and punctually pay, or cause to be paid, from its sinking fund or any other of its revenues or funds the principal of, and the interest on, the Bonds at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Township pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable; subject, however, as to the enforceability of remedies, to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally. Nothing in this Section shall be construed to give the Township any taxing power not granted by another provision of law.

Section 6. Form of Bonds; Description of Bonds. For purposes of this Section, the following defined terms have the meaning stated below:

"DTC" means The Depository Trust Company, New York, New York, the securities depository for the Bonds, and its successors.

"Representation Letter" means the Blanket Letter of Representations, together with DTC's Operational Arrangements referred to therein, of the Township on file with DTC and incorporated herein by reference.

A. Amount and Term of Bonds.

The Bonds shall be in fully registered form without coupons, shall be numbered, shall be in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof, shall be dated as of the date of registration and authentication of such Bonds (the "Series Issuance Date") and shall bear interest from the dates, which interest is payable at the rates provided herein,

until maturity or prior redemption, all as set forth in the form of Bond attached hereto as Exhibit A and made a part hereof.

The Bonds shall bear interest, until maturity or prior redemption, at the maximum rates per annum, and shall mature in the maximum amounts and years all as set forth in the maturity schedule attached hereto as Exhibit B and made a part hereof.

The stated maturities of the Bonds as shown on Exhibit B have been fixed in compliance with Section 8142(b)(2) of the Debt Act.

The Bonds are subject to redemption prior to maturity as set forth in Exhibit B attached hereto.

The Paying Agent is hereby authorized and directed, upon notification by the Township of its option to redeem Bonds in part to select by lot the particular Bonds or portions thereof to be redeemed, to cause a notice of redemption to be given once by first-class United States mail, postage prepaid, not less than thirty (30) days prior to the redemption date, to each registered owner of Bonds to be redeemed. Such notice shall be mailed to the address of such registered owner appearing on the registration books of the Paying Agent, unless such notice is waived by the registered owner of the Bonds to be redeemed. Any such notice shall be given in the name of the Township, shall identify the Bonds to be redeemed, including CUSIP numbers, if applicable, which may, if appropriate, be expressed in designated blocks of numbers (and, in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the place where such Bonds are to be surrendered for payment, shall state the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable and from such redemption date interest will cease to accrue. Failure to give any notice of redemption or any defect in the notice or in the giving thereof to the registered owner of any Bond to be redeemed shall not affect the validity of the redemption as to other Bonds for which proper notice shall have been given. The costs incurred for such redemptions shall be paid by the Township.

For so long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notice specified above only to DTC in accordance with its applicable time requirements. It is expected that DTC in turn will notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of DTC or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Paying Agent, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

In addition to the notices described in the preceding paragraphs, further notice shall be given by the Paying Agent as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption, plus (A) the date of issue of the Bonds as originally issued; (B) the rate of interest borne by each Bond being redeemed; (C) the

maturity date of each Bond being redeemed; and (D) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least twenty-five (25) days before the redemption date by registered or certified mail or overnight delivery service or indirectly through the Electronic Municipal Market Access (EMMA) System through the Municipal Securities Rulemaking Board, at www.emma.msrb.org.

(iii) Upon the payment of the redemption price of Bonds being redeemed, each check or transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issuer and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

The notice required to be given by this Section shall state that no representation is made as to the correctness or accuracy of CUSIP numbers listed in such notice or stated on the Bonds.

If at the time of the mailing of any notice of optional redemption the Township shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional, that is, subject to the deposit or transfer of the redemption moneys with the paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited.

B. Book-Entry Only System. The foregoing provisions of this Section 6 to the contrary notwithstanding:

(i) The Bonds, upon original issuance, will be issued in the form of a single, fully registered bond or note, as applicable, for each maturity in the denomination equal to the principal amount of Bonds maturing on each such date and will be deposited with DTC. Each such Obligation will initially be registered to Cede & Co., the nominee for DTC, or such other name as may be requested by an authorized representative of DTC, and no beneficial owner will receive certificates representing their respective interest in the Bonds, except in the event that the use of the book-entry system for the Bonds is discontinued. It is anticipated that during the term of the Bonds, DTC will make book-entry transfers among its Participants and receive and transmit payment of principal and premium, if any, and interest on, the Bonds to Participants until and unless the Paying Agent authenticates and delivers Replacement Bonds, as applicable, to the beneficial owners as described in subsection (vi).

(ii) The execution and delivery by the Township of the Representation Letter shall not in any way create, expand or limit any undertaking or arrangement contemplated or provided for herein in respect of DTC or the book-entry registration, payment and notification system or in any other way impose upon the Township or the Paying Agent any obligation whatsoever with respect to beneficial owners having interest in the Bonds, any such obligation extending solely to DTC, as sole bondholder, as shown on the registration books kept by the Paying Agent. The Paying Agent shall take all action necessary for all representations of the Township in the Representation Letter with respect to the Paying Agent to be complied with at all times.

(iii) So long as the Bonds or any portion thereof are registered in the name of Cede & Co., or such other DTC nominee, all payments of principal, premium, if any, or redemption

price of, and interest on, the Bonds shall be made to DTC or its nominee in accordance with the Representation Letter on the dates provided for such payments under this Ordinance. All payments made by the Paying Agent to DTC or its nominee shall fully satisfy the Township's obligations to pay principal, premium, if any, and interest, on the Bonds to the extent of such payments, and no beneficial owner of any Bond registered in the name of Cede & Co., or such other DTC nominee, shall have any recourse against the Township or the Paying Agent hereunder for any failure by DTC or its nominee or any Participant therein to remit such payments to the beneficial owners of such Bonds.

(iv) If all or fewer than all Bonds of a maturity are to be redeemed, the Paying Agent shall notify DTC within the time periods required by the Representation Letter. If fewer than all Bonds of a maturity are to be redeemed, DTC shall determine by lot the amount of the interest of each Participant in the maturity of Bonds to be redeemed. In the event of the redemption of less than all of the Bonds outstanding, the Paying Agent shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; provided that, in each case the Paying Agent shall request, and DTC shall deliver to the Paying Agent, a written confirmation of such partial redemption and thereafter the records maintained by the Paying Agent shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

(v) In the event DTC resigns or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the Township may appoint a successor securities depository provided the Paying Agent receives written evidence satisfactory to the Paying Agent with respect to the ability of the successor securities depository to discharge its responsibilities. Any such successor securities depository shall be a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Paying Agent upon its receipt of a Bond or Bonds, as applicable, for cancellation shall cause the delivery of Bonds to the successor securities depository in appropriate denominations and form as provided herein.

(vi) If DTC resigns and the Township is unable to locate a qualified successor of DTC in accordance with subsection (v), then the Paying Agent, based on information provided to it by DTC, shall notify the beneficial owners of the Bonds of the availability of certificates to beneficial owners of Bonds requesting the same, and the Paying Agent shall register in the name of and authenticate and deliver the Bonds (the "Replacement Bonds") to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustment as it may find necessary or appropriate as to the date of such Replacement Bonds, accrued interest and previous calls for redemption. In such event, all references to DTC herein shall relate to the period of time when DTC or its nominee is the registered owner of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by DTC shall be deemed to be imposed upon and performed by the Paying Agent, to the extent applicable with respect to such Replacement Bonds. The Paying Agent may rely on information from DTC and its Participants as to the names, addresses, taxpayer identification numbers of and principal amount held by the beneficial owners of the Bonds.

Section 7. Paying Agent, Sinking Fund Depository and Registrar. The proper officers of the Township are hereby authorized and directed to contract with the Paying Agent for its services as sinking fund depository, paying agent and registrar with respect to the Bonds, and such trust company is hereby appointed to act in such capacities with respect to the Bonds.

The principal or redemption price of the Bonds shall be payable upon surrender thereof when due in lawful money of the United States of America at the designated office of the Paying Agent, or the designated office of any additional or appointed alternate or successor paying agent or agents. Such payments shall be made to the registered owners of the Bonds so surrendered, as shown on the registration books of the Township on the date of payment. Interest on the Bonds shall be paid by check mailed to the registered owner of such Bonds as shown on the registration books kept by the Paying Agent, as of the close of business on the fifteenth (15th) day (whether or not a day on which the Paying Agent is open for business) next preceding each interest payment date, respectively (the "Record Date"), irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date, unless the Township shall default in the payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond, as applicable, is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of Bonds not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business of the fifth (5th) day preceding the date of mailing.

If the date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the Commonwealth of Pennsylvania are authorized or required by law to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

Any corporation or association into which the Paying Agent, or any additional or appointed alternate or successor to it, may be merged or converted or with which it, or any additional or appointed alternate or successor to it, may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any corporation or association to which the Paying Agent, or any additional or appointed alternate or successor to it, sells or otherwise transfers all or substantially all of its corporate trust business shall be the successor paying agent hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 8. Registration, Transfer and Exchange of Bonds. The Township shall keep, at the corporate trust and/or payment office of the Paying Agent, as registrar, books for the registration, transfer and exchange of Bonds. The Township authorizes and directs the Paying Agent, as registrar and transfer agent, to keep such books and to make such transfers or exchanges on behalf of the Township.

The ownership of each Bond shall be recorded in the registration books of the Township, which shall contain such information as is necessary for the proper discharge of the Paying Agent's duties hereunder as Paying Agent, registrar and transfer agent.

The Bonds may be transferred or exchanged as follows:

(a) Any Bond may be transferred if endorsed for such transfer by the registered owner hereof and surrendered by such owner or his duly appointed attorney or other legal representative at the designated office of the Paying Agent, whereupon the Paying Agent shall authenticate and deliver to the transferee a new Bond or Bonds, as applicable, of the same maturity and in the same denomination as the Bond surrendered for transfer or in different authorized denominations equal in the aggregate to the principal amount of the surrendered Bond.

(b) Bonds of a particular maturity may be exchanged for one or more Bonds of the same maturity and in the same principal amount, but in a different authorized denomination or denominations. Each Bond so to be exchanged shall be surrendered by the registered owner thereof or his duly appointed attorney or other legal representative at the designated office of the Paying Agent, whereupon a new Bond or Bonds, as applicable, shall be authenticated and delivered to the registered owner.

The Paying Agent shall not be required to (i) issue or to register the transfer of or exchange any certificated Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of such Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, or (ii) to register the transfer of or exchange any portion of any certificated Bond selected for redemption, in whole or in part, until after the date fixed for redemption. No charge shall be imposed in connection with any transfer or exchange except for taxes or governmental charges related thereto.

No transfers or exchanges shall be valid for any purposes hereunder except as provided above.

New Bonds delivered upon any transfer or exchange of outstanding Bonds shall be valid general obligations of the Township, evidencing the same debt as the Bonds surrendered.

The Township and the Paying Agent may treat the registered owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and any notice to the contrary shall not be binding upon the Township or the Paying Agent.

Section 9. Execution, Delivery and Authentication of Bonds; Disposition of Proceeds. The Bonds shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Governing Body and shall have the corporate seal of the Township or a facsimile thereof impressed thereon, duly attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Governing Body and such officers are hereby authorized and directed to execute the Bonds in such manner. In case any official of the Township whose manual or facsimile signature shall appear on the Bonds shall cease to be such official before the authentication of the Bonds such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if such official had remained in office until

authentication; and any Bond may be signed on behalf of the Township, even though at the date of authentication of such Bond such person was not an official. The Chairman or Vice Chairman of the Governing Body is authorized and directed to deliver, or cause to be delivered, the Bonds to the purchasers thereof against the full balance of the purchase price therefor. The Bonds shall be authenticated by the Paying Agent.

The proceeds of the Bonds shall be deposited in a Bonds settlement fund which the Paying Agent is hereby authorized to create and shall be disbursed, transferred or deposited as directed in a closing receipt duly executed and delivered by an authorized officer of the Township on the date of issuance and delivery of the Bonds (the "Closing Receipt").

Section 10. Form of Bonds, CUSIP Numbers. The form of the Bonds and Paying Agent's authentication certificate and assignment shall be substantially as set forth in Exhibit A attached hereto.

The Bonds shall be executed in substantially the form as set forth in Exhibit A hereto with such appropriate changes, additions or deletions as may be approved by the officers executing the Bonds in the manner provided in Section 9 hereof; such execution shall constitute approval by such officers on behalf of the Governing Body. The opinion of Bond Counsel is authorized and directed to be printed upon the Bonds.

The Township, pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures (CUSIP) has caused CUSIP numbers to be printed on the Bonds. No representation is made as to the accuracy of said numbers either as printed on the Bonds or as contained in any notice of redemption, and the Township shall have no liability of any sort with respect thereto. Reliance upon any redemption notice with respect to the Bonds may be placed only on the identification numbers printed thereon.

Section 11. Temporary Bonds. Until Bonds in definitive form are ready for delivery, the proper officers of the Governing Body may execute and, upon their request in writing, the Paying Agent shall authenticate and deliver in lieu of such Bonds in definitive form one or more printed or typewritten Bonds in temporary form substantially of the tenor of the Bonds hereinbefore described with appropriate omissions, variations and insertions, as may be required. Such Bond or Bonds in temporary form may be for the principal amount of Five Thousand Dollars (\$5,000) or any whole multiple or multiples thereof, as such officers may determine. The aforesaid officers, without unnecessary delay, shall prepare, execute and deliver Bonds in definitive form to the Paying Agent, and thereupon, upon presentation and surrender of the bond or bonds, in temporary form the Paying Agent shall authenticate and deliver in exchange therefor, Bonds in definitive form in an authorized denomination of the same maturity for the same aggregate principal amount as the bond or bonds, in temporary form surrendered. Such exchange shall be made by the Township at its own expense and without any charge therefor. When and as interest is paid upon bonds in temporary form without coupons, the fact of such payment shall be endorsed thereon. Until so exchanged, the temporary bond or bonds shall be in full force and effect according to their terms.

Section 12. Manner of Sale; Award of Bonds. The Governing Body of the Township after due deliberation and investigation has found that a sale by negotiation is in the best

financial interest of the Township and based upon such finding, the Governing Body of the Township hereby awards the Bonds, at a negotiated sale, to the Underwriter upon the terms set forth in the Proposal.

As set forth in the Proposal, the aggregate principal amount of the Bonds shall not exceed \$8,500,000; the latest maturity date of the Bonds shall not be later than November 1, 2060; the maximum rate of interest on the Bonds shall not exceed 5.00% per annum; and the purchase price for the Bonds, including underwriting discount and net original issue discount or original issue premium, shall not be less than 95.0% nor more than 125.0% of the aggregate principal amount of the Bonds (collectively, the "Bond Parameters").

The Proposal will be supplemented by an addendum to such Proposal containing the final terms and conditions of the sale and issuance of the Bonds, consistent with the Bond Parameters. Such details are hereby approved. The proper officers of the Township are hereby authorized to approve the final terms and conditions of the Bonds, to be presented by the Underwriter, within the Bond Parameters. The addendum to the Proposal so approved shall be executed and delivered by such officer of the Township and included as a part of such Proposal accepted by this Ordinance.

Section 13. Appointment of Sinking Fund Depository; Sinking Fund; Appropriation of Annual Amounts for Payment of Debt Service. There is hereby established a separate sinking fund for the Township designated as the "Sinking Fund – Township of West Cocalico, Lancaster County, Pennsylvania – Series of 2022" (the "Sinking Fund") and into the Sinking Fund there shall be paid, when and as required, all moneys necessary to pay the debt service on the Bonds, and the Sinking Fund shall be applied exclusively to the payment of the interest covenanted to be paid upon the Bonds and to the principal thereof at maturity or prior redemption and to no other purpose whatsoever, except as may be authorized by law, until the same shall have been fully paid. The Paying Agent as sinking fund depository shall, as and when said payments are due, without further action by the Township, withdraw available monies in the Sinking Fund and apply said monies to the payment of the principal of and interest on the Bonds.

The maximum amounts set forth in Exhibit C attached hereto and made a part hereof shall be pledged in each of the fiscal years shown in Exhibit C to pay the debt service on the Bonds, and such amounts are annually hereby appropriated to the Sinking Fund for the payment thereof.

All monies deposited in the Sinking Fund for the payment of the Bonds which have not been claimed by the registered owners thereof after two years from the date when payment is due, except where such monies are held for the payment of outstanding checks, drafts or other instruments of the Paying Agent, shall be returned to the Township. Nothing contained herein shall relieve the Township of its liability to the registered owners of the unrepresented Bonds.

Section 14. Debt Proceedings. The Secretary or Assistant Secretary of the Township is hereby authorized and directed to certify to and file with the Pennsylvania Department of Community and Economic Development, in accordance with the Debt Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder, including the debt statement and borrowing base certificate referred to hereinabove,

and any certificate excluding such debt as subsidized debt of the Township and to pay the filing fees necessary in connection therewith.

Section 15. Tax Covenants and Representations. So long as the Bonds are outstanding, the Township hereby represents and covenants that:

(1) The Township will make no use of the proceeds of the Bonds during the term thereof which would cause such Bonds to be "arbitrage bonds" within the meaning of section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and that it will comply with the requirements of all Code sections necessary to ensure that the Bonds are described in Code section 103(a) and not described in Code section 103(b) throughout the term of the Bonds.

(2) If and to the extent the Township is required to remit any amounts to the United States pursuant to Code section 148(f) (the "Rebate Amounts") in order to cause the Bonds not to be arbitrage bonds, the Township will remit such Rebate Amounts at such times and in the manner required by Code section 148(f) and the regulations thereunder. The obligation to remit the Rebate Amounts and to comply with all other requirements of this Section 15 shall survive the defeasance and payment in full of the Bonds.

(3) The Township shall file IRS Form 8038-G and any other forms or information required by the Code with respect to the Bonds to be filed in order to permit the interest on the Bonds to be excluded from gross income for federal income tax purposes.

(4) In order to ensure that the registered owners of the Bonds, if they are financial institutions, will not be subject to certain provisions of the Code as a result of acquiring and carrying the Bonds, the Township hereby designates the Bonds as "qualified tax-exempt obligations," within the meaning of Code section 265(b)(3)(B), and the Township hereby covenants that it will take such steps as may be necessary to cause the Bonds to continue to be obligations described in such Code section during the period in which the Bonds are outstanding. The Township represents that it has not issued, and does not reasonably anticipate issuing, tax-exempt obligations which, when combined with the Bonds, will result in more than \$10,000,000 of tax-exempt obligations being issued in the calendar year in which the Bonds are issued. For purposes only of the foregoing sentence, the term "tax-exempt obligation" shall include any "qualified 501(c)(3) bond," as defined in Code section 145, but shall not include any other "private activity bond," as defined in Code section 141(a), any obligation which would be an "industrial development bond" or a "private loan bond" as defined in sections 103(b)(2) and 103(o)(2)(a) of the Internal Revenue Code of 1954, as amended, but for the fact that it is issued pursuant to section 1312, 1313, 1316(g) or 1317 of the Tax Reform Act of 1986, or any obligation issued to currently refund any obligation to the extent the amount thereof does not exceed the outstanding amount of the refunded obligation.

Section 16. Preliminary Official Statement; Official Statement; Continuing Disclosure. The Governing Body of the Township hereby authorizes the preparation of a Preliminary Official Statement for use in marketing the Bonds and authorizes the Proper Officers with the advice of the Township Solicitor and Bond Counsel to approve the Preliminary Official Statement and final Official Statement with respect to the Bonds, with such additions, insertions and changes as shall be necessary or appropriate to reflect the final terms and provisions of the

Bonds, the Proposal (as supplemented by the addendum thereto) and this Ordinance. The Proper Officer shall affix his or her signature to the Official Statement, as such officer, and such execution of the Official Statement shall constitute conclusive evidence of the approval of such Official Statement by the Governing Body. The Township hereby further approves the distribution and use of the Official Statement as so prepared and executed in connection with the sale of the Bonds.

The Township covenants to provide such continuing disclosure, at such times, in such manner and of such nature as is described in the Official Statement with respect to the Bonds and to execute and deliver such agreements and certificates with respect to continuing disclosure as are described in the Official Statement. Any continuing disclosure filing under this Ordinance may be made solely by transmitting such filing through the EMMA System of the Municipal Securities Rulemaking Board, at www.emma.msrb.org.

Section 17. Disposition of Proceeds. All money derived from the sale of the Bonds shall be deposited in the Settlement Account created pursuant to Section 18 hereof and shall be and hereby is appropriated substantially to payment of the cost of the Project, including but not limited to payment of the costs and expenses of preparing, issuing and marketing the Bonds, and shall not be used for any other purposes, except as to any insubstantial amounts of money which may remain after fulfilling the purposes set forth herein, which minor amounts of remaining money shall promptly upon their determination be deposited in the Sinking Fund and used for the payment of interest on the Bonds.

Section 18. Settlement Account. The Township hereby creates with the Paying Agent one or more specials fund to be known as the "Township of West Cocalico 2022 Bonds Settlement Account" (the "Settlement Account"). The Settlement Account shall be held as a trust fund for the benefit of the Township until disbursed in accordance with the provisions hereof. The Township shall deliver the net proceeds (including accrued interest, if any) derived from the sale of the Bonds to the Paying Agent for deposit to the Settlement Account. The Paying Agent shall disburse, transfer or deposit such proceeds as directed in the Closing Receipt.

Section 19. Incidental Actions. The proper officers of the Township are hereby authorized, directed and empowered on behalf of the Township to execute any and all papers and documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of the provisions of this Ordinance, and the issuance and delivery of the Bonds, including if applicable the purchase of municipal bond insurance and the payment of the premiums therefor from the proceeds of the Bonds. Further, the proper officers are hereby authorized, directed and empowered on behalf of the Township to execute any and all agreements, papers and documents necessary or proper in connection with the application for, and issuance of, municipal bond insurance.

Section 20. Payment of Issuance Costs. The proper officers of the Township are hereby authorized and directed to pay the costs of issuing the Bonds at the time of delivery of the Bonds to the Underwriter, such costs being estimated in the proposal attached hereto.

Section 21. Ratification of Appointment of Bond Counsel. The Township hereby ratifies and affirms the appointment of McNees Wallace & Nurick LLC, Lancaster, Pennsylvania, as Bond Counsel for the Bonds.

Section 22. Rescinding Inconsistent Resolutions. All resolutions or parts of resolutions inconsistent herewith be and the same hereby are rescinded, cancelled and annulled.

Section 23. Severability. In the case any one or more of the provisions of this Ordinance shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Ordinance and this Ordinance shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

Section 24. Effective Date. This Ordinance shall become effective on the earliest date permitted by the Debt Act.

DULY ENACTED, this 5th day of May, 2022, by West Cocalico Township, in lawful session duly assembled.

ATTEST:

WEST COCALICO TOWNSHIP

Secretary

(Vice) Chairman

(SEAL)

I HEREBY CERTIFY that the foregoing is a true and correct copy of an Ordinance duly enacted by the affirmative vote of a majority of the members of the Governing Body of the Township of West Cocalico, Lancaster County, Pennsylvania, at a public meeting held the 5th day of May, 2022; that proper notice of such meeting was duly given as required by law; and that said Ordinance has been duly entered upon the Minutes of said Governing Body, showing how each member voted thereon.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Township this 5th day of May, 2022.

(Asst.) Secretary

(SEAL)

EXHIBIT A

FORM OF BOND

[Unless this bond is presented by an authorized representative of The Depository Trust Company (“DTC”) to the Paying Agent or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

**UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
TOWNSHIP OF WEST COCALICO, LANCASTER COUNTY, PENNSYLVANIA
GENERAL OBLIGATION BOND, SERIES OF 2022**

INTEREST
RATE

DATED
DATE

MATURITY
DATE

CUSIP
NUMBER

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Township of West Cocalico, Lancaster County, Pennsylvania (the “Township”), existing under the laws of the Commonwealth of Pennsylvania, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner named above, on the maturity date specified above, unless this bond shall have been previously called for redemption in whole or in part and payment of the redemption price shall have been duly made or provided for, the principal amount shown above; and to pay interest thereon at the annual rate specified above from the Interest Payment Date (as hereinafter defined) next preceding the date of registration and authentication hereof, unless such date is (a) an Interest Payment Date, in which event this bond shall bear interest from such Interest Payment Date, or (b) after a Record Date and before the next succeeding Interest Payment Date, in which event this bond shall bear interest from such succeeding Interest Payment Date, or (c) on or prior to the regular Record Date preceding November 1, 2022, in which event this bond shall bear interest from the Series Issuance Date specified above. Such payments of interest shall be made on November 1, 2022, and on each May 1 and November 1 thereafter (each, an “Interest Payment Date”) until the principal or redemption price hereof has been paid or provided for as aforesaid. The principal or redemption price of and interest on the Bond may be paid in any coin or currency of the United State of America which, at the time of payment, is legal tender for the payment of public and private debts.

The principal or redemption price of this bond shall be payable upon surrender thereof when due in lawful money of the United States of America at the designated office of

Fulton Bank, National Association, Lancaster, Pennsylvania, or the designated office of any additional or appointed alternate or successor paying agent or agents (the "Paying Agent"). Such payments shall be made to the registered owners of this bond so surrendered, as shown on the registration books of the Township on the date of payment. Interest on this bond shall be paid by check mailed to the registered owner of such bond as shown on the registration books kept by the Paying Agent, as of the close of business on the fifteenth (15th) day (whether or not a day on which the Paying Agent is open for business) next preceding each Interest Payment Date, respectively (the "Record Date"), irrespective of any transfer or exchange of this bond subsequent to such Record Date and prior to such interest payment date, unless the Township shall default in the payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owner of this bond not less than ten (10) days preceding such special record date. Such notice shall be mailed to the persons in whose names this bond is registered at the close of business of the fifth (5th) day preceding the date of mailing.

If the date for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the Commonwealth of Pennsylvania are authorized or required by law to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

The principal or redemption price of, and interest on, this bond is payable without deduction for any tax or taxes, except inheritance and estate taxes or any other taxes now or hereafter levied or assessed on this bond under any present or future laws of the Commonwealth of Pennsylvania.

So long as The Depository Trust Company ("DTC") or its nominee, Cede & Co., is the registered owner hereof, all payments of principal or redemption price of and interest on this bond shall be payable in the manner and at the respective times of payment provided for in the Representation Letter defined in, and incorporated into, the Ordinance referred to herein.

The appropriate office of the Township shall deposit money sufficient for the payment of the principal of and interest on this bond into a sinking fund before the date of each such payment of principal or interest. Such sinking fund, known as the "Sinking Fund – Township of West Cocalico – Series of 2022 Bonds", has been established at the office of the Paying Agent at which this bond is payable.

This bond is one of a duly authorized issue of \$ _____ aggregate principal amount of general obligation bonds of the Township known as "Township of West Cocalico General Obligation Bonds, Series of 2022" (the "Bonds"), all of like tenor, except as to interest rate, date of maturity and provisions for redemption. The Bonds are issuable only in the form of fully registered bonds without coupons in the denomination of \$5,000 or integral multiples thereof and are issued in accordance with the provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended (the "Act") and by virtue of an ordinance of the

Township duly enacted (the "Ordinance"), and the sworn statement of the duly authorized officers of the Township as appears on record in the office of the Pennsylvania Department of Community and Economic Development, Harrisburg, Pennsylvania.

OPTIONAL REDEMPTION

The Bonds stated to mature on or after November 1, ____ are subject to redemption prior to maturity at the option of the Township in whole or, from time to time, in part, in any order of maturities as the Township shall select, on any date or dates on or after _____, _____, at a price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for such optional redemption. In the event that less than all Bonds of a particular maturity are to be redeemed, the Bonds of such maturity shall be drawn by lot by the Paying Agent; provided, however, that while the Bonds are held under the book-entry only system of DTC, the selection of Bonds within a maturity to be redeemed shall be accomplished in accordance with the operating rules and practices of DTC.

MANDATORY REDEMPTION

The Bonds maturing on November 1, _____ are subject to mandatory redemption prior to maturity in part, by lot, on _____ of each of the years, at the redemption price of 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the date fixed for redemption, in the principal amounts, as set below:

Bonds Stated to Mature on November 1, _____ :

<u>Redemption Date</u>	\$	<u>Amounts</u>
------------------------	----	----------------

*

*Final Maturity

Any redemption of this bond under the preceding paragraph shall be made as provided in the Ordinance, by first-class United States mail, postage prepaid, or by another method of giving notice which is acceptable to the Paying Agent and customarily used by fiduciaries for similar notices at the time such notice is given, not less than thirty (30) days prior to the redemption date, to the registered owner of the bond to be redeemed. Such notice shall be mailed to the address of such registered owner appearing on the registration books of the Paying Agent, unless such notice is waived by the registered owner of the bond to be redeemed. Failure to give any notice of redemption or any defect in the notice or in the giving thereof to the registered owner of the bond to be redeemed shall not affect the validity of the redemption as to other bonds for which proper notice shall have been given. In the event that less than the full principal amount hereof shall have been called for redemption, the registered owner hereof shall surrender this bond in exchange for one or more new Bonds in an aggregate principal amount equal to the unredeemed portion of the

Principal amount hereof. The Paying Agent shall also give further notice of such redemption as provided in the ordinance, but no failure to do so or defect therein shall affect the validity of the redemption.

For so long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified above only to DTC in accordance with its applicable time requirements. It is expected that DTC in turn will notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of DTC or a Participant, or failure on the part of a nominee of a beneficial owner of a bond (having been mailed notice from the Paying Agent, a Participant or otherwise) to notify the beneficial owner of the bond so affected, shall not affect the validity of the redemption of such bond.

If at the time of the mailing of any notice of optional redemption the Township shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional, that is, subject to the deposit or transfer of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited.

The Township has established a sinking fund with the Paying Agent, as the sinking fund depository, into which funds for the payment of the principal or redemption price of, and the interest on, this bond shall be deposited not later than the date fixed for disbursement thereof. The Township has covenanted in the Ordinance to make payments out of such sinking fund or out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of the principal or redemption price of, and interest on, this bond.

The Township, pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures ("CUSIP"), has caused CUSIP numbers to be printed on the Bonds. No representation is made as to the accuracy of said numbers either as printed on the Bonds or as contained in any notice of redemption, and the Township shall have no liability of any sort with respect thereto. Reliance upon any redemption notice with respect to the Bonds may be placed only on the identification numbers printed thereon.

No recourse shall be had for the payment of the principal or redemption price of, or interest on, this bond, or for any claim based hereon or on the Ordinance, against any member, officer or employee, past, present, or future, of the Township or of any successor body, either directly or through the Township or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officer or employees is released as a condition of and as consideration for the execution and issuance of this bond.

This bond is registered as to both principal and interest on the bond register to be kept for that purpose at the corporate trust and/or payment office of the Paying Agent, and both principal and interest shall be payable only to the registered owner hereof. This bond may be transferred in accordance with the provisions of this Ordinance, and no transfer hereof shall be valid unless made at said office by the registered owner in person or his duly appointed attorney or other legal representative and noted hereon. The Paying Agent shall not be required to (i) issue or to register the transfer of or exchange any certificated bond then considered for redemption

during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of such bond to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, or (ii) to register the transfer or exchange any portion of any certificated bond selected for redemption, in whole or in part, until after the date fixed for redemption. The Township and the Paying Agent may treat the registered owner of any bond as the absolute owner thereof for all purpose, whether or not such bond shall be overdue, and any notice to the contrary shall not be binding upon the Township or the Paying Agent.

It is covenanted with the registered owners from time to time of this bond that the Township shall (i) include the amount of the debt service for each fiscal year in which the sums are payable in it budget for that year, (ii) appropriate those amounts from its general revenues for the payment of debt service, and (iii) duly and punctually pay or cause to be paid from its sinking fund or any other of its revenues or funds the principal hereof and the interest on this bond at the dates and places and in the manner stated in this bond, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Township pledges its full faith, credit and taxing power. As provided in the Debt Act, this covenant shall be specifically enforceable; subject, however, as to the enforceability of remedies to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE SIDE HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH IN THIS PLACE.

This bond shall not be valid or become obligatory for any purpose until the Paying Agent's Authentication Certificate printed hereon is duly executed.

This bond is designated as a "qualified tax-exempt obligation," as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Township has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman or Vice Chairman and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Series Issuance Date.

Attest:

TOWNSHIP OF WEST COCALICO,
Lancaster County, Pennsylvania

(Assistant) Secretary

By: _____
(Vice) Chairman

(Township Seal)

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described therein. Attached hereto is the complete text of the opinion of McNees Wallace & Nurick LLC, Bond Counsel, dated the date of initial delivery of, and payment for, the Bonds, a signed original of which is on file with the undersigned.

FULTON BANK, NATIONAL ASSOCIATION,
Paying Agent

Dated: _____, 2022

By _____
Authorized Signatory

[FORM OF ABBREVIATIONS]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT -as tenants by the entireties

JT TEN – as joint tenants with right of survivorship

and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____

(Cust) (Minor)

under Uniform Gift to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

[FORM OF ASSIGNMENT]

ASSIGNMENT

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____ (Tax I.D. No. _____) the within Bond issued by the Township of West Cocalico, Lancaster County, Pennsylvania, and all rights thereunder, hereby irrevocably appointing _____ Attorney to transfer said Bond on the bond register, with full power of substitution in the premises.

Assignor's Signature _____

Dated: _____

Signature Guaranteed: _____

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

Text of Opinion of Bond Counsel

[Insert Text]

EXHIBIT B
MATURITY SCHEDULE OF THE BONDS

<u>Maturity</u> <u>(November 1)</u>	<u>Maximum</u> <u>Principal Amount</u>	<u>Maximum</u> <u>Interest Rate</u>
2022	\$ 5,000	5.00%
2023	\$ 70,000	5.00%
2024	\$ 100,000	5.00%
2025	\$ 140,000	5.00%
2026	\$ 150,000	5.00%
2027	\$ 155,000	5.00%
2028	\$ 155,000	5.00%
2029	\$ 160,000	5.00%
2030	\$ 165,000	5.00%
2031	\$ 165,000	5.00%
2032	\$ 170,000	5.00%
2033	\$ 175,000	5.00%
2034	\$ 180,000	5.00%
2035	\$ 185,000	5.00%
2036	\$ 190,000	5.00%
2037	\$ 195,000	5.00%
2038	\$ 200,000	5.00%
2039	\$ 200,000	5.00%
2040	\$ 205,000	5.00%
2041	\$ 210,000	5.00%
2042	\$ 220,000	5.00%
2043	\$ 225,000	5.00%
2044	\$ 230,000	5.00%
2045	\$ 235,000	5.00%
2046	\$ 245,000	5.00%
2047	\$ 245,000	5.00%
2048	\$ 255,000	5.00%
2049	\$ 265,000	5.00%
2050	\$ 270,000	5.00%
2051	\$ 280,000	5.00%
2052	\$ 285,000	5.00%
2053	\$ 295,000	5.00%
2054	\$ 300,000	5.00%
2055	\$ 305,000	5.00%
2056	\$ 320,000	5.00%
2057	\$ 325,000	5.00%
2058	\$ 335,000	5.00%
2059	\$ 340,000	5.00%
2060	\$ 350,000	5.00%

REDEMPTION PROVISIONS

Optional Redemption: The Bonds may be subject to optional redemption prior to maturity, on such date or dates and under such terms as may be determined in the manner described in Section 12 of the Ordinance.

Mandatory Redemption: The Bonds may be subject to mandatory redemption prior to maturity, determined in the manner described in Section 12 of the Ordinance, not in excess of any annual principal payment amount set forth above in this Exhibit B.

EXHIBIT C
ANNUAL AMOUNTS APPROPRIATED TO SINKING FUND

<u>Year</u>	<u>Amount</u>
2022	\$ 146,666.67
2023	\$ 494,750.00
2024	\$ 521,250.00
2025	\$ 556,250.00
2026	\$ 559,250.00
2027	\$ 556,750.00
2028	\$ 549,000.00
2029	\$ 546,250.00
2030	\$ 543,250.00
2031	\$ 535,000.00
2032	\$ 531,750.00
2033	\$ 528,250.00
2034	\$ 524,500.00
2035	\$ 520,500.00
2036	\$ 516,250.00
2037	\$ 511,750.00
2038	\$ 507,000.00
2039	\$ 497,000.00
2040	\$ 492,000.00
2041	\$ 486,750.00
2042	\$ 486,250.00
2043	\$ 480,250.00
2044	\$ 474,000.00
2045	\$ 467,500.00
2046	\$ 465,750.00
2047	\$ 453,500.00
2048	\$ 451,250.00
2049	\$ 448,500.00
2050	\$ 440,250.00
2051	\$ 436,750.00
2052	\$ 427,750.00
2053	\$ 423,500.00
2054	\$ 413,750.00
2055	\$ 403,750.00
2056	\$ 403,500.00
2057	\$ 392,500.00
2058	\$ 386,250.00
2059	\$ 374,500.00
2060	\$ 367,500.00

FIRST AMENDMENT TO SUBSIDY AGREEMENT

Dated as of _____, 2022

Between

WEST COCALICO TOWNSHIP AUTHORITY

and

TOWNSHIP OF WEST COCALICO,

Lancaster County, Pennsylvania,

With Respect To

\$ _____ Township of West Cocalico, Lancaster County, Pennsylvania
General Obligation Bonds, Series of 2022

FIRST AMENDMENT TO SUBSIDY AGREEMENT

THIS FIRST AMENDMENT TO SUBSIDY AGREEMENT, dated as of _____ (the "First Amendment"), between the WEST COCALICO TOWNSHIP AUTHORITY (the "Authority"), a municipality authority existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth") and governed by the Pennsylvania Municipality Authorities Act, 53 Pa. Cons. Stat. §§5601 – 5622, as amended (the "Authorities Act"), and the TOWNSHIP OF WEST COCALICO (the "Township"), Lancaster County, Pennsylvania, a political subdivision of the Commonwealth, further amending and supplementing that certain Subsidy Agreement dated as of April 7, 2021 by and between the Authority and the Township (the "Original Subsidy Agreement") (the "First Amendment," and together with the Original Subsidy Agreement, the "Subsidy Agreement" or "Agreement").

WITNESSETH:

WHEREAS, the Authority (which capitalized term and other capitalized terms and phrases set forth herein shall have the meanings as defined or specified in the Subsidy Agreement), pursuant to power and authority vested in it by law and pursuant to the request and approval of the Township, acquired or constructed its water and sewer system; and

WHEREAS, the Governing Body of the Township issued its \$9,995,000 General Obligation Bonds, Series of 2021 (the "2021 Bonds") for the purpose of financing a portion of the Authority Capital Project, as described in the Original Subsidy Agreement; and

WHEREAS, the Authority, as an inducement to the Township to authorize and to issue the 2021 Bonds, entered into the Original Subsidy Agreement with the Township, with respect to the 2021 Bonds, as permitted by the Debt Act; and

WHEREAS, pursuant to the Original Subsidy Agreement, Debt Service related to the 2021 Bonds is paid by the Township from available Authority funds to the extent and in the manner provided in the Original Subsidy Agreement; and

WHEREAS, the Governing Body of the Township contemplates the authorization, sale, issuance and delivery of the General Obligation Bonds, Series of 2022 (the "2022 Bonds"), with the proceeds to be applied to the completion of the Authority Capital Project, all in accordance with applicable and appropriate provisions of the Debt Act; and

WHEREAS, the 2022 Bonds are to be issued under and pursuant to the 2022 Ordinance; and

WHEREAS, the Governing Body of the Township has appointed Fulton Bank, National Association, having its office in Lancaster, Pennsylvania, as paying agent and sinking fund depository with respect to the 2022 Bonds; and

WHEREAS, the Authority, as an inducement to the Township to authorize and to issue the 2022 Bonds, desires to enter into this First Amendment with respect to the 2022 Bonds, as is permitted by the Debt Act; and

WHEREAS, the parties hereto desire to set forth the terms and conditions under and pursuant to which certain Debt Service related to the 2022 Bonds shall be paid by the Township from available Authority funds to the extent and in the manner provided herein and related matters.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

ARTICLE I
Definitions

SECTION 1.01. All defined terms used but not defined herein shall have the meanings set forth in the Original Subsidy Agreement. The terms defined in this Amendment to Subsidy Agreement and in this Section 1.01, for all purposes of the Agreement have the meanings herein specified, unless the context clearly otherwise requires:

“2022 Authority Resolution” shall mean the Resolution of the Authority duly adopted on _____, 2022, authorizing the execution and delivery of this First Amendment;

“2022 Ordinance” shall mean an Ordinance of the Township, enacted on _____, 2022, authorizing the issuance and delivery of the 2022 Bonds;

“2022 Bonds” shall mean the Township’s General Obligation Bonds, Series of 2022, dated as of the date of issuance and delivery of the 2022 Bonds, authorized for issuance under the Ordinance, in the aggregate principal amount of \$ _____, as more specifically shall be described in the Ordinance.

“Series of 2022 Debt Service Account” shall mean the special fund of the Authority established under the 2022 Authority Resolution;

“Sinking Fund” shall mean Sinking Fund – Township of West Cocalico, Lancaster County, Pennsylvania – Series of 2022 Bonds of the Township established under the Ordinance, for the benefit of the 2022 Bonds.

ARTICLE II
Covenants and Agreements of the Township

SECTION 2.01. The Township agrees that the proceeds derived from the sale of the 2022 Bonds shall be made immediately available for application toward the completion of the Authority Capital Project.

ARTICLE III
Representations and Warranties of the Township

SECTION 3.01. The Township represents and warrants that:

- A. The Township is a political subdivision of the Commonwealth;
- B. The Township is possessed of all requisite power and authority under laws of the Commonwealth to enter into and to perform all covenants and agreements contained in this First Amendment;
- C. The Township has been duly authorized to enter into this First Amendment,

pursuant to proper and necessary official action of the Governing Body, in accordance with laws of the Commonwealth;

D. The Township, in entering into this First Amendment, is acting in the public interest in connection with preservation and protection of the general health and welfare of inhabitants of the Township and of the Commonwealth; and

E. The Township has duly enacted the 2022 Ordinance and has authorized and issued the 2022 Bonds.

ARTICLE IV Payment of Sums by the Authority

SECTION 4.01. The Authority hereby unconditionally agrees to pay to the Township, or its assigns, but only from the Receipts and Revenues from the Sewer System, the following sums as hereunder set forth at the following times (or less frequently if paid in advance, subject to Section 4.02 hereof) in immediately available funds:

A. Commencing two business days prior to November 1, 2022 and on or before two business days prior to November 1 or May 1 each year thereafter, the amount, which is required to pay the Debt Service with respect to the 2022 Bonds, as provided in Schedule A, hereto, on such November 1 or May 1 payment date, as applicable: and

B. Additionally, the Authority shall also pay to the Township, or its assigns, when and as required, all Paying Agent's fees and expenses reasonably required and fairly attributable to the 2022 Bonds.

SECTION 4.02. The Authority may make payments in advance from time to time, on account of the amounts payable hereunder, in installments, all of which amounts shall be credited against the payments at the time next due. All such payments shall be made directly to the Paying Agent for deposit in the Series of 2022 Debt Service Account created under the 2022 Authority Resolution and shall be transferred by the Paying Agent to the Sinking Fund created under the 2022 Ordinance. The Authority may also prepay all or any portion of the amounts payable hereunder at the time, to the extent and upon the same conditions that the Township has the right under the 2022 Ordinance to redeem the 2022 Bonds; provided that with any such prepayment, the Authority pays an amount equal to the premium or other additional charges, if any, which the Township is required to pay to the Paying Agent or the holders of the 2022 Bonds, and such amounts shall promptly be applied by the Township toward optional redemption of the 2022 Bonds.

SECTION 4.03. The obligation of the Authority to make the payments hereunder and to perform and observe the other agreements on its part contained herein shall be specifically enforceable and shall be absolute and unconditional, subject only to the limitations contained herein. During the term of this Agreement, the Authority: (a) will perform and observe all of its agreements contained in this Agreement and (b) will pay without abatement, diminution or deduction (whether for taxes or otherwise) all amounts required to be paid hereunder, regardless of any cause or circumstances whatsoever including, without limiting the generality of the foregoing, any defense, set-off, recoupment or counterclaim which the Authority may have or assert against the Township, the Paying Agent or any other Person, any failure of the Township to perform any covenant or agreement contained herein or in any other agreement between the Authority and the Township, any indebtedness or liability at any time owing to the Authority by the Township, any commercial frustration of purpose, any change in the tax or other laws of the United States or of the Commonwealth or any political subdivision of either or any failure of the Township to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in

connection with this Agreement, the 2022 Ordinance, the 2022 Bonds or the Sewer System. Amounts required to be paid by the Authority hereunder shall be received by the Township as net sums and the Authority covenants to pay all charges against or which might diminish such net sums.

Nothing contained in this Section 4.03 shall be construed to release the Township from the performance of any of the agreements on its part herein contained; in the event the Township should fail to perform any such agreement on its part, the Authority may deem it necessary to compel performance so long as such action does not affect the performance of the obligations of the Authority contained herein. The Authority may, however, at its own cost and expense and in its own name or in the name of the Township, prosecute or defend any action or proceeding or take any other action involving third persons which the Authority deems reasonably necessary in order to secure or protect its rights hereunder, and in such event the Township hereby agrees to cooperate fully with the Authority and to take all actions necessary to effect the substitution of the Authority for the Township in any such action or proceeding if the Authority shall so request.

The Authority hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate or cancel or to limit its liability under this Agreement, except in accordance with the express terms hereof.

SECTION 4.04. It is the intent and purpose of this Agreement that the Authority shall be obligated to subsidize the full Debt Service on the 2022 Bonds specified on Schedule A hereto, and that the Township shall be required to pay over to the Paying Agent only that portion of the Debt Service that cannot be paid from the Receipts and Revenues from the Sewer System. Therefore, the parties hereto agree that the Township shall be entitled to credits against the Debt Service, which credits shall be equal to the total of (a) the amount that from time to time shall be paid by the Authority to the Paying Agent in each Fiscal Year to be available for Debt Service in accordance with the terms of the 2022 Ordinance; and (b) any other amount that shall be available for Debt Service in accordance with the terms of the 2022 Ordinance. Accordingly, on or before November 1 and on or before May 1 of each Fiscal Year, the Paying Agent, after having received from the Authority such money as shall be available for transfer to the Sinking Fund, shall notify the Township of any deficiency in the funds that shall be available for transfer to the Sinking Fund for Debt Service, and the Township forthwith shall pay over to the Paying Agent any amount required at the time to eliminate such deficiency for Debt Service for such Fiscal Year that would occur on the following November 1 or May 1, as appropriate. If in any Fiscal Year the total Debt Service on the 2022 Bonds shall be in excess of the credits to which the Township is entitled under this Section 4.04 and the Township has paid over to the Paying Agent such amount or amounts as at that time shall be required to discharge, in full, the obligations of the Township under the 2022 Ordinance, the Authority agrees to cause to be repaid to the Township the amount or amounts actually advanced to the Paying Agent, from any money that shall be available for that purpose.

SECTION 4.05. In order to facilitate the budgeting of anticipated credits by the Township as provided in Section 4.04, the Authority agrees to furnish to the Township, on or before December 1 of each Fiscal Year, an Officers' Certificate with respect to the money anticipated to be available for payment by the Authority to the Paying Agent on or before November 1 and on or before May 1 of the following Fiscal Year for deposit in the Sinking Fund and to be available for Debt Service.

ARTICLE V

Representations and Warranties of the Authority

SECTION 5.01. The Authority makes the following representations and warranties, upon which the Township may rely, and upon which the Authority understands the Township is relying in

entering into this First Amendment, and the Authority covenants and agrees that such representations and warranties shall be deemed to be continuing during the entire life of this First Amendment:

A. The Authority duly has been created and is existing under the Authorities Act and is authorized and empowered to acquire, construct, own, hold and operate the Sewer System;

B. The Authority duly is authorized and empowered to enter into this First Amendment and to incur the obligations provided for in this Agreement;

C. The Authority, by due and legal action of its Board, has authorized execution and delivery of this First Amendment;

D. Upon issuance and delivery of the 2022 Bonds, the Authority will proceed promptly with the undertaking of the completion of the Authority Capital Project;

E. There is no litigation, pending or threatened, against the Authority, the outcome of which might affect the ability of the Authority to own and/or operate the Sewer System or which otherwise might affect the validity of this First Amendment;

F. There is no statute, rule, regulation, contract or agreement which is binding upon the Authority, which will be contravened by execution and delivery hereof or by performance of any term, condition, agreement or undertaking of the Authority provided for herein; and

G. The Authority has acquired, or the Authority has legal power and authority to acquire and will acquire, at the appropriate time, good and adequate title in and to all land and interests in land which shall be required for operation and use of the Sewer System.

ARTICLE VI Miscellaneous

SECTION 7.01. All terms, conditions, covenants, and agreements of the Original Subsidy Agreement, except to the extent that the same are modified or amended or supplemented hereby, are ratified and confirmed and are declared to be and shall be and shall remain in full force and effect and shall apply in all respects to this First Amendment and to the 2022 Bonds, all as shall be applicable and appropriate, with like effect, as applicable and appropriate, as if the same were repeated substantively, in full herein; provided, however, that the Original Subsidy Agreement always shall be construed so as to give proper effect and meaning to the intent and purposes hereof.

No further amendment, change, modification, alteration or termination of the 2022 Ordinance that would in any way increase obligations of the Authority under this First Amendment shall be effective without obtaining the prior written consent of the Authority.

SECTION 7.02. The obligations of the Authority hereunder shall arise absolutely and unconditionally when the 2022 Bonds shall have been issued, sold and delivered by the Township.

SECTION 7.04. The Authority covenants with the Township that it duly and punctually will perform every covenant and agreement undertaken by the Authority under this First Amendment.

SECTION 7.05. In the event of default by the Authority in the punctual discharge of its obligations hereunder, the Township shall be entitled to exercise such remedies as are provided under the Debt Act, together with any other remedies that otherwise may be provided at law or in equity, including

specific performance, or by other statutes, including but not limited to the remedies provided by the Authorities Act.

SECTION 7.06. No remedy conferred upon or reserved to the Township hereunder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Township to exercise any remedy reserved in this Agreement, it shall not be necessary to give any notice other than such notice as herein expressly may be required. In the event any provision contained in this Agreement shall be breached by any party and thereafter duly shall be waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification hereof shall be established by conduct, custom or dealing, but shall be established solely by an instrument, in writing, duly executed by the appropriate parties.

SECTION 7.07. This First Amendment, being a supplement to the Original Subsidy Agreement shall be construed as an integral part thereof.

SECTION 7.08. This First Amendment is entered into by the Authority for the benefit of the Township.

SECTION 7.09. Terms of this First Amendment may be enforced as to any one or more breaches, either separately or cumulatively.

SECTION 7.10. The Township may assign the sums due hereunder to the Paying Agent to be held and applied pursuant to the provisions of the 2022 Ordinance. The Authority consents to such assignment and accepts notice thereof with the same legal effect as though such acceptance were embodied in a separate instrument, separately executed after execution of such assignment.

SECTION 7.11. Provisions of this First Amendment shall be severable; if any one or more of the phrases, sentences, clauses, Articles, Sections or parts contained in this First Amendment shall be deemed or declared invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of remaining portions of this First Amendment or any remaining parts thereof.

SECTION 7.12. This First Amendment shall be construed in accordance with and shall be governed by laws of the Commonwealth.

[Rest of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the parties hereto, intending to be legally bound, pursuant to proper authorization of its governing body, causes this Agreement to be executed by its duly authorized officer or officers and to be attested by its duly authorized officer and its official or corporate seal to be affixed to this Agreement, all as of the day and year first above written.

Attest:

TOWNSHIP OF WEST COCALICO

(Asst.) Secretary

By: _____

Chairman, Board of Supervisors

Attest:

WEST COCALICO TOWNSHIP
AUTHORITY

(Asst.) Secretary

By: _____

Chairman

SCHEDULE A
DEBT SERVICE SCHEDULE OF THE 2022 BONDS

(Attached)