

RESOLUTION NO. 25-02
OF THE BOARD OF
LOWER PAXTON TOWNSHIP AUTHORITY
Adopted: August 26, 2025

AUTHORIZING THE UNDERTAKING OF CERTAIN CAPITAL PROJECTS; APPROVING THE TERMS OF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO SUBSIDY AGREEMENT BY AND BETWEEN THE TOWNSHIP OF LOWER PAXTON AND THE AUTHORITY RELATING TO THE AUTHORITY'S SEWER SYSTEM; AUTHORIZING NECESSARY OR APPROPRIATE ACTION IN CONNECTION WITH THE FOREGOING AND RESCINDING ALL INCONSISTENT RESOLUTIONS.

WHEREAS, the Lower Paxton Township Authority (the "Authority"), a municipality authority created by the Township of Lower Paxton, Dauphin County, Pennsylvania (the "Township") and existing under the Pennsylvania Municipality Authorities Act, 53 Pa. Cons. Stat. §§5601-5622, as amended, presently owns and operates certain sewer facilities for the collection, transportation, treatment or disposition of sewage within the Township, or within such additional areas as may, from time to time, be designated by the Township and the Authority (all thereof, together with, *inter alia*, any additions, extensions and improvements from time to time hereafter acquired or constructed and all property and interests in property now or hereafter acquired by the Authority in connection therewith, being hereinafter collectively called the "Sewer System"); and

WHEREAS, the Township is a political subdivision of the Commonwealth of Pennsylvania, is governed by the Board of Supervisors, 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, at the request of the Authority, and within the Authority parameters as set forth herein, the Township intends to authorize the issuance of one or more series of general obligation bonds, in the maximum aggregate amount of \$7,800,000 (the "Bonds"), with the proceeds to be applied for and toward a project, consisting of (i) the design, planning, acquisition, construction and/or equipping of improvements to the Authority's Sewer System (the "Capital Project"); and (ii) the payment of the costs of issuance related to the issuance of the Bonds ((i) and (ii), the "Project"), all in accordance with the applicable and appropriate provisions of the Debt Act; and

WHEREAS, the Authority, in connection with the issuance by the Township of its Bonds to finance the Project, intends to enter into a First Amendment to Subsidy Agreement dated as of the date of issuance and delivery of the Bonds (the "First Amendment to Subsidy Agreement"), amending and supplementing that certain Subsidy Agreement, dated as of March 7, 2024 (the "Original Subsidy Agreement", and together with the First Amendment to Subsidy Agreement, the "Subsidy Agreement"), which shall provide that the Authority shall periodically

pay certain sums to the Township, derived solely from the receipts and revenues from the Authority's Sewer System, for application toward the payment of the debt service on the Bonds; and

WHEREAS, the Township has requested the Board of the Authority to make recommendations and to indicate its intentions with respect to appropriate and required legal action and proceedings related to the Project and the issuance of the Bonds.

NOW, THEREFORE, the Board of the Lower Paxton Township Authority resolves as follows:

Section 1. Authorizing the Project. The Authority requests the Township to proceed with the Project, subject to the conditions as set forth herein. Further, the Authority acknowledges that the Township intends to award the Bonds, at a negotiated sale, to Raymond James & Associates, Inc., Lancaster, Pennsylvania and RBC Capital Markets, LLC, Lancaster, Pennsylvania (collectively, the "Underwriter") at the meeting of the Board of Supervisors of the Township on September 2, 2025, upon the terms set forth in its bond purchase proposal (the "Proposal") to be dated as of such date, and as described in the Ordinance of the Township, to be considered for enactment by the Board of Supervisors of the Township on September 2, 2025 a copy of which shall be filed with the records of the Authority (the "Township Ordinance"). Such details are hereby approved, and a copy of the Township Ordinance, upon enactment, will be presented to the Authority.

Section 2. Further Authorizations. The Authority expresses its intention to take all necessary and appropriate legal action and proceedings which shall be required to enable the Township to issue and to deliver the Bonds in accordance with the terms, conditions and provisions of the Proposal and the requirements of Section 1 herein.

Section 3. Approval of First Amendment to Subsidy Agreement. The form, terms and provisions of the First Amendment to Subsidy Agreement, to be substantially in the form as submitted to this meeting (a copy of which shall be filed with the records of the Authority) are hereby approved. The Chairman or Vice Chairman of the Authority is hereby authorized and directed, upon execution thereof by the Township, to execute and deliver the First Amendment to Subsidy Agreement in such form, subject to such changes and modifications, if any, as may be approved by such Chairman or Vice Chairman, with the advice of the Authority's Solicitor, the execution of the First Amendment to Subsidy Agreement to be conclusive evidence of such approval, and the Secretary or Assistant Secretary of the Authority is hereby authorized and directed to affix thereto the corporate seal of the Authority and to attest the same.

Section 4. Debt Service Account. The Authority hereby authorizes and directs the establishment with the bank, bank and trust company or other financial institution which shall be appointed by the Township pursuant to the Township Ordinance (in such capacity, the "Paying Agent"), a special fund, to be known as the "Lower Paxton Township Authority 2025 Sewer Subsidy Agreement Debt Service Account" (the "Debt Service Account"). The Debt Service Account shall be held for the benefit of the Authority until disbursed in accordance with the provisions hereof. The Authority shall periodically transfer to the Paying Agent for deposit in

the Debt Service Account such receipts and revenues from the Authority's Sewer System as required to effectuate the payments due to the Township under the Subsidy Agreement.

Section 5. Disposition of Proceeds. The Authority acknowledges that all money derived from the Bonds shall be deposited in a settlement account established by the Township pursuant to the Township Ordinance, and shall be appropriated to payment of the costs of the Project, including but not limited to payment of the costs and expenses of preparing and issuing the Bonds, and shall not be used for any other purpose except as specified in the Township Ordinance. Promptly upon the deposit of the proceeds of the Bonds to the Settlement Account and the payment of costs of issuance of the Bonds as set forth in the closing receipt to be executed by the Township, the Authority and the Underwriter at the time of closing on the sale of the Bonds (the "Closing Receipt"), the Underwriter shall cause the transfer of the balance of the proceeds of the Bonds to such account as designated by the Authority in the Closing Receipt, to effectuate the Capital Project.

Section 6. Further Covenants. The proper officers of the Authority are hereby authorized, directed and empowered on behalf of the Authority to execute any and all papers and documents, including a Continuing Disclosure Agreement enabling the Underwriter to meet the requirements imposed upon it by SEC Rule 15c2-12(b)(5), and any certificates described in the Proposal; 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 Resolution, the Township Ordinance and the issuance by the Township of the Bonds, including all action as may be necessary or appropriate to comply, or to evidence compliance with, the requirements of Section 103(b)(2) and Section 148 of the Internal Revenue Code of 1986, as amended, and with regulations implementing such Sections.

Section 7. Rescinding Inconsistent Resolutions. All resolutions or parts of resolutions inconsistent herewith be and the same hereby are rescinded, canceled and annulled.

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DULY ADOPTED, this 26th day of August, 2025, by the Board of the Lower Paxton Township Authority, in lawful session duly assembled.

ATTEST

LOWER PAXTON TOWNSHIP
AUTHORITY

(Assistant) Secretary

(Vice) Chairman