

**AGREEMENT**

AND NOW, this *10<sup>th</sup>* day of *May*, 2006, comes the Township of Conewago, by its authorized officers, and the Conewago Municipal Authority, by its authorized officers, and enters into this Agreement stating the following:

**BACKGROUND**

1. The Township of Conewago (hereinafter referred to as “Township”) is a Second Class Township organized and operating under the provisions the Second Class Township Code, Act of May 1, 1933, as reenacted and amended.
2. The Conewago Municipal Authority (hereinafter referred to as “Authority”) is a Municipality Authority organized and operating under the provisions of the Municipality Authorities Act of 1945, Act of May 2, 1945 P.L. 382, §1 et seq., as amended (hereinafter referred to as the “Act”).
3. The Township, pursuant to the Act, took steps to incorporate the Authority and appoints the members of the Authority.
4. The Authority, at the time of this Agreement, owns no property and has one project, known as “Phase II Sanitary Sewer”, as that term is understood and defined in the Act (53 P.S. §302(j), pending.
5. The Township, prior to the date of this Agreement, has provided the Authority with monies for its operations and for engineering studies required by Acts of the General Assembly respecting sewer districts and sewer planning.

TERMS

6. The Board of Supervisors of the Township, at their regular monthly meetings have approved various requests for funds from the Township's General Fund Account to pay certain bills for the Authority, for the purpose of the Phase II Sanitary Sewer Project required by the Township's Act 537 Plan.
7. The Authority has approved the borrowing of these funds from the Township.
8. The Authority has, additionally, authorized its officers to enter into this Agreement.
9. The Township, also, has authorized its officers to enter into this Agreement.
10. The Township agrees to lend to the Authority, sums for the purpose of paying for Phase II Sanitary Sewer System planning and development and the Authority has agreed to borrow the monies from the Township's General Fund Account.
11. The Township understands that the Authority has no income projected at the current time which would allow the Authority to pay any amounts toward funds loaned to it by the Township in the past or in the immediate future.
12. The Authority, when it undertakes any project requiring municipal borrowing, may include in its borrowing those sums required to pay the Township for the sums borrowed in accordance with this Agreement, and, further, may include in its municipal borrowing, for any project that it undertakes, such other funds as may be

required to reimburse the Township for previous funds advanced, a schedule of which funds is attached hereto and made a part hereof as Exhibit "A".

13. The Township understands that no reimbursement will be made until the Authority is able to obtain appropriate municipal borrowing for a project.

14. This Agreement shall be reviewed every four (4) years and, if required, shall be amended by a writing executed by the Township and by the Authority.

15. Insofar as it may be applicable, this Agreement is entered into to comply with any provision of the Local Government Unit Debt Act (53 Pa.C.S.A. 8001, et seq.).

IN WITNESS WHEREOF the parties hereinabove named, by their duly authorized officers, have placed their hands and seals to this Agreement intending to be legally bound hereby.

TOWNSHIP OF CONEWAGO

ATTEST:

Shirley A. Bretz (Assistant Secretary) By: [Signature] (Vice) Chairman (Seal)

CONEWAGO MUNICIPAL AUTHORITY

ATTEST:

[Signature] (Assistant Secretary) By: [Signature] (Vice) Chairman (Seal)