

AGREEMENT

THIS AGREEMENT, dated the ___ day of _____, 2006, by and between the **TOWNSHIP OF CONEWAGO**, Dauphin County, Pennsylvania (the “Township”), a political subdivision of the Commonwealth of Pennsylvania (the “Commonwealth”), and the **CONEWAGO MUNICIPAL AUTHORITY** (the “Authority”), a municipality authority existing under laws of the Commonwealth.

WITNESSETH:

WHEREAS, The Township has caused the Authority to be incorporated pursuant to provisions of the Municipality Authorities Act, 53 Pa.C.S. Ch. 56, of the Commonwealth; and

WHEREAS, The Authority has undertaken and intends to undertake the acquisition and construction of sanitary sewage collection, transmission, treatment, and disposal system facilities, required for rendering sewage service in and for portions of the Township, which undertakings hereinafter are referred to as the “Project”; and

WHEREAS, The facilities to be acquired and to be constructed by the Authority, as contemplated by the Project, together with all appurtenant facilities and properties which the Authority has acquired or hereafter shall acquire in connection therewith, including all property, real, personal and mixed, rights, powers, licenses, easements, rights of way, privileges, franchises, and any and all other property or interests in property of whatsoever nature used or useful in connection with such facilities, together with all additions, extensions, betterments, alterations, and

improvements thereto which, from time to time, hereafter may be made or acquired, hereinafter are called the “Sewer System”; and

WHEREAS, The Authority proposes to finance a portion of the costs of acquisition and construction of the Project and related costs and expenses by issuing debt obligations to be secured, in part, by the pledge of certain receipts, revenues and money to be derived by the Authority from ownership and operation of the Sewer System; and

WHEREAS, It is necessary and desirable for the Township to make certain binding covenants and agreements with the Authority in order to facilitate the acquisition, construction, ownership, and operation of the Sewer System by the Authority and the issuance of its debt obligations required in connection with the financing of the Project.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

1. The Authority covenants to cause the Project to be completed with all reasonable dispatch and diligence; and the Authority further covenants to maintain and operate the Sewer System following completion of the Project.

2. The Township covenants and agrees that it has enacted or will enact an ordinance in accordance with the Second Class Township Code requiring certain owners of improved property located within the Township and which lawfully may be required to connect to the Sewer System, to connect such improved property with such sanitary sewer and to use the Sewer System and to provide for the enforcement of such ordinance as may be permitted by law.

The Township also covenants and agrees to keep such ordinance or a subsequent similar ordinance requiring such connections in full force and effect continuously during the time the Authority owns the Sewer System and to enforce the same as may be permitted by law, including the taking of such action as may be necessary to make any such connection as shall not be made by any owner within the time required and to collect the costs thereof from such owner or owners, to the extent permitted by law.

3. The Township covenants and agrees that it has adopted or will adopt a resolution granting to the Authority, its successors and assigns, all easements, rights of way and other rights and privileges necessary and desirable in, along, over and under streets, roads, lanes, courts, cul-de-sacs, alleys, public ways, public squares, and other properties of the Township, together with free ingress, egress and regress therein and thereto, along with other persons having interests or rights therein, for use in connection with constructing, replacing, repairing, altering, extending, improving, operating, and maintaining the Sewer System. The Township also covenants and agrees to keep such resolution or a subsequent similar resolution granting such property rights in full force and effect continuously during the time the Authority owns the Sewer System.

4. The Township covenants and agrees neither to construct nor to permit nor to join in the construction of a sewer system or sewer facilities duplicating, as a competing system or facilities, any part of the Sewer System.

5. It is the intention of the parties hereto to be bound legally by terms and provisions hereof.

IN WITNESS WHEREOF, the Township has caused this Agreement to be executed in its name and on its behalf by the Chairman or Vice Chairman of its Board of Supervisors and its official seal to be affixed hereto and attested by its Secretary, and the Authority has caused this Agreement to be executed in its name and on its behalf by its Chairman or Vice Chairman and its official seal to be affixed hereto and attested by its Secretary, all as of the day and year first above written.

ATTEST:

TOWNSHIP OF CONEWAGO,
Dauphin County, Pennsylvania

Secretary

By: _____
(Vice) Chairman of the Board
of Supervisors

(SEAL)

ATTEST:

CONEWAGO MUNICIPAL AUTHORITY

Secretary

By: _____
(Vice) Chairman

(SEAL)