

AGREEMENT

THIS AGREEMENT executed on various dates, for delivery on August 8, 2007 (the “Effective Date”), by and among:

CONEWAGO MUNICIPAL AUTHORITY, (“CMA”), Dauphin County, Pennsylvania, a municipal authority organized and existing under the “Municipalities Authorities Act” 53 Pa. C.S. Ch. 56, having its administrative office at 3279 Old Hershey Road, Elizabethtown, PA 17022;

AND

CONEWAGO TOWNSHIP, (“Conewago Township”), Dauphin County, a political subdivision of the Commonwealth of Pennsylvania, having its administrative office at 3279 Old Hershey Road, Elizabethtown, PA 17022;

AND

DERRY TOWNSHIP MUNICIPAL AUTHORITY (“DTMA”), a municipal authority organized and existing under the “Municipalities Authorities Act” 53 Pa. C.S. Ch. 56, having its administrative office at 670 Clearwater Road, Hershey, PA 17033.

RECITALS

WHEREAS, Hershey Trust Company, Trustee of Milton Hershey School, hereinafter Hershey Trust Company, is the owner of a tract of land known as Tax Parcel No. 24-47-009 which tract lies partly in Conewago Township and partly in Derry Township, Dauphin County, Pennsylvania; and

WHEREAS, Hershey Trust Company, CMA, DTMA and Conewago Township have entered into an Agreement dated August 8, 2007; and

WHEREAS, CMA, DTMA, and Conewago Township desire to enter into an Agreement spelling out their respective obligations with regards to Hershey Trust Company’s financial contributions set forth in Section 3.00 of the above-referred August 8, 2007 Agreement; and

WHEREAS, DTMA, CMA, and Conewago Township have entered into a Sewer Service Agreement and Lease dated February 19, 2007 (“Service Agreement”), which provides for the Project to be leased to DTMA for operation as agent for CMA.

NOW THEREFORE, in consideration of the mutual covenants herein, the parties agree as follows:

SECTION 1.00

GENERAL PROVISIONS

A. The Recitals above are incorporated herein by reference and made a part of this Agreement.

B. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings indicated below:

1. “Act” means the Municipality Authorities Act 53 Pa. C. S. Chapter 56 as amended. References to specific provisions of the Act mean and include the corresponding provisions of any future law.

2. “Tapping Fee” means the tapping fee authorized by the Act charged to property owners who desire to or are required to connect to the Project, or any analogous or substitute fee or charge to the extent that such connections cease to be governed by the Act. The Tapping Fee includes a capacity part, a distribution or collection part, a special purpose part, and a reimbursement part.

3. “Equivalent Dwelling Unit” or “EDU” is a unit of measure of the amount of wastewater which equates the daily amount of wastewater discharged by a nonresidential establishment to that of a typical single-family home. For purposes of this Agreement, one EDU is equal to an actual or estimated wastewater discharge of 228.1 gallons per day.

4. Any capitalized term that is not defined in this Agreement shall have the meaning assigned in the August 8, 2007 Agreement.

C. Termination. This Agreement shall terminate in the event that Hershey Trust Company fails to make the payment as required by Section 3.00 of the above-referred August 8, 2007 Agreement. Termination for any other reason or at any other time shall be permitted only upon mutual written consent of the parties.

SECTION 2.00

DISPOSITION OF TAPPING FEES

A. Within 30 days of the execution of the August 8, 2007 Agreement between the parties hereto and the Hershey Trust Company, the Hershey Trust Company is to pay to CMA the sum of \$704,000 as a payment of tapping fees for 110 EDUs worth of capacity in the Project and DTMA System in order to serve any Future Improvements (“Prepayment”). DTMA has authorized CMA to receive such prepayment. This prepayment totaling \$704,000, anticipated to be received on or before Monday, September 10, 2007, shall be distributed by CMA to DTMA as follows:

1. CMA shall pay to DTMA the sum of \$165,000, representing the Hershey Trust Company's prepayment for the Capacity Part of the Tapping Fees ("Capacity Payment") within three (3) business days of receipt by CMA of the Prepayment.

2. CMA shall pay to DTMA the sum of \$539,000, representing the Hershey Trust Company's prepayment for the special purpose part of the tapping fees ("Special Purpose Payment") on or before December 10, 2007, which payment is subject to the provisions of Section 3.00 below.

SECTION 3.00

DISPOSITION OF SPECIAL PURPOSE PAYMENT BETWEEN CMA AND DTMA

A. In consideration of CMA's arranging for this Agreement, and the Agreement of August 8, 2007, above-referred, CMA shall have the beneficial use of the proceeds from the Special Purpose Payment until December 10, 2007. On or before such date CMA shall remit the entire \$539,000 Special Purpose Payment to DTMA. In the event that CMA fails to remit the Special Purpose Payment to DTMA by December 10, 2007, DTMA agrees to loan those amounts necessary, not to exceed \$539,000, to CMA for use in satisfying the working capital needs of the Project and CMA agrees to pay interest on the unpaid balance at the rate of 6% per annum from November 1, 2007. CMA shall use the Special Purpose Payment but only as working capital for the Project and for no other purpose. CMA may invest the proceeds of the Special Purpose Payment during the period of beneficial use and retain any earnings thereon.

B. Upon DTMA's receipt of the Special Purpose Payment provided in Paragraph A above, DTMA shall reduce CMA's obligation to make an \$832,000 lump-sum payment to DTMA pursuant to Section 6.40 of the Service Agreement by the amount of the Special Purpose Payment then made.

SECTION 4.00

OTHER PROVISIONS

A. Section 6.40, A. of the Service Agreement is hereby amended to conform to the requirements of this Agreement regarding CMA's payment to DTMA of the \$832,000 capital contribution.

B. The first sentence of Section 7.10, D. of the Service Agreement is hereby amended by replacing the figure "\$7,100" with \$7,500."

C. Termination of CMA. In the event that CMA's existence expires or is terminated, Conewago Township shall assume and perform any remaining obligations of CMA under this Agreement, and it shall be bound by the provisions of the Act governing fees and charges as in effect on the date on which CMA's existence expires or is terminated, notwithstanding the fact that Conewago Township may not otherwise be subject to the Act.

D. Waiver of Rights. The failure of any party hereto to insist upon strict performance of this Agreement or its terms and conditions shall not be construed as a waiver of any of its rights.

E. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be properly executed by all parties hereto, and all of which shall be regarded for all purposes as one original, and all of which shall constitute one agreement, legally binding upon the parties.

F. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

G. Entire Agreement. This Agreement contains the entire understanding between the parties hereto and supersedes any prior written or oral agreement between the parties respecting the subject matter hereof. There are no representations, agreements, or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

H. Authority to Execute. The parties hereby certify that the persons executing this Agreement on their behalf have full and complete authority to do so and that upon execution hereof, this Agreement shall be a binding legal agreement enforceable in accordance with its terms.

I. Severability. Should any one or more of the provisions of this Agreement for any reason be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall render this Agreement null and void *ab initio*.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, intending to be legally bound, the day and year first above written.

<p>ATTEST:</p> <p><u><i>John H. Kelly</i></u> (Assistant) Secretary [Seal]</p>	<p>CONEWAGO MUNICIPAL AUTHORITY:</p> <p>By: <u><i>Bill</i></u> <u>CHAIRMAN CMA</u> Name/Title:</p>
<p>ATTEST:</p> <p><u><i>[Signature]</i></u> (Assistant) Secretary [Seal]</p>	<p>DERRY TOWNSHIP MUNICIPAL AUTHORITY:</p> <p>By: <u><i>[Signature]</i></u> Name/Title: <u>CHAIRMAN DTMA</u></p>
<p>ATTEST:</p> <p><u><i>Shelley A. Bretz</i></u> (Assistant) Secretary [Seal]</p>	<p>TOWNSHIP OF CONEWAGO:</p> <p>By: <u><i>[Signature]</i></u> Name/Title: <u>Chairman of Board</u></p>