

COPY

AGREEMENT

THIS AGREEMENT made this 13th day of October, 2003, by and between
WARREN COUNTY SCHOOL DISTRICT, a School District organized under the
laws of the Commonwealth of Pennsylvania, hereinafter sometimes referred to as -----
----- **"DISTRICT,"**

AND

WARREN COUNTY DEVELOPMENT ASSOCIATION, a non-profit
corporation organized under the laws of Pennsylvania, hereinafter sometimes referred to
as ----- **"WCDA."**

WHEREAS, the District is the owner of premises situate in Pittsfield Township,
Warren County, Pennsylvania, consisting of approximately 32.37 acres and bearing tax
identification number YV-5-888, upon which there is erected a building formerly used as
an elementary school and which premises the District has deemed as unused and
unnecessary (sometimes collectively hereinafter referred to as **"PROPERTY"**); and

WHEREAS, the WCDA represents that it is a charitable organization holding
exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. §
501[c][3]); and

WHEREAS, under and pursuant to Section 707 of the School Code (24 P.S. § 7-
707), the District desires to sell and convey unto the WCDA for the consideration
hereinafter set forth the Property.

NOW, THEREFORE, in consideration of the recitals above set forth, together
with the consideration hereinafter described, the Parties agree as follows:

1. The District agrees to sell and convey, to WCDA, by Deed of Special Warranty, the Property.

2. Upon receipt of said Property, the WCDA shall utilize its best efforts to develop, subdivide and sell the Property for economic development purposes. The Parties understand and agree that said best efforts shall be carried out in such a manner so as to encourage, entice, and provide incentives for economic development results including, but not limited to, tax producing enterprises, job creating businesses, and the like.

3. At the time of the transfer of the Property from the District to the WCDA, the WCDA shall pay to the District the sum of TEN THOUSAND DOLLARS (\$10,000.00). Thereafter, as the WCDA develops the Property, the WCDA agrees to pay to the District 90% of the net proceeds realized by the WCDA in the course of its development of the Property. Net proceeds as used in this Paragraph shall mean the gross proceeds of the sale or lease of the Property as reduced by the WCDA's actual costs of developing the Property, including costs for surveying, subdividing, making environmental and other assessments, payment of real property taxes, costs associated with the upkeep, improvement, and modification of the structure located upon the Property, and advertising costs. In calculating said net proceeds the gross proceeds shall not be reduced by any WCDA expenses in the form of administrative costs, salaries, employee benefits, and the like incurred by the WCDA or any subsidiary or parent organization of the WCDA. Additionally, in calculating net proceeds, there shall be added back into the proceeds calculation any grants or similar resources received by the WCDA for any of the WCDA's development activities associated with the Property. The foregoing provisions of this Paragraph 3 notwithstanding, the WCDA shall be entitled to withhold the sum of TEN THOUSAND DOLLARS (\$10,000.00) from the net proceeds before making any payment thereof to the District. Once the said sum of TEN

THOUSAND DOLLARS (\$10,000.00) is withheld, the District shall thereafter be entitled to receive the full 90% of the net proceeds as set forth above.

4. With respect to the costs set forth in the preceding Paragraph, the WCDA agrees to maintain records of all such costs and to share the same with the District upon the District's request.

5. It is the hope and expectation of the Parties that the Property will be fully developed and sold within seven (7) years following the execution of this Agreement. If, upon the seventh anniversary hereof, any portion of the Property remains vested in the WCDA, the WCDA agrees to re-convey the same to District, by Special Warranty Deed, upon the District's subsequent request. Said conveyance shall be made at no consideration to the District regardless of the costs which the WCDA might have incurred in association with the development, upkeep, maintenance, or preservation of the Property. The WCDA agrees to develop the Property in such a manner that any portion of the Property remaining vested in the WCDA shall enjoy access to and from Route 6 across a parcel or right-of-way at least fifty (50) feet in width and not traversing any wetlands area.

6. All of the other provisions hereof notwithstanding, if, during the tenure of the WCDA's ownership of the Property, any timber is removed for the purposes of commercial sale, the Parties agree that 90% of the net proceeds realized from said sale shall be paid over by the WCDA to the District. Net proceeds as utilized in the preceding sentence shall mean gross timber sale proceeds less any fee paid to any professional timber consultant, but shall not include any expenses incurred by the WCDA in the arrangement of said timber sale.

7. The balance of the consideration to be paid by WCDA to District pursuant to Paragraph 6 shall be secured by a bond and purchase money mortgage to be executed in the form set forth on Exhibits "A" and "B" attached hereto.

8. The WCDA agrees to keep the Property insured in the minimum amount of \$145,000.00 against loss for fire, flood, and similar hazard. The WCDA agrees to name the District as an additional insured with respect to said policy. In the event of any loss resulting in payment under said policy, the Parties agree that 90% of the proceeds resulting from said loss shall be paid to the District. Despite the provisions of the foregoing sentence, the WCDA may, at its sole election, utilize all or a portion of the insurance proceeds to refurbish or restore the Property; for any proceeds not used to refurbish or restore, 90% thereof shall be paid to the District. In addressing the matter of hazard insurance, the Parties acknowledge it is their intention to have in place a mechanism to pay to the District 90% of the approximate value of the Property, in its present condition, before any improvements or changes which may be made by the WCDA. For the purposes of this Paragraph, the Parties agree that the approximate value of the Property is \$145,000.00. In the event that following the conveyance to the WCDA, the WCDA makes improvements to the Property such that additional proceeds are payable in the face of any loss, the Parties agree that the District shall not be entitled to said additional proceeds and that instead payment to the District shall be limited to the intended amount as described above. If, after exercising its best efforts, the WCDA is unable to obtain insurance coverage in the amount of \$145,000.00, the WCDA agrees to obtain coverage for the greatest amount possible, and the District agrees that upon a loss its recovery shall be limited to 90% of that coverage amount.

9. Each and every provision required to be inserted in Agreements by the law of Pennsylvania, or the lawful regulations of any agency of the Commonwealth, and, if the Project involves the use of federal funds, by any law of the United States of America or the lawful regulations of any agency thereof applicable to the Agreement, shall be

deemed to be inserted herein, and the Agreement shall be read, interpreted, and enforced as if such provisions were set forth therein in full.

10. This Agreement shall be interpreted in accordance with the laws of the Commonwealth of Pennsylvania.

11. Possession of the Property shall be delivered to the WCDA on November 30, 2003.

IN WITNESS WHEREOF, the said Parties to this Agreement intending to be legally bound hereby for themselves, their heirs, administrators, executors and assigns, have hereunto set their hands and seals the day and year first above written.

ATTEST: (SEAL)

WARREN COUNTY SCHOOL DISTRICT,
SELLER

Luth A. Huck
Secretary

Randall A. Peterson (SEAL)
BY:

ATTEST: (SEAL)

WARREN COUNTY DEVELOPMENT
ASSOCIATION, BUYER

Secretary

John L. Hanna (SEAL)
BY: *Chairman*