

IN THE ORPHANS' COURT DIVISION OF THE COURT OF COMMON PLEAS
OF CENTRE COUNTY, PENNSYLVANIA

IN RE: THE SECOND MILE

ORPHANS' COURT NO. 14-12-0255

FILED FOR RECORD
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CLERK OF ORPHANS' COURT
CENTRE COUNTY, PENNSYLVANIA

pt.

**PETITION FOR APPROVAL
OF SALE OF REAL PROPERTY.**

The Board of Directors of The Second Mile (“Petitioners”), by its attorneys, hereby files this Petition for Approval of Sale of Real Property (“Sale Petition”) pursuant to Section 5547(b) of the Pennsylvania Nonprofit Corporation Law of 1988, 15 Pa.C.S. §§ 5101, et seq. (“PA Nonprofit Law”). This Sale Petition seeks the Court’s approval for the sale of certain real property owned by The Second Mile and located at 2400 Bernel Road, Patton Township, Pennsylvania (“Bernel Road Property”), to Michael J. Lee, for a price in excess of the property’s most recent appraisal. In support of this Sale Petition, Petitioners state as follows:

FACTUAL BACKGROUND.

1. The Second Mile was founded and incorporated in 1977 as a Pennsylvania non-profit corporation and currently maintains its principal place of business at P.O. Box 802, Lemont, Pennsylvania 16851-0802.
2. The Internal Revenue Service recognized The Second Mile in 1978 as a federal tax-exempt organization under Section 501(c)(3) and a public charity under Section 509(a)(1) of the Internal Revenue Code.
3. This Court has exclusive jurisdiction over The Second Mile and its assets pursuant to Section 711(21) of the Probate, Estates and Fiduciaries Code (“PEF Code”), 20

Pa.C.S.A. § 711(21), and Pennsylvania Rule of Judicial Administration 2156, Pa.R.J.A. No. 2156.

FORMATION AND STATUS

4. The Second Mile was formed to challenge young people to achieve their potential as individuals and community members by providing opportunities for them to develop positive life skills and self-esteem. The Second Mile provided, as part of its mission, education and support for parents and professionals addressing the needs of youth.

5. From its origins in 1977 as a Pennsylvania non-profit corporation first formed to establish and operate a home for foster children, The Second Mile grew into a statewide organization providing nine different programs that reached tens of thousands of Pennsylvania children annually, with over 6,000 individuals receiving direct services. All programs were offered free of charge and were provided in partnership with parents, teachers, school counselors and other youth professionals.

6. The success of these programs also was accomplished through the efforts of a network of over 10,000 individuals, consisting of staff, school counselors, parents, volunteers and financial supporters.

7. As a private, non-profit corporation, The Second Mile historically relied on the efforts of local volunteers and financial support from individuals, businesses and organizations in order to fund its programs and serve children in communities throughout the Commonwealth of Pennsylvania.

8. On November 4, 2011, the news media widely reported on the findings of a Statewide Investigating Grand Jury that Mr. Gerald Sandusky (“Sandusky”), the founder of The Second Mile, had engaged in alleged acts of child sexual abuse, and that Sandusky had been indicted for such allegedly unlawful conduct.

9. As Sandusky was widely associated with The Second Mile, it immediately became apparent that the allegations against Sandusky, especially as they focused on child sexual abuse, jeopardized the ability of The Second Mile to maintain its programs and continue in existence.

10. Consequently, with the approval of the Attorney General of the Commonwealth of Pennsylvania and this Court, the programs formerly operated by The Second Mile have been transferred to Arrow Child & Family Ministries of Pennsylvania, Inc. ("Arrow"). See Orders dated April 17, 2013, and July 2, 2014 (approving transfer of programs and limited funds and assets to Arrow), copies of which are attached as Exhibits "1 and "2," respectively. The Second Mile no longer operates any programs for youth or otherwise.

PROPOSED SALE OF BERNEL ROAD PROPERTY.

11. The Second Mile owns 60.68 acres of land, with one detached residential building, at 2400 Bernel Road, Patton Township, Centre County, Pennsylvania, which was to be used by The Second Mile as its "Center for Excellence," including athletic facilities, meeting places and dormitories for use by participants in programs then offered by The Second Mile.

12. The Bernel Road property is the consolidation of two adjacent parcels purchased separately. A deed of consolidation of the two parcels has been recorded.

13. One of the parcels was transferred from The Pennsylvania State University ("Penn State") by deed dated April 23, 2002, which deed contained an option to repurchase both the parcel transferred from Penn State and the adjacent parcel at the appraised value of the Bernel Road Property as of the date of the proposed sale. A copy of the deed from Penn State is attached as Exhibit "3."

14. The Second Mile does not carry a mortgage obligation on the Bernel Road Property.

15. Following the Sandusky disclosures, not only was a \$3 million grant through the Pennsylvania Redevelopment Assistance Capital Program, which had been previously committed to The Second Mile for the development of the Center for Excellence, withdrawn, but also the processing of a construction loan necessary for construction of the required facilities was stopped.

16. Following these adverse developments, The Second Mile had no ability to fund the construction of The Center For Excellence and could not further develop and complete its goals.

17. Consequently, the Board of The Second Mile elected to sell the Bernel Road Property to the highest offeror.

18. The most recent appraisal (dated as of July 30, 2014, based on an inspection date of June 8, 2014) obtained by The Second Mile ("Appraisal") concluded that the highest and best use of the Bernel Road Property was an interim use as agricultural property or open space, and that the market value of a fee simple interest in the Bernel Road Property was \$15,000 per acre, or a total of \$910,000. A true and correct copy of the Appraisal is attached hereto and incorporated as Exhibit "4."

19. The Appraisal recognizes that this use may be temporary until the site may be improved and put to its future highest and best use, but the time frame for doing so is unknown.

20. In fact, as noted in the Appraisal, the overall area has had limited growth both for residential use and for commercial/business projects. The time frame for growth or demand in the relevant market is not able to be predicted and was not deemed to be significant, especially as other local areas are anticipated to experience growth before the Bernel Road Property.

21. Accordingly, the Bernel Road Property was listed for sale by The Second Mile with Coldwell Banker, a commercial real estate broker in State College, Pennsylvania.

22. In June, 2014, The Second Mile received a formal offer from Michael J. Lee to purchase the Bernel Road Property.

23. Under date of June 24, 2014, The Second Mile entered into an Agreement of Sale for the sale of the Bernel Road Property for the total purchase price of \$1,050,000, with a required closing date of October 31, 2014. A true and correct copy of the Agreement of Sale is attached hereto and incorporated as Exhibit "5."

24. Lee waived any mortgage contingency as part of the proposed purchase and subsequently, indicated his intention to proceed with the purchase following the completion of his due diligence. Pursuant to the Agreement of Sale, Lee has increased the amount of his deposit.

25. The Board of The Second Mile approved the Agreement of Sale at a meeting held on September 4, 2014. A true and correct copy of the Resolution of the Board confirming the vote approving the sale is attached hereto and incorporated as Exhibit "6."

26. The sale of the Bernel Road Property is in the best interest of The Second Mile as the proposed sale price exceeds the most recent assessed market value of a fee simple interest in the Bernel Road Property by 15.4%, and there have been no other offers to purchase in the Bernel Road Property.

27. The Second Mile requested and received a waiver from Penn State of its first option. Copies of that request and waiver are attached to this Petition as Exhibits "7" and "8," respectively.

28. Should the Court approve the sale of the Bernel Road Property, proceeds from that sale will be held by The Second Mile pursuant to this Court's Order of September 4, 2012, a true and correct copy of which is attached as Exhibit "9," and shall not be distributed except for expenses necessary in the ordinary course of business, as well as, inter alia, settlements related to

Sandusky victims' claims, legal fees, insurance and, subject to further Order this Court, transfers and payments related to the dissolution of The Second Mile.

29. Copies of the Petition have been served on the Attorney General and all interested parties.

WHEREFORE, Petitioners request that (i) this Petition for Approval of Sale of Real Property be granted and (ii) the sale of the Bernel Road Property to Michael J. Lee be approved pursuant to the terms of the Agreement of Sale dated June 24, 2014.

OF COUNSEL:

ARCHER & GREINER, P.C.

One Liberty Place

Thirty-Second Floor

1650 Market Street

Philadelphia, PA 19103-7393

Telephone: (215) 963-3300

Facsimile: (215) 963-9999

11274965v1



HOWARD A. ROSENTHAL
Attorney for Petitioners

EXHIBIT 1

IN THE COURT OF COMMON PLEAS
OF THE 49th JUDICIAL DISTRICT OF PENNSYLVANIA
CENTRE COUNTY
CIVIL DIVISION – ORPHANS' COURT

RECEIVED
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FILED FOR RECORD

IN RE: THE SECOND MILE
Petition for Limited
Distribution of Assets

No. 14-12-0255 of 2012

ORDER

AND NOW, this 17th day of April, 2013, upon consideration of the Motion to Lift Stay and Amended Petition for Limited Distribution of Assets filed by The Second Mile, and any and all responses thereto, it is hereby ORDERED that the Petition is GRANTED as follows:

- a. The Court's September 4, 2012 stay of proceedings is lifted to the extent required by the Order;
- b. The Second Mile's Plan for the transfer of intellectual property and the sum of \$200,000 to Arrow and Arrow – PA is approved.
- c. All remaining assets of The Second Mile shall be retained by The Second Mile, subject to regular and necessary business expenses as more fully set forth in this Amended Petition, pending final disposition of all litigation, claims or related matters and further Order of this Court.

BY THE COURT

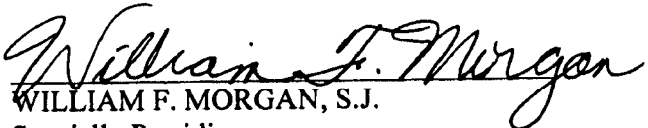

WILLIAM F. MORGAN, S.J.
Specially Presiding

EXHIBIT 2

IN THE COURT OF COMMON PLEAS
OF THE 49th JUDICIAL DISTRICT OF PENNSYLVANIA
CENTRE COUNTY
CIVIL DIVISION – ORPHANS' COURT

**In Re: The Second Mile;
Supplemental Petition for Further
Limited Distribution of Assets**

NO. 14-12-0255 of 2011

ORDER

AND NOW, this 2nd day of July, 2014, upon consideration of the Supplemental Petition for Limited Distribution of Assets (“Supplemental Petition”) filed by The Second Mile, and as the Court ordered that any objections or responses thereto were due to be filed no later than Monday, June 23, 2014, and as no objections or responses thereto were filed, it is hereby ORDERED and DECREED that the Supplemental Petition is GRANTED as follows:

- a. The Court’s September 4, 2012 stay of proceedings is lifted to the extent required by the Order;
- b. The Second Mile is authorized to transfer \$300,000 to Arrow Child & Family Ministries of Pennsylvania, Inc. (“Arrow-PA”), as more fully set forth in the Supplemental Petition. The Second Mile is also authorized to transfer the 10 computers referenced in the Supplemental Petition to Arrow-PA so long as all information and data stored on those computers has been archived and removed from the hard drives of those computers.
- c. The Second Mile is further authorized to transfer “The Second Mile Endowment Fund” (Account No. 127312 at MML Investors Services, Inc.), deposited at SEI Private Trust Company, to Arrow-PA subject to the restrictions set forth in the Supplemental Petition and Arrow’s Endowment Policy as previously approved by the Attorney General.

- d. All remaining assets of The Second Mile shall be retained by The Second Mile, subject to regular and necessary business expenses as more fully set forth in the Supplemental Petition and this Court's Order dated September 4, 2012, pending final disposition of all litigation, claims or related matters or further Order of this Court.

The Petitioner is hereby ORDERED to serve a copy of this Order on the Attorney General and all parties of interest who have been previously served with a copy of the Supplemental Petition.

BY THE COURT:

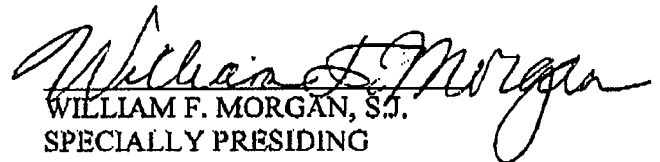

WILLIAM F. MORGAN, S.J.
SPECIALLY PRESIDING

EXHIBIT 3

BK 1356PG0842

Kilk

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2265
2399.00

ENTERED FOR RECORD
JOSEPH L. DAVIDSON
RECORDER OF DEEDS
CENTRE COUNTY

'02 APR 24 PM 1 03

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF CENTRE)

On this, the day of APR 24, 2002 I hereby

CERTIFY that the document is Recorded in Record Book
1356 Page 85 in the Recorder of Deeds Office of
Centre County, Pennsylvania.
IN WITNESS WHEREOF, I have hereunto set my hand
and official seal.



Joseph L. Davidson
Joseph L. Davidson
Centre County
Recorder of Deeds

001995

THIS INSTRUMENT WAS PREPARED BY:
DAVID M. WEDCIEL, ESQUIRE
MCQUAIDE BLASKO
811 UNIVERSITY DRIVE
STATE COLLEGE, PA 16801

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

THIS DEED

MADE this 23RD day of APRIL, 2002, between THE PENNSYLVANIA STATE UNIVERSITY, a nonprofit corporation and an instrumentality of the Commonwealth of Pennsylvania, with its principal office at University Park, Centre County, Pennsylvania, (hereinafter referred to as "Grantor"),

- AND -

THE SECOND MILE, a non-profit corporation, with its office and principal place of business at 1402 South Atherton Street, State College, Centre County, Pennsylvania, hereinafter referred to as "Grantee".

WITNESSETH, that in consideration of ONE HUNDRED SIXTY-EIGHT THOUSAND FIVE HUNDRED and 00/100 (\$168,500.00) DOLLARS, in hand paid, the receipt whereof is hereby acknowledged, the said Grantor does hereby grant and convey to the said Grantee, its successors and assigns,

ALL that certain parcel of land situated in Patton Township, Centre County, Pennsylvania, being a southern portion of lands now or formerly of Bernard E. Crust, et ux., and being more particularly bounded and described as follows:

BEGINNING at an iron pin set in the northerly right of way line of Fox Hill Road (also known as Legislative Route Number 14016, a 40-foot wide right of way) at the common southwesterly corner of the herein described parcel and southeasterly corner of lands now

	C.C.B.O.A.	Pa #5102
	Registry.	4-23-02
		18-2/29D
Uniform Parcel Identifier		

or formerly of John and Della Loesch; thence along said lands of Loesch North 33 degrees 21 minutes 55 seconds West, a distance of 339.31 feet to an existing iron pin; thence along lands now or formerly of David C. and Mary Sue Kradel the following three (3) courses and distances: (1) North 33 degrees 01 minutes 09 seconds West, a distance of 781.96 feet to a point; thence (2) North 31 degrees 00 minutes 45 seconds West, a distance of 537.21 feet to a point; thence (3) North 32 degrees 37 minutes 08 seconds West, a distance of 195.76 feet to a point at the southwesterly corner of lands now or formerly of The Second Mile and the northwestern corner of the herein-described parcel; thence along said lands of The Second Mile North 55 degrees 38 minutes 55 seconds East, a distance of 1076.47 feet to a point in the westerly right of way line of Bernel Road (also known as Legislative Route No. 14016, a 33-foot wide right of way at the common southeastern corner of lands of The Second Mile and the northeastern corner of the herein-described parcel; thence along the said westerly right of way line of Bernel Road (33-foot wide right of way) the following four (4) courses and distances: (1) South 38 degrees 59 minutes 52 seconds East, a distance of 253.367 feet to a point; thence (2) South 34 degrees 23 minutes 11 seconds East, a distance of 77.47 feet to a point; thence (3) along an irregular curve to the right having a chord bearing of South 22 degrees 13 minutes 14 seconds East, a chord distance of 113.47 feet to a point; thence (4) South 18 degrees 08 minutes 35 seconds East, a distance of 550.00 feet to a point where the right of way line jogs from 33 feet in width to 40 feet in width; thence along said jog in the right of way line South 17 degrees 51 minutes 25 seconds West, a distance of 3.50 feet to a point in the westerly 40-foot wide right of way line of Bernel Road; thence along the said westerly 40-foot wide right of way of Bernel Road the following three (3) courses and distances: (1) South 18 degrees 08 minutes 35 seconds East, a distance of 408.48 feet to a point; thence (2) South 18 degrees 16 minutes 47 seconds East, a distance of 445.81 feet to a point, said point being a point of curvature; thence (3) by the arc of a curve to the right having a radius of 98.31 feet, central angle of 74 degrees 32 minutes 14 seconds, chord bearing of South 18 degrees 59 minutes 20 seconds West, chord of 119.06 feet, an arc length of 127.89 feet to a point in the northerly right of way line of the above-mentioned Fox Hill Road right of way; thence along the northerly right of way line of Fox Hill Road South 56 degrees 15 minutes 27 seconds West, a distance of 644.63 feet to the point or place of beginning; containing ~~17.81 acres~~ of land.

BEING the same premises granted and conveyed unto The Pennsylvania State University, a non-profit corporation and an instrumentality of the Commonwealth of Pennsylvania, by Deed of Mark Bookman and Marsha Bookman, husband and wife and The Richard King Mellon Foundation dated August 25, 1999 and recorded August 31, 1999 in Centre County Record Book 1111, Page 1036 and by Deed from Mark Bookman and Marsha Bookman, husband and wife, and Mason Walsh, Jr. as agent for the participants in the Real Estate Account No. 1 created by Memorandum of Agreement dated as of June 1, 1988 dated August 25, 1999 and recorded August 31, 1999 in Centre County Record Book 1111, Page 1042.

ALSO KNOWN as Centre County Uniform Parcel Identifier Tax Parcel Number 18-2/29D.

BK 1356PG0844

UNDER AND SUBJECT to a right of first option to be retained by Grantor as follows: (i) should Grantee not make any improvements on the above described property (hereinafter the "Property") consistent with Grantee's Mission Statement, Grantee shall not sell, transfer, assign, lease for more than 30 years or otherwise dispose of the Property unless Grantee shall have first offered to the Grantor the opportunity to repurchase the Property for the purchase price of \$168,500; (ii) should Grantee make any improvements on the Property consistent with Grantee's Mission Statement (the "Improvements") and should Grantee wish to sell the Property along with said Improvements, Grantor shall reserve the right to purchase the Property and Improvements at a purchase price equal to the appraised value of said Property and Improvements at the time Grantee wishes to sell the Property. The appraisal shall be completed by an appraiser licensed in the Commonwealth of Pennsylvania of Grantee's choice. Said appraisal shall be delivered to the Office of Finance and Business, University Park, Pennsylvania, by certified mail. Grantor shall have 30 days from the date of receipt of the appraisal to accept the appraised value as the purchase price. Should Grantor decline to purchase the Property and Improvements at the appraised value within the prescribed time, thereafter Grantor's right of first option shall become void and Grantee shall be free to market and sell the Property and Improvements free of any encumbrances that may arise from this provision; and (iii) the right of first option shall extend to the 20.00 acre property owned by Grantee adjoining the Property which is more fully described in the Deed of Winston Corporation to Grantee dated March 12, 1981, recorded in Centre County Deed Book 400, Page 260 (hereinafter the "Second Mile Parcel"), only if Grantee should wish to sell the Second Mile Parcel in conjunction with and/or as part of the Property. This right of first option is subject to the same terms and conditions as above described. Grantee further agrees that Grantee shall not sell only the Second Mile Parcel, while retaining ownership of the Property, for a period of ten (10) years from the date of settlement. Grantor and Grantee acknowledge that this restriction on sale of the Second Mile Parcel provision shall be enforceable by Grantor by means of an action at law for legal damages or an action at equity to rescind the sale of the Second Mile Parcel, and that this provision of the Deed shall survive settlement.

UNDER AND SUBJECT; NEVERTHELESS, to all existing easements, conditions, restrictions and covenants of record.

TOGETHER with all and singular the buildings, and improvements, ways, streets, alley, driveways, passages, waters, water-courses, rights, liberties, privileges, hereditaments and

BK 1356 PG 0845

appurtenances, whatsoever unto the hereby granted premises belonging, or in any wise appertaining, and the reversions and remainders, rents, issues, and profits thereof; and all the estate, right, title interest, property claim and demand whatsoever of them, the said Grantor as well as in equity, of, in, and to the same.

TO HAVE AND HOLD, the said premises, with all the buildings and improvements thereon erected, hereditaments and premises hereby granted or mentioned and intended so to be, with the appurtenances, unto the said Grantee, its successors and assigns to and for the only proper use and behoof of said Grantee, its successors and assigns forever.

AND the said Grantor will **SPECIALLY WARRANT AND FOREVER DEFEND** the property hereby conveyed.

IN WITNESS WHEREOF, said Grantor has hereunto set its hand and seal, the day and year first above written.

WITNESS/ATTEST:

See Exhibit

Daniel W. Sieminski (SEAL)

Daniel W. Sieminski
Assistant Vice President for Finance and Business

EXHIBIT 4

**Appraisal of
60 Acres / 2400 Bernel Road**

Located at
2400 Bernel Road
State College, PA
Patton Twp
Centre County

Prepared For

Dave Woodle
Second Mile
PO Box 802
Lemont, PA

**Date of Report
July 30, 2014**

**Date of Valuation and Inspection Date
June 8, 2014**

File #: 14 14 003





15 North Cherry Lane P.O. Box 5005
York, PA 17405-5005

P: 717.848.6777 • F: 717.845.5520
www.weinsteinappraisalgroup.com

July 30, 2014

Mr. Dave Woodle
Second Mile
PO Box 802
Lemont, PA 16851

**Re: 60.68 acres/2400 Bernel Road
Patton Township
Centre County, Pennsylvania**

Dear Mr. Woodle:

We are transmitting the appraisal report that you requested on the subject property located at 2400 Bernel Road, Patton Township, Centre County, Pennsylvania. It is identified in the Centre County tax records as 18-002-,029E,0000. The subject is 60.68 acres of land with one (1) detached residential dwelling. The effective date of the report is June 8, 2014. The intended user is identified as The Second Mile and the intended use will be for internal management.

Weinstein Appraisal Group, an affiliation of Weinstein Realty Advisors, completed an appraisal report on the subject property, report dated January 12, 2012. The current appraisal report is a new assignment, new report, and is a compilation of the 2012 report and updated research of market data and larger land sales in the State College area.

As the State College area is considered a finite market area, and as properties outside of this market area are not considered to be comparable data for the subject, research of larger land sales was conducted within the market area within the time frame of the prior report to the effective date of June 8, 2014. The further research of sales activity was not found to be material to the market value concluded for the subject property.

The subject is a consolidation of two (2) adjacent parcels purchased separately. One parcel was transferred with a recorded first option to repurchase by the grantor. The effect of the consolidation of parcels on the first option retained by the grantor is not known. Thus, an assumption is made that the grantor does not exercise the option.

The subject property has an approved plan for development. It is our understanding the plan was being executed, earth had been moved on the site and work has now stopped. It is also our understanding there are requirements to undo earth and grading work to comply with regulatory requirements of erosion and sediment control and stormwater management. There may be additional requirements the appraisers are not aware of.

It is recognized that time and funds are involved in completing an approved plan. As the proposed use of the subject is considered specific and not likely to be transferred or adopted by an alternate user, the presence of a plan is not considered in valuation.

The highest and best use of the subject as improved with one (1) residential dwelling is not considered quantifiably different than the highest and best use as vacant as the value is considered to be in the land. Single family detached use is not permitted per zoning. Subdivision of the subject requires a minimum of 20 acres per zoning. A 20 acre development plan is likely to not include an older residential dwelling. The residential dwelling is not considered in valuation.

Although there are a wide range of legally permitted uses for the subject property it is anticipated that other areas of Patton Township and the State College area are likely to experience growth due to market demand prior to the area of the subject. The Centre Regional Planning Agency's 2010 Centre Region Growth Management Report projects the majority of the growth in the area of the subject at a time frame of 2020 and beyond.

The three approaches to value, Income Capitalization, Cost, and Sales Comparison, have been considered for this report. As land, the Sales comparison Approach was considered applicable and developed.

Highest and best use of the subject is considered to be an interim use of agricultural or open space. By definition an interim use is the temporary use to which a site or improved property is put until it is ready to be put to its future highest and best use. It is anticipated that a purchaser would consider the eventual alternate use of the subject within an unknown time frame. For the subject property as agricultural and/or open space \$15,000 per acre is applied. This results in a conclusion of \$910,000.

Market value is partially defined as the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale. The enclosed report provides the market data and analysis supporting the opinion of this market value of fee simple interest as of the effective date of June 8, 2014 which is concluded as:

\$910,000

Nine Hundred Ten Thousand Dollars

- Assumption that Pennsylvania State University does not exercise the recorded first option. (The effect of the consolidation of parcels on the first option retained by the grantor is not known.)
- The development plan approval is not considered in valuation.
- Valuation is not adjusted for items required for compliance of any municipal and/or regulatory requirements. (Not limited to compliance of erosion and sedimentation control and stormwater management control.)
- Assumption of our value opinion is that the property is environmentally clean

The use of extraordinary assumptions might have affected the assignment results.

Certain definitions, limiting conditions, and certifications that are set forth within the attached report qualify the appraised values.



This report has been completed in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation. This appraisal has also been completed in conformity with the Code of Ethics and Standards of Professional Practice of the Appraisal Institute.

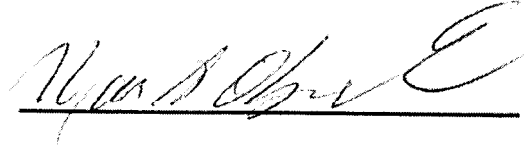
We expect you find the details of this analysis relevant to your decisions, and we would be pleased to answer any questions you might have.

Respectfully Submitted,

**WEINSTEIN APPRAISAL GROUP A DIVISION OF
WEINSTEIN REALTY ADVISORS,**



Elliott W. Weinstein, MAI, MRICS
PA Certified General
Real Estate Appraiser
#GA-000063-L

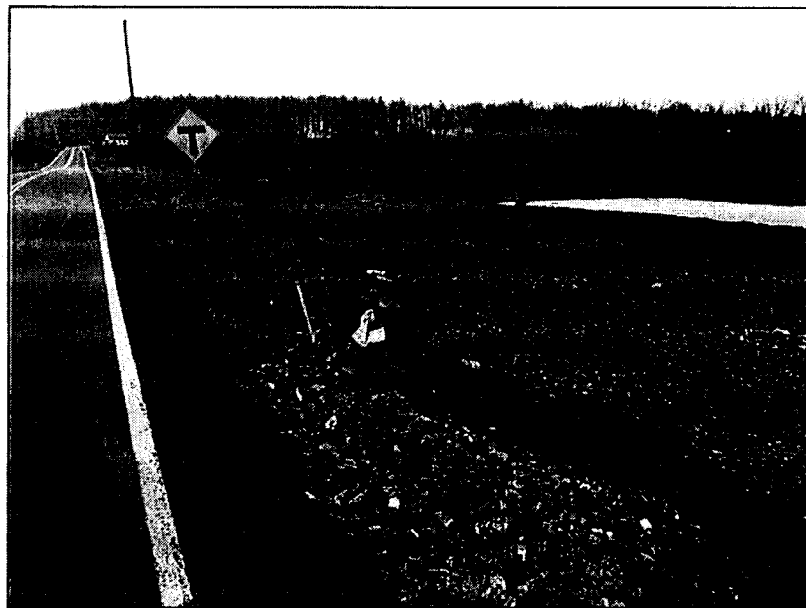
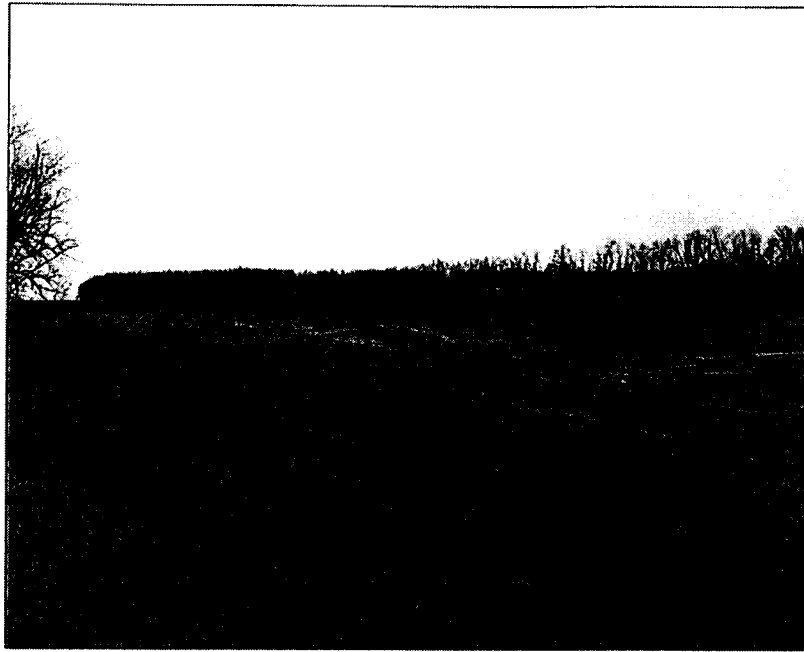


Marion A. Oberdick
PA Certified General
Real Estate Appraiser
#GA-003782

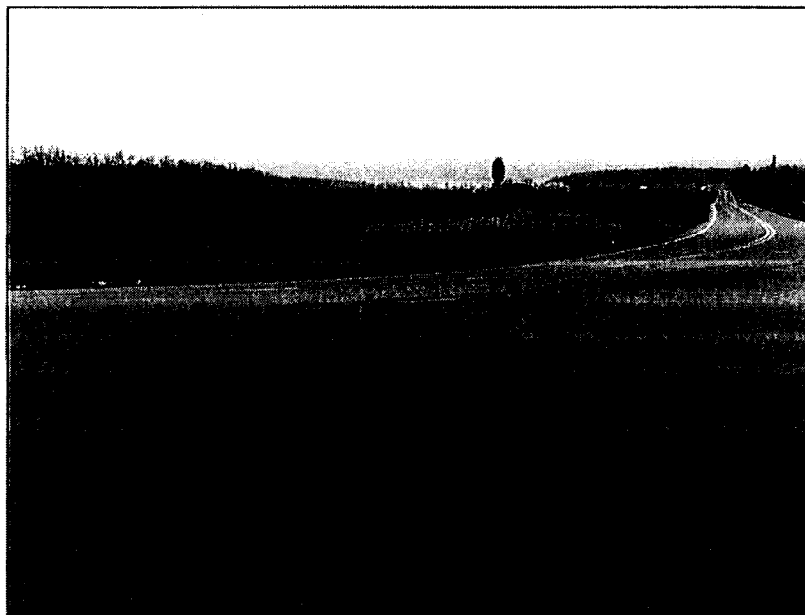


SUBJECT PHOTOS

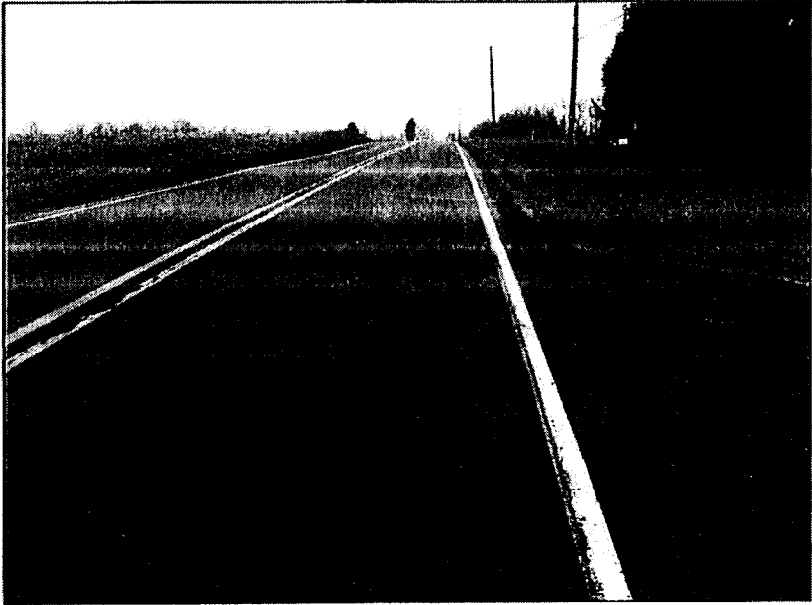
View of the Site



Street Scenes Surrounding the Site



Street Scenes Surrounding the Site



Exterior Photos of House



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This appraisal was prepared solely for our client's use. Third parties who receive this appraisal property from our client may use it for evaluating the property or properties to which it relates for our client. The unpublished appraisal contains confidential information owned by Weinstein Realty Advisors. And is protected under the United States Copyright Law. All unauthorized use is prohibited without the prior consent of Weinstein Realty Advisors



EXECUTIVE SUMMARY

Type of Property: The subject is one (1) 60.68 acre parcel of land. There is a detached residential dwelling on the property.

Address and Identification of Subject Property: The property consists of one (1) parcel identified by the Centre County Tax Assessment office as 18-002-029E.0000.

Assessment data records the address as 2400 Bernel Road, State College, Patton Township, Centre County, Pennsylvania.

Property Rights Appraised: The property rights appraised in this report are the fee simple interests. Fee simple interest is defined as:

Absolute ownership interest unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

Ownership and History: The most recent deed dated August 31, 2009 is a deed of consolidation. It records a transfer from The Second Mile (grantor) to The Second Mile for a consideration of \$1 as referenced in Deed Book 2043 Page 0233 as recorded in the Centre County Recorder of Deeds. The subject is a consolidation of two (2) separate transfers of adjacent parcels.

1. Approximately 40.68 acres was transferred by a deed dated April 23, 2002 recording the transfer of tax parcel 18-2/29D from The Pennsylvania State University, a nonprofit corporation and an instrumentality of the Commonwealth of Pennsylvania (grantor) to The Second Mile, a nonprofit corporation (grantee) for the sum of \$168,500, recorded in Deed Book 1356 Page 0842.

This deed contains a first option retained by the grantor (Pennsylvania State University) to repurchase the property for the purchase price of \$168,500. The conditions are outlined on the deed found in the addenda of the report. The effect to the option of the consolidation of parcels on the first option retained by the grantor is not known.

2. By a deed dated March 12, 1981 approximately 20 acres was transferred from the Winston Corporation (grantor) and The Second Mile, a nonprofit corporation (grantee) for the sum of \$64,000, recorded in Deed Book 400 Page 961.

Plat Book 82 Page 85 as recorded in the Centre County Recorder of Deeds is the Lot Consolidation of tax parcels 18-2 29D and 18-2-29E. It is a site plan by Penn Terra Engineering, Inc. dated February 17, 2009, Project No 07083.

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal, Fifth Edition*, Illinois, 2010

It is our understanding the subject has been marketed for sale at an asking price of 2.1 million dollars. A copy of the deed has been included in the Addenda of this report.

Purpose of the Appraisal: The purpose of this appraisal is to provide an as-is market value of fee simple interest for the subject as described herein as of the effective date of June 8, 2014.

Intended Use of the Appraisal: This report is to be used solely by the client and designated third parties for internal management purposes.

Intended User of the Appraisal: The intended user of this report is the client, The Second Mile.

Effective Date of Valuation: The effective date is June 8, 2014.

Date of Report: July 30, 2014.

Site: The subject is one (1) parcel of 60.68 acres per assessment data. It is a basically level site on the northwest corner of the intersection of Fox Hill Road and Bernel Road. Public utilities are available.

Improvement Description: There is a final land development plan approval for the phased development of The Second Mile Center For Excellence for the subject property.

There is two-story frame detached residential dwelling on the subject site built approximately 1982 per assessment data.. The residential dwelling is located on the northeast corner of the property.

Current Use: The subject is open space and one (1) residential dwelling. The subject was approved for phased development of The Second Mile Center For Excellence.

Zoning: The subject property is located in the Patton Township zoning district identified as Planned Airport District (PAD). The subject is further designated as two (2) separate areas within the Planned Airport District: non-residential and mixed use.

As the site plan does not quantify the amount of acreage in each area there is an assumption that approximately 15 acres are in the non-residential area and approximately 45 acres in the mixed use area.

Highest and Best Use "As if Vacant and Available for Development": Considering the four factors; legally permitted, physically possible, financially feasible and maximally productive, the highest and best use of the subject as vacant is considered to be an interim use of agricultural or open space.

The subject and the area were considered useful for an institutional type use (The Second Mile and Hope For Kids), however there is not considered to be a sufficient level of demand to be considered highest and best use alone.

Although there are a wide range of legally permitted uses it is considered unlikely the entire property will be utilized for the same use. The 79 +/- acres of vacant land in Patton Township zoned Planned Community is expected to experience any growth/demand in the market prior to an area of the subject. The time frame for the absorption of 79 +/- acres is not able to be predicted beyond being considered significant. There are other areas of Patton Township and the State College area anticipated to experience growth from market demand prior to the subject.

The Centre Regional Planning Agency's 2010 Centre Region Growth Management Report projects the majority of the growth in the area of the subject at a time frame of 2020 and beyond.

Highest and Best Use "As Improved": The highest and best use of the subject as improved with one (1) residential dwelling is not considered quantifiably different than the highest and best use as vacant as the value is considered to be in the land. Single family detached use is not permitted per zoning. Subdivision of the subject requires a minimum of 20 acres per zoning. A 20 acre development plan is likely to not include an older residential dwelling.

Most Likely Buyer: The most likely purchaser is considered to be a local investor(s).

Valuation Issues: The subject is a consolidation of two (2) adjacent parcels purchased separately. One parcel was transferred with a recorded first option to repurchase by the grantor. The effect of the consolidation of parcels on the first option retained by the grantor is not known. Thus, an assumption is made that the grantor does not exercise the option.

The subject property has an approved plan for development. It is our understanding the plan was being executed, earth had been moved on the site and work has now stopped. It is also our understanding there are requirements to undo earth and grading work to comply with regulatory requirements of erosion and sediment control and stormwater management. There may be additional requirements the appraisers are not aware of.

As there is an unknown cost for these items, valuation is not adjusted for items required for compliance of any municipal and/or regulatory requirements. (Not limited to compliance of erosion and sedimentation control and stormwater management control.)

It is recognized that time and funds are involved in completing an approved plan. As the proposed use of the subject is considered specific and not likely to be transferred or adopted by an alternate user, the presence of a plan is not considered in valuation.

There is an older detached residential dwelling on the subject property. As subdivision requires a 20 acre master plan it is considered not likely to include an older residential dwelling. Single family detached use is not permitted per zoning. The residential dwelling is not considered in valuation.

Highest and best use of the subject is considered to be an interim use of agricultural or open space. By definition an interim use is the temporary use to which a site or improved property is put until it is ready to be put to its future highest and best use.

Although there are a wide range of legally permitted uses for the subject property it is anticipated that other areas of Patton Township and the State College area are likely to experience growth due to market demand prior to the area of the subject. For example, the 79 +/- acres of vacant land in Patton Township zoned Planned Community (Tofrees and Gray's Woods) is expected to experience any growth/demand in the market prior to the area of the subject.

The time frame for the absorption of 79 +/- acres is not able to be predicted beyond being considered significant. There are other areas of Patton Township and the State College area anticipated to experience growth from market demand prior to the subject.

- Assumption that Pennsylvania State University does not exercise the recorded first option. (The effect of the consolidation of parcels on the first option retained by the grantor is not known.)
- The development plan approval is not considered in valuation.
- Valuation is not adjusted for items required for compliance of any municipal and/or regulatory requirements. (Not limited to compliance of erosion and sedimentation control and stormwater management control.)
- Assumption of our value opinion is that the property is environmentally clean

The use of extraordinary assumptions might have affected the assignment results.

Valuation Summary Table

Indications As of the Effective Date of June 8, 2014	Value
Indicated Market Value By the Cost Approach	N/A
Indicated Market Value By the Income Capitalization Approach	N/A
Indicated Market Value By the Sales Comparison Approach	\$910,000
Final Market Value	\$910,000



SCOPE OF WORK

In order to form an opinion of market value of the subject, appraisers made a personal inspection of the property. Data pertaining to the subject, zoning, tax, and general location were obtained and reviewed.

Information was obtained on the comparables and the subject from public records, multiple listing services, government agencies, including data retrieved from the Internet, and discussions with local brokers. Information was also obtained from the census bureau on population and demographics. A section is included specifying assumptions and limiting conditions. When possible, verification of appropriate information with buyers, sellers, brokers, and/or with other knowledgeable sources.

The scope of this summary appraisal includes:

- 1) an on-site inspection of the subject site;
- 2) research and collection of data on comparable land sales for other comparable properties;
- 3) verification of all information with buyers, sellers, brokers, public records, and/or with other knowledgeable sources;
- 4) analysis of market conditions, location factors, physical attributes, unit sizes and other pertinent factors;
- 5) consideration of the three recognized approaches to value, namely the Income Capitalization Approach, Cost Approach, and Sales Comparison Approach, with development of the Sales Comparison Approach ; and
- 6) reconciliation of a final "value as is" for the subject property

The purpose of this appraisal report is to develop an opinion of market value of fee simple interest for the subject property. The three approaches: Income, Cost and Sales Comparison were considered for this report. The Income Approach and Cost Approach were not considered applicable. The Sales Comparison Approach was developed for the subject property as land. The residential dwelling is not considered in valuation. Representatives of The Second Mile supplied information for this report.

Weinstein Appraisal Group, an affiliation of Weinstein Realty Advisors, completed an appraisal report on the subject property, report dated January 12, 2012. The current appraisal report is a new assignment, new report, and is a compilation of the 2012 report and updated research of market data and larger land sales in the State College area.

If client has concerns in the area of ADA, a professional with expertise in ADA, engineering, or architecture should be consulted.

Appraisers are not qualified to assess environmental issues and assume no responsibility, expertise, or knowledge for any environmental hazards. Neither a survey, title search, nor environmental study was completed for this appraisal report.

HISTORY OF OWNERSHIP AND SALES

The most recent deed dated August 31, 2009 is a deed of consolidation. It records a transfer from The Second Mile (grantor) to The Second Mile for a consideration of \$1 as referenced in Deed Book 2043 Page 0233 as recorded in the Centre County Recorder of Deeds. The subject is a consolidation of two (2) separate transfers of adjacent parcels.

1. Approximately 40.68 acres was transferred by a deed dated April 23, 2002 recording the transfer of tax parcel 18-2/29D from The Pennsylvania State University, a nonprofit corporation and an instrumentality of the Commonwealth of Pennsylvania (grantor) to The Second Mile, a nonprofit corporation (grantee) for the sum of \$168,500, recorded in Deed Book 1356 Page 0842.

This deed contains a first option retained by the grantor (Pennsylvania State University) to repurchase the property for the purchase price of \$168,500. The conditions are outlined on the deed found in the addenda of the report. The effect of the consolidation on the first option retained by the grantor is not known.

2. By a deed dated March 12, 1981 approximately 20 acres was transferred from the Winston Corporation (grantor) and The Second Mile, a nonprofit corporation (grantee) for the sum of \$64,000, recorded in Deed Book 400 Page 961.

Approved Plans as recorded in Centre County Recorder of Deeds.

- Plat Book 82 Page 85 as recorded in the Centre County Recorder of Deeds is the Lot Consolidation of tax parcels 18-2 29D and 18-2-29E. It is a site plan by Penn Terra Engineering, Inc. dated February 17, 2009, Project No 07083.
- Preliminary/Final Land Development Plan The Second Mile Center For Excellence – Phase 1, Plat Book 83 Page 199.
- Plat Book 83 Page 129, Plan for the site as identified as Youth Development and Activity Center, recorded September 28, 2010 and noted as superseding The Second Mile Master Plan, Plat Book 83 Page 86 August 20, 2009.

DEFINITIONS

MARKET VALUE:

Many definitions of market value, both legal and economic, have been developed and refined over the years. The definition of market value most widely used by agencies that regulate federally insured financial institutions in the United States is defined as follows:

“The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”²

INTEREST APPRAISED

This report has been produced to estimate the value of the owner’s fee simple interest in the subject property.

Fee simple estate is defined as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.³

EXTRAORDINARY ASSUMPTION:

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about

²The Appraisal Institute. *The Dictionary of Real Estate Appraisal*. Fifth Edition. Illinois, 2010.

³The Appraisal Institute. *The Dictionary of Real Estate Appraisal*. Fifth Edition. Illinois, 2010.



conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.⁴

HYPOTHETICAL CONDITION:

That which is contrary to what exists but is supposed for the purpose of analysis.

Comment: Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.⁵

INTERIM USE:

By definition an interim use is the temporary use to which a site or improved property is put until it is ready to be put to its future highest and best use.⁶

⁴ The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Illinois, 2010.

⁵ The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Illinois, 2010.

⁶ The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Illinois, 2010.

EXPOSURE AND MARKETING TIME

Exposure Time

Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal. Exposure time is defined as:

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.⁷

Exposure time is different for various types of real estate properties and under various market conditions. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. This statement focuses on the time component. The estimate may be expressed as a range and can be based on one or more of the following:

- Statistical information about days on the market
- Information gathered through sales verification
- Interviews with market participants

Based on the information presented in the body of the report which follows, a reasonable exposure time for the subject property at the indicated market value is approximately twelve (12) to twenty-four (24) months. [The reader should note that exposure time is different than marketing time in that exposure time is always presumed to precede the effective date of an appraisal, whereas marketing time is a time period immediately subsequent to the date of the appraisal.]

⁷ The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Illinois, 2010.

Marketing Period

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.⁸

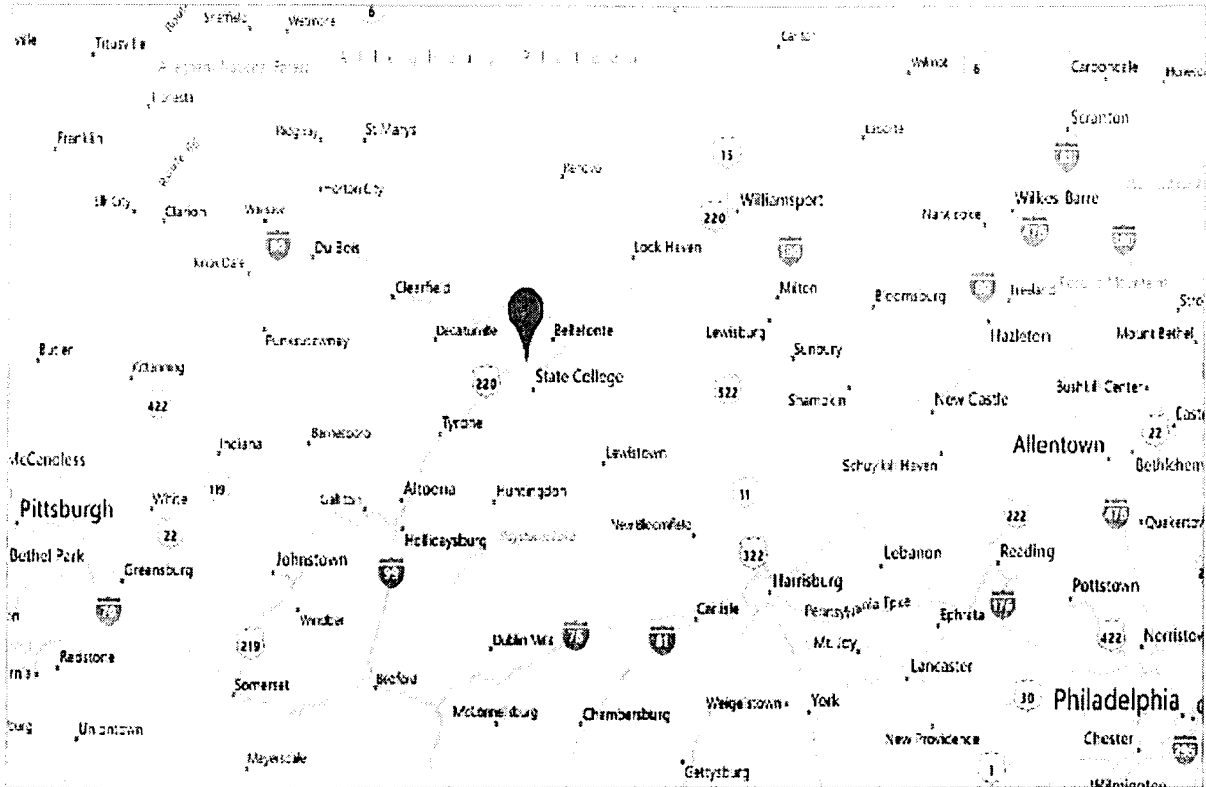
The estimate of marketing time uses some of the same data analyzed in the process of estimating reasonable exposure time as part of the appraisal process and is not intended to be a prediction of a date of sale. The estimate may be expressed as a range and can be based on one or more of the following:

- Statistical information about days on market;
- Information gathered through sales verification;
- Interviews with market participants; and/or
- Anticipated changes in market conditions.

Considering the information presented regarding market activity and the orientation of the appraisal, a reasonable estimate of marketing time for the subject property at the appraised market value is approximately twelve (12) to twenty-four (24) months.

⁸ The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Illinois, 2010.

REGIONAL MAP

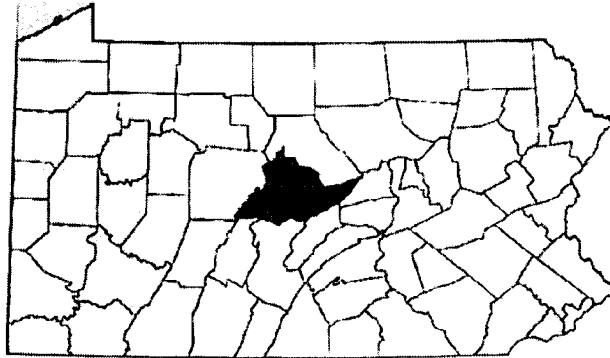


MARKET AREA ANALYSIS

The motivation of buyers and sellers within a given market area are directly impacted by the ever changing basic forces of the area. The forces are classified into four main categories:

- Social standards and ideas
- Economic conditions
- Government controls and standards
- Environmental conditions

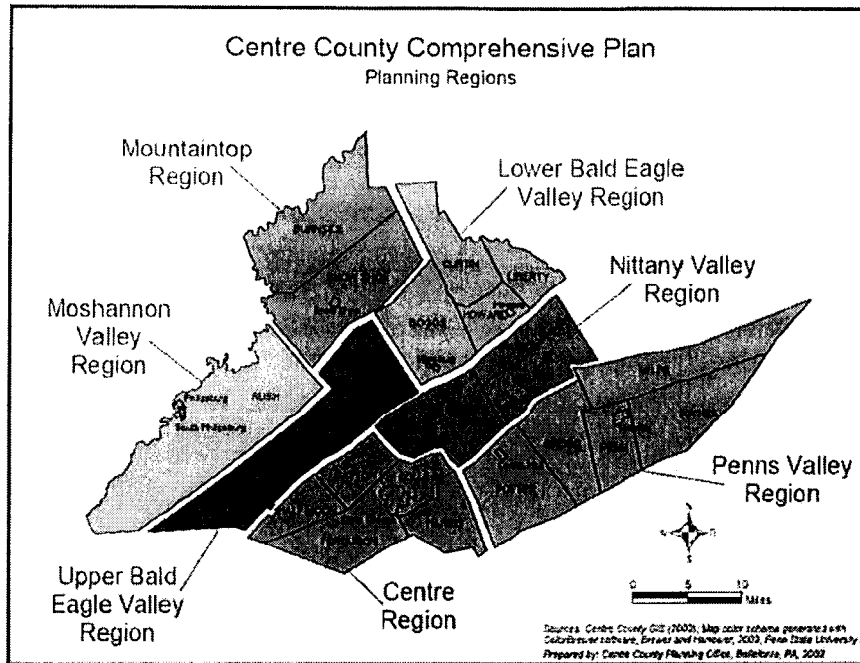
The following is the general analysis that outlines the general economic conditions and future outlook and trends of the subject's market area.



Centre County within Pennsylvania

CENTRE COUNTY, PENNSYLVANIA

Centre County is located centrally in Pennsylvania. It covers a total area of 1,112 square miles. To the north of Centre County is Clinton County; to the west is Clearfield County, to the south are Blair and Huntingdon Counties; and to the east are Mifflin and Union Counties. Centre County was founded in 1800. Thirty-six municipalities are contained within the county, which includes 25 townships and 11 boroughs. For planning purposes, Centre County is divided into seven (7) regions. The county seat is Bellefonte.



Patton Township is in the Centre Planning Region

The Centre County Planning and Community Development office compiles building permit activity for the region. The building permit activity for new construction for 2013 in Centre County is as follows:

Residential Permit Type	# of Permits	Average Value
Single Family	222	\$242,974
Duplex	25	\$160,290
Multi-family	109	\$320,534
Mobile Home	6	\$11,936

Commercial Permit Type	# of Permits	Total Square Feet	Average Value
New	29	183,590	\$640,175
Additions	19	131,340	\$1,779,658

Travel

Main routes in the area include Route 322, 220, Interstate 80, Route 550, 150, and 144. Route 322 travels east west connecting the State College area to Meadville to the west and Harrisburg to the east. Route 220 runs north south connecting the Milesburg area to the north of State College to Altoona to the south. Interstate 80 runs east west and connects to Ohio State to the west and New Jersey to the east. Route 550 runs north south connecting Bellefonte to the north to Warriors Mark to the south. Route 150 runs north south connecting Bellefonte to the north to State College to the south. Finally, Route 144 runs north south and bypasses State College to the east eventually meeting into Route 322.

Centre Area Transit Authority (CATA) provides public bus transportation service throughout the State College area and surrounding areas. According to the comprehensive plan for Centre County, the Centre County Office of Transportation provides transportation service throughout all of the regions of the county. It is a shared ride program available to the general public for a small fee, free for senior citizens and clients of Centre County's Human Service Agencies.

Air transportation in the area is the University Park Airport. University Park Airport provides commuter service to larger airports such as Pittsburgh, PA, Philadelphia, PA, Detroit, Michigan and Washington D. C.

Employment and Income

Centre County's unemployment rate for April, 2014 was 3.5%, compared with 5.7% for Pennsylvania, according to the U.S. Department of Labor, Bureau of Statistics. In October 2010 the unemployment rate was 5.9% with Pennsylvania's being 8.3% at the time. The comprehensive plan for Centre County notes that income statistics in the county are skewed due to the large number of college students living in the area, however, per capita income is still higher than in the surrounding counties.

Estimates of Median Household Income

County	2007	2008	2009	2010
Pennsylvania	\$48,562	\$50,702	\$49,501	\$49,245
Centre	\$44,968	\$47,843	\$47,966	\$45,154
Clinton	\$36,983	\$37,494	\$36,302	\$38,423
Cameron	\$37,781	\$37,583	\$36,536	\$36,278
Clearfield	\$36,666	\$37,324	\$37,330	\$37,025
Cambria	\$37,260	\$37,927	\$38,205	\$40,494
Blair	\$41,646	\$40,135	\$38,354	\$41,095
Huntingdon	\$39,886	\$41,568	\$40,322	\$40,947
Mifflin	\$37,143	\$38,571	\$38,310	\$37,163
Union	\$43,629	\$45,545	\$46,264	\$44,997

*SAIPE-Census.gov

From the table it is apparent that Centre County is slightly below average for median household income as compared to Pennsylvania. However, overall Centre County is above average for median household income as compared to nearby surrounding counties.



The unemployment rate published by the U.S. Department of Labor – Bureau of Labor Statistics for National, Pennsylvania and for Centre and the surrounding counties are as follows:

Area	April 2013	April 2014
National	7.5%	6.3%
Pennsylvania	7.6%	5.7%
Centre County	5.2%	3.5%
Clearfield County	8.0%	5.9%
Clinton County	8.0%	5.8%
Union County	7.1%	5.0%
Mifflin County	7.2%	5.2%
Huntingdon County	8.5%	6.8%
Blair County	6.4%	4.8%

Counties Not Seasonally Adjusted

As noted above, Centre County benefits from a lower unemployment rate in comparison to surrounding counties. The comprehensive plan for Centre County notes that income statistics in the county are skewed due to the large number of college students living in the area, however, per capita income is still higher than in the surrounding counties. The reported median household income for Centre County for (2012, last reported) is \$49,706 a 37.44% increase from since 2000.

The PA Department of Labor and Industry reported the top major employers in Centre County in the second quarter of 2013 (*most recent release publicized*) as follows:

Employer	Industry Sector
Pennsylvania State University	Educational Services
Mount Nittany Medical Center	Health Care and Social Assistance
State College Area School District	Educational Services
County of Centre	Public Administration
Glenn O. Hawbaker Inc.	Construction
Wal-Mart Associates Inc	Retail Trade
Bellefonte Area School District	Educational Services
Geisinger Clinic	Health Care and Social Assistance
Wegmans Food Market Inc	Retail Trade

Industry

The Centre Region Council of Governments published a report in June 2010 of an Economic Development Assessment of the Centre Region. There is an analysis of the share of an industry the local economy has captured.

Location Quotient - Centre County vs. Pennsylvania (2010-Q3)			
Industry/4-digit SIC Code	Centre County	Pennsylvania	LQ
3812 Search and Navigation Equipment	401	449	53.37
3675 Electronic Capacitors	257	386	39.79
3274 Lime	60	149	24.06
3911 Jewelry, Precious Metal	402	1,034	23.23
3172 Personal Leather Goods, Nec	9	30	17.93
3663 Radio and T.v. Communications Equipment	871	2,920	13.73
3631 Household Cooking Equipment	14	62	13.49
2673 Bags: Plastic, Laminated, and Coated	122	545	13.38
3676 Electronic Resistors	108	487	13.25
8221 Colleges and Universities	23,186	107,665	12.87
Total	85,136	5,087,592	1.00

Comparing Centre County to the state of Pennsylvania, Centre County is considered to be more specialized in industries such as search and navigation equipment, electronics capacitors, lime, precious metal jewelry, electronic resistors, and colleges and universities.

Rapid growing industries in Centre County include paper and allied products, furniture and fixtures, and rubber. Other growth areas include agricultural services, transportation, amusement and recreation, and healthcare.

Most workers are employed in the area of education, health and social services. Other industries with high employment levels include manufacturing, retail trade, and arts, entertainment, recreation and food services. The comprehensive plan has published employment projections for Centre County:

2000 Total Employment	2030 Total Employment	% Change
48,012	61,211	21.6%

Population

Total population in Centre County according to the year 2010 census is 153,990 up 3.4% from the 2000 census count of 135,748. The population of Centre County is expected to grow over the next 30 years due mainly to the convenient location near the University, according to the comprehensive plan.

2000 Total Population	2030 Total Population	% Change
135,758	166,148	22.4%

Although the County's population continues to grow, average family size is on the decline. This may be attributed to residents having fewer children and a growing retiree population, which in turn affects enrollment in local school districts. Average age is 22.0 years⁹, partially due to a large college age population.

Education

The County includes seven public school districts including Bald Eagle Area, Bellefonte Area, Keystone Central, Penns Valley Area, Philipsburg-Osceola Area, State College Area, and Tyrone Area. As of the 2000 census, 88.2% of the population over the age of 25 is a high school graduate. Of the graduates, 36.3% have a bachelor's degree or higher. Penn State University has a positive impact on the area that includes access to higher education for the residents as well as a positive economic impact. It provides opportunities for employment and draws people to sporting events and cultural activities.

Housing

An adequate and diverse housing stock is critical to the County's long-range development potential. Centre County's housing market varies considerably by planning region. The Centre Region has experienced growth while some of the outlying areas lack infrastructure to support growth. The Planned Community areas are expected to experience new growth prior to other areas.

Recreation

Centre County has a wide range of outdoor and indoor activities. Some of the recreational areas and attractions in Centre County include: Bald Eagle State Park, Black Mashannon State Park, McCall Dam, Penn Roosevelt State Park, Poe Paddy State Park, and Poe Valley State Park. There are sporting events, cultural activities and historical events as well. A sampling includes, Penn State Football Games, Bryce Jordan Center, Bellefonte Historic Railroad, Pavilion Theatre and various museums.

Health Care

Medical facilities in the market area include the Mount Nittany Medical Center and Centre Community Hospital.

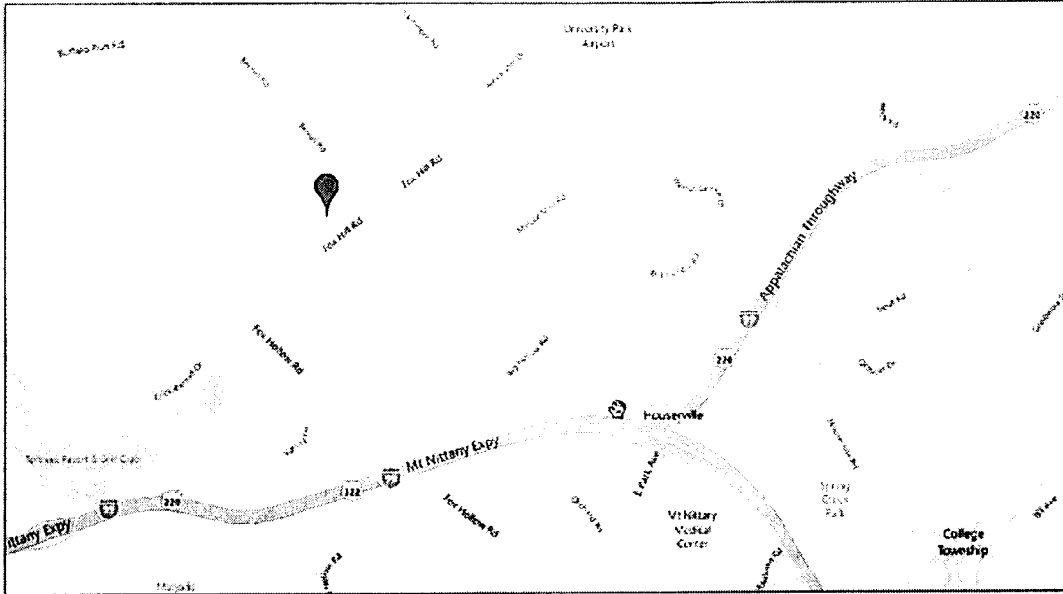
Summary

With the presence of The Pennsylvania State University, the area has become a major destination location, increasing traffic to the area. Overall, Centre County had the largest increase in the state in the number of housing units (19%) according to the 2010 census. Most recently, the region has seen the construction of Interstate 99, which will provide improved access between I-80 and the Pennsylvania Turnpike. The subject is in a good location in close proximity to several major routes with central access to the larger markets. Penn State University has a history of being a major influence to the area. The full effect to Penn State University of recent negative public relations is unknown.

⁹ U. S. Census, 2005-2009.

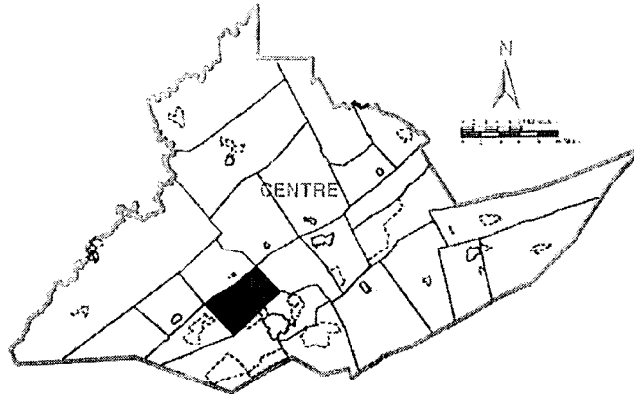


NEIGHBORHOOD MAP



NEIGHBORHOOD ANALYSIS

The Neighborhood Analysis provides a bridge between the Market Area Analysis and the study of the subject property. As in the Market Area Analysis, the goal of the Neighborhood Analysis is to determine how the operations of social, economic, governmental and environmental factors influence the value of real estate. The focus is on how these factors interact in the immediate vicinity of the subject property.



Patton Township within Centre County

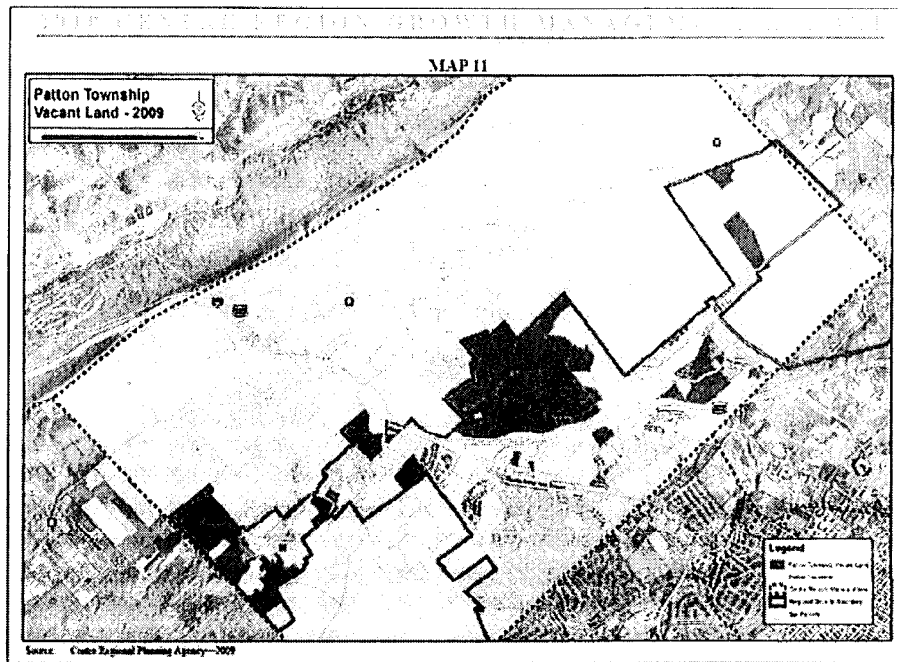
Patton Township was established in 1794. It was the first township formed in the Centre Region and was part of Cumberland County prior to the establishment of Centre County in 1800. Patton Township has a land area of 24.8 square miles with the 2000 Census reported population of 11,420. Within the Centre County Comprehensive Plan are identified Planning Regions. Patton Township is in the Centre Region along with Ferguson Township, Half Moon Township, College Township, Harris Township and the Borough of State College.

Geographic Boundaries

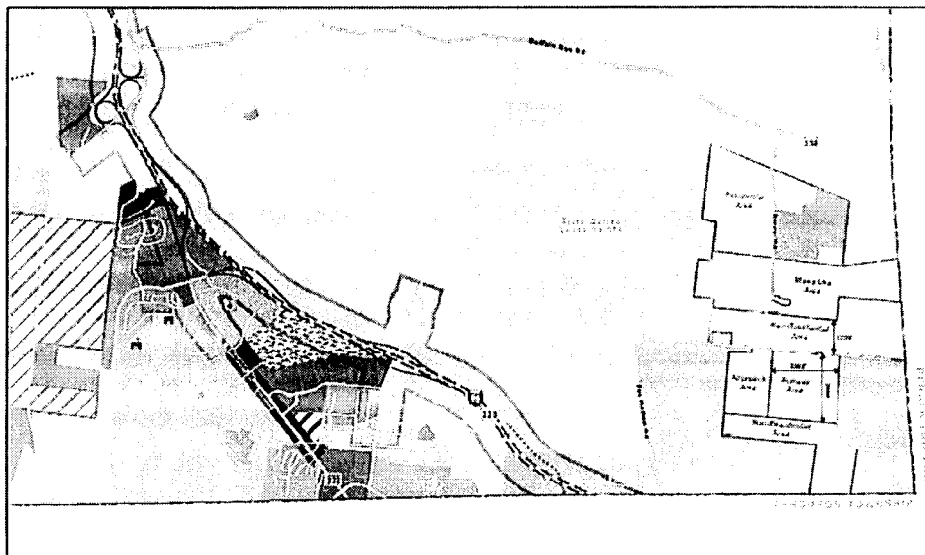
The subject property is located on the northwest corner of the intersection of Fox Hill Road and Bernel Road. The site is bounded on the southeast by Interstate 99/Route 322 and on the northwest by Route 550/Bufalo Road. Much of the area is open space.

2010 Centre Region Growth Management Report

The Centre Regional Planning Agency completed the 2010 Centre Region Growth Management Report. It incorporates vacant land information collected in late 2009 combined with other data to forecast growth of the Center Region through 2040.



The above illustration indicates the subject to be within the Regional Growth Boundary. The majority of vacant land of Patton Township is zoned Planned Community as referenced on the zoning map below.



24

2400 Bernal Road, Patton Township, Centre County, Pennsylvania

Patton Township has the most vacant land within the Regional Growth Boundary. This is the area of Toftrees Planned Community and Gray's Woods Planned Community. Both of these have approved master plans.

**TABLE 10
PATTON TOWNSHIP GROWTH FORECAST¹**

YEAR	DWELLING UNITS	RETAIL	RETAIL HOTEL	OFFICE/LIGHT INDUSTRIAL	HEAVY INDUSTRIAL	PUBLIC/SEMI-PUBLIC
2009-2020	853	204,500	193,600	104,600	0	91,400
2021-2030	775	204,900	0	114,400	0	65,300
2031-2040	776	204,500	0	135,000	0	38,400
TOTAL (2009-2040)	2,404	614,500	193,600	354,000	0	195,100

Source: 2009 Centre County Growth Forecast 2040

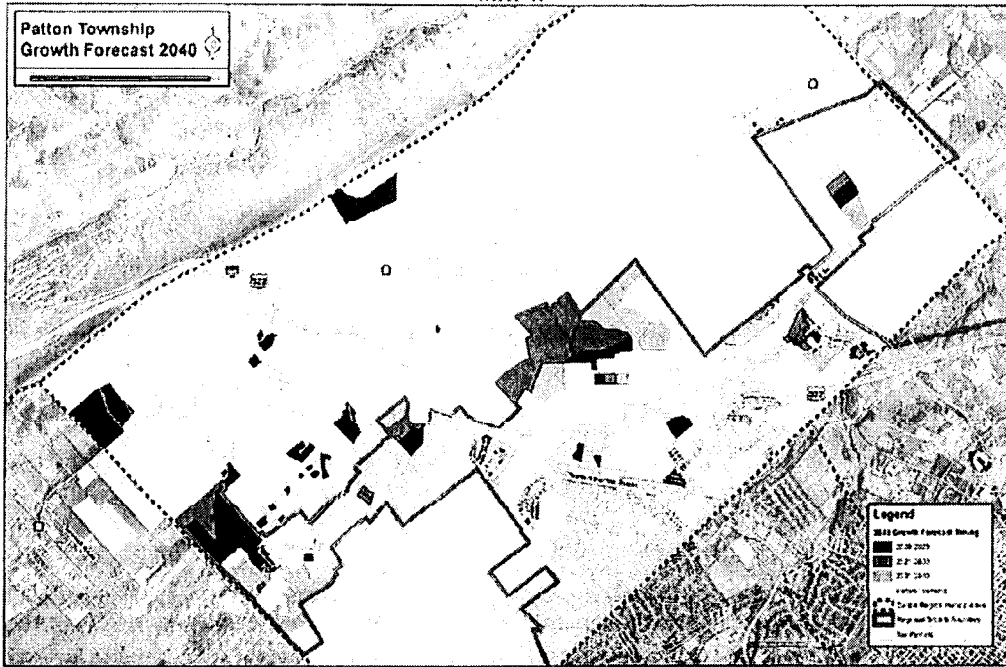
Footnote: 1—All numbers are in square feet except Dwelling Units

**TABLE 9
2009 PATTON TOWNSHIP VACANT LAND BY ZONING DISTRICT**

ZONING DISTRICT	VACANT ACRES	PERCENTAGE OF VACANT LAND	GENERALIZED CLASSIFICATION
COMMERCIAL TRANSITIONAL (C-T)	10	1	COMMERCIAL
INDUSTRIAL (I-1)	7	1	INDUSTRIAL
LOW DENSITY RESIDENCE (R-2)	5	~ 1	LOW DENSITY RESIDENTIAL
MANUFACTURED HOME PARK (R-MHP)	5	~ 1	LOW DENSITY RESIDENTIAL
MANUFACTURED HOME RESIDENCE (R-M)	2	~ 1	LOW DENSITY RESIDENTIAL
MEDIUM DENSITY RESIDENCE (R-3)	1	~ 1	MEDIUM/HIGH DENSITY RESIDENTIAL
OFFICE BUFFER (OB)	3	~ 1	COMMERCIAL
OFFICE BUFFER DISTRICT 2 (OBD2)	52	4	COMMERCIAL
PLANNED AIRPORT (PAD)	84	6	MIXED USE COMMUNITY
PLANNED COMMERCIAL (C-2)	16	1	COMMERCIAL
PLANNED COMMUNITY (PC)	1,082	79	MIXED USE COMMUNITY
RURAL (A-1)	55	4	LOW DENSITY RESIDENTIAL
RURAL RESIDENCE (R-1)	36	3	LOW DENSITY RESIDENTIAL
UNIVERSITY PLANNED DISTRICT (UD)	10	1	UNIVERSITY
TOTAL	1,367	100	

Source: 2009 Centre Regional Planning Agency

MAP 13



Source: Centre Regional Planning Agency—2009

The area of the subject is anticipated to see growth in the later time frame of 2021 to 2040.

Summary of Development

The Centre County Planning and Community Development office compiles building permit activity for the region. The building permit activity for new construction in Patton Township is recorded as follows:

Residential Permit Type Patton Township	# Permits 2010	# Permits 2011	# Permits 2012	# Permits 2013
Single Family	29	34	27	25
Duplex	2	0	2	1
Multi-family	12	0	7	14
Townhouse	17	0	0	0
Mobile Home	0	0	0	0

Commercial Permit Type Patton Township	# Permits 2010	# Permits 2011	# Permits 2012	# Permit 2013
New	0	4	3	5
Additions	0	1	4	2

Residential: The immediate area of the subject is low density residential use. The areas of Patton Township zoned Planned Community are anticipated to see future growth.

Office/Industrial/R&D: There is an industrial park east of the subject in the area of High Tech Road This area has a limited amount of older industrial use and has not experienced new demand.

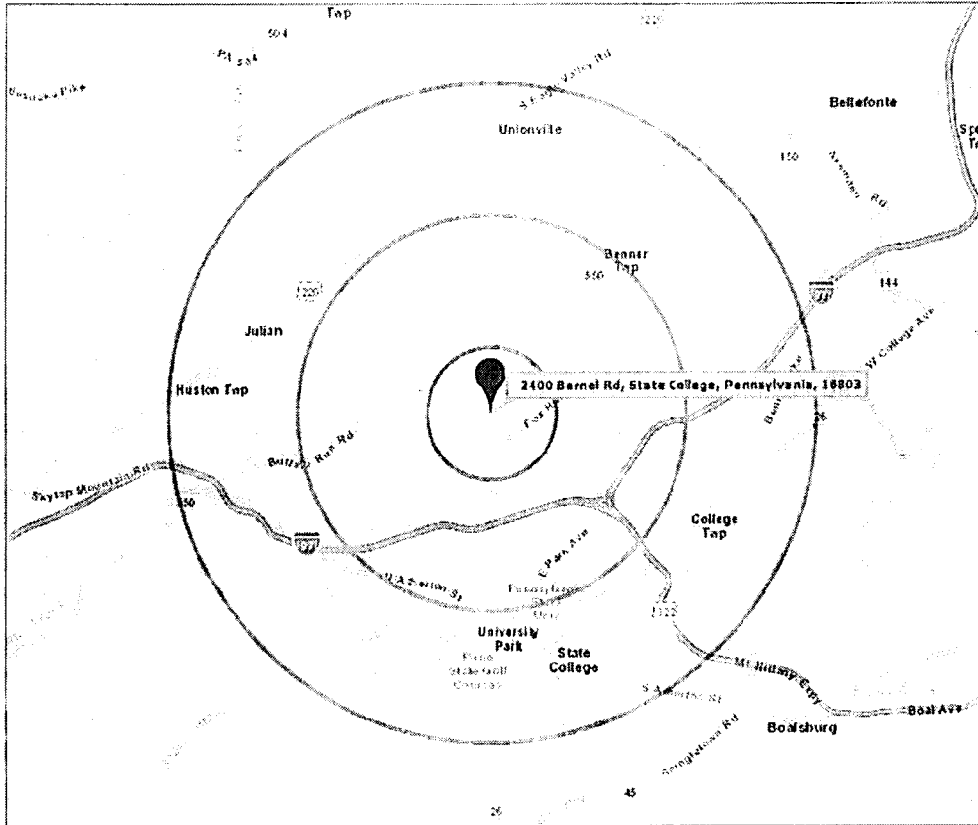
An area of Patton Township was rezoned for the Geisinger Medical Center. Much of the area is single family homes that are anticipated to redevelop into office use as the market dictates.

Commercial: The immediate area is more rural and not commercially developed. The majority of commercial development in Patton Township has been in the North Atherton area including the Collonnade and North Atherton Place. There is also new development in this area known as Trader Joe's Plaza. The areas of Patton Township zoned Planned Community are anticipated to also see future growth.

Neighborhood Dominant Influence: The dominant neighborhood influence is the airport. Much of the area surrounding the subject is open space. We did not find plans for significant growth at the airport.

Site-To-Do-Business

The research tool Site-To-Do-Business provides demographic data to specific geographic areas. The following map illustrates the geographic area of one (1), three (3) and five (5) mile radius of the subject property.



	One Mile	Three Miles	Five Miles
Population			
2000	197	14,730	69,406
2013	236	18,251	81,745
2018	242	18,850	83,695
Households			
2000	75	5,073	23,415
2013	90	6,992	28,349
2018	93	7,331	29,338

	One Mile	Three Miles	Five Miles
Population Annual Rate			
2000-2010	1.63%	1.84%	1.42%
2013-2018	0.51%	0.65%	0.47%
Households Annual Rate			
2000-2010	1.63%	2.88%	1.68%
2013-2018	0.62%	0.95%	0.69%

The rate of growth for 2013 to 2018 is expected to decrease for population and households in the total area.

Conclusions

The future growth of Paton Township is anticipated to be within the Planned Communities. If conditions are not favorable for development to occur within these areas, the township is expected to experience a lull in development activity. The area of the subject is not anticipated to experience demand or growth in the near future.



SITE DESCRIPTION

The subject property is northwest corner of the intersection of Bernel Road and Fox Hill Road, Patton Township, Centre County Pennsylvania.



Size and relative conformity to adjacent sites: The subject site consists of approximately 60.68 acres. The site is irregular in shape.

The area surrounding the subject is a combination of Planned Airport District (mixed use, Non-Residential, and Residential). Beyond the immediate area the north is primarily Agricultural zoned and there are State Game Lands to the west. To the south is the Airport facility and the University District zoning. The area along I-99 and south of I-99 is zoned Planned Community and some General Commercial.

Frontage and Visibility: The site has frontage and visibility along Bernel Road and Fox Hill Road.

Access and Circulation: There is currently access from Bernel Road in the area of the residential dwelling.

Topography, Soils & Drainage: No apparent drainage problems were noted but it should be noted that the scope of this appraisal does not include specific tests for adequacy. Similarly, soils have not been tested but are believed to be adequate for this type development. The topography is generally level.

Flood Plain: According to Floodsource Floodscape Map Number 42027C0610F effective May 4, 2009, the subject property does not appear to be located in a flood hazard area.

Utilities: Public utilities are available. It is located in the Regional Growth Boundary.

Site Improvements: There is an older residential dwelling on the site.

Easements and Encroachments: No easements or encroachments were noted on the subject site that would inhibit full use of the site.

Nuisance Factors: No nuisance factors were noted on the subject site.

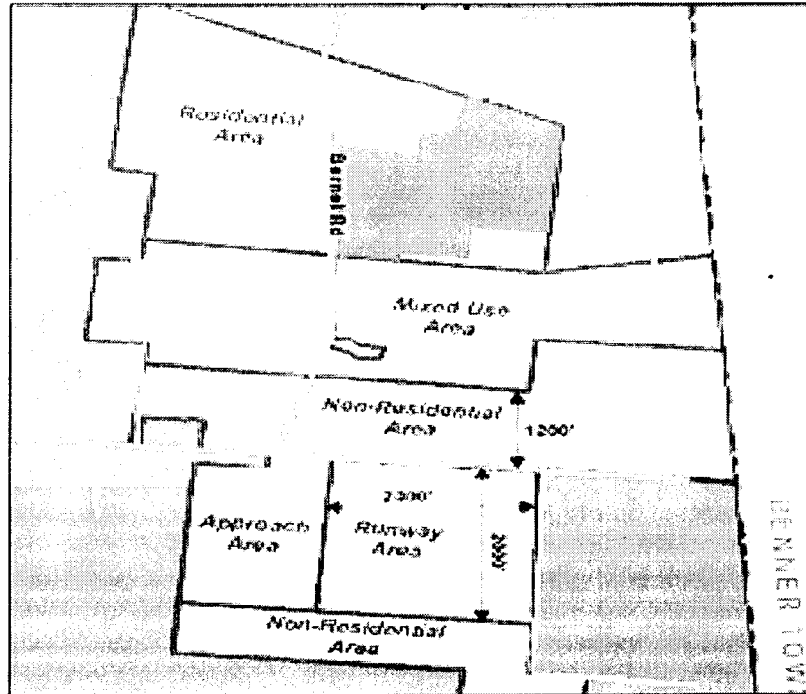
Environmental Concerns: No environmental concerns are known to the appraisers; however, the reader of this report should be aware of the typical environmental concerns that go along with similar use properties in this area. We are not qualified for testing of hazardous substances. No responsibility, expertise or knowledge is assumed for any environmental hazards.

Comments: The area of the subject has some low density residential use and the airport facility nearby. The zoning, State Game Lands and the airport are considered limiting factors to the amount of demand land in the area will experience.

Patton Township has a significant amount of vacant land zone Planned Community. There are many other areas anticipated to experience growth from market demand prior to the subject.

There does not appear to be any adverse easements or encroachments that would affect the full utilization of the site. As in the case of all real estate, the ownership of the subject property is advised to have a complete understanding of the environmental issues surrounding the subject site.

ZONING



The subject property is located in Patton Township, Centre County in the zoning district identified as (PAD) Planned Airport District.

Intent: The Planned Airport District is designed to minimize airport hazards related to development of lands surrounding the University Park Airport and to minimize the potential for contamination of the potential well field located within the district.

The subject property's PAD zoning is split into a Mixed-Use area covering approximately 45 acres of the northern portion of the subject, and a Non-Residential area covering approximately 15 acres of the southern portion of the subject. A full copy of the zoning ordinance is located in the addenda of this report.

Zoning	Approximate Size/Acres	Description
Mixed-Use Area	45	Road frontage on Bernel Road
Non-Residential Area	15	Corner of Fox Hill Road & Bernel Road

Procedure for master plan approval: All development within the Planned Airport District must be done pursuant to approval of a master plan. The minimum area for a master plan is 20 acres.

Mixed Use Area

Residential

- Duplexes
- Manufactured home parks
- Multifamily dwellings?
- Parks

Commercial uses

- Eating and drinking establishments
- Neighborhood shopping centers (not to exceed 75,000 SF)
- Retail trade

General airport area uses

- Art gallery
- Business/professional office
- Church
- Community center
- Day-care center
- Golf course
- Government service
- Library
- Museum
- Private club
- Public utility
- Radio/television studio
- Riding stables
- Music/performing arts studio
- Youth development activity center

Non-residential Area

Commercial uses

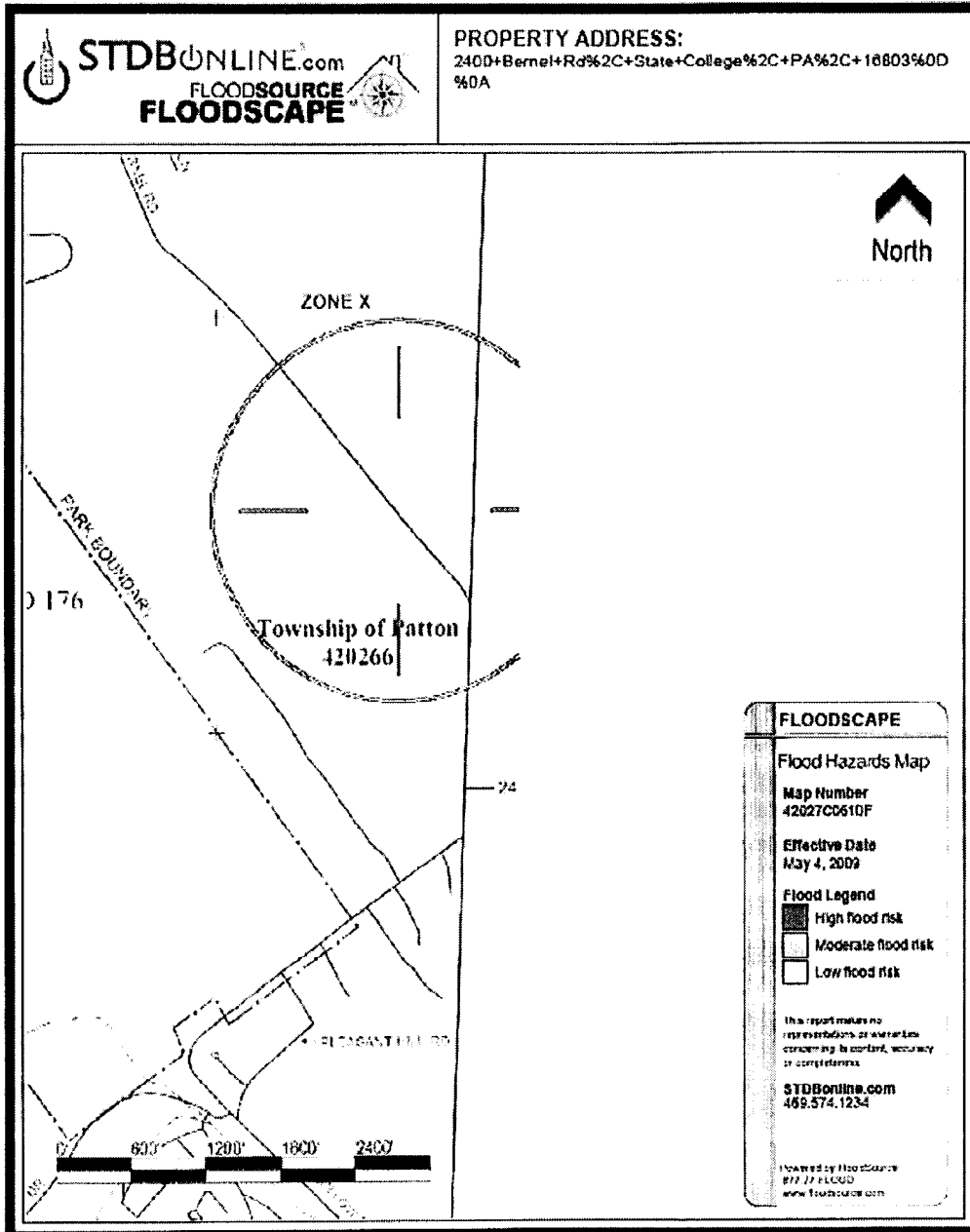
- Amusement enterprises
- Business services
- Eating and drinking establishments
- Neighborhood shopping centers (not to exceed 75,000 SF)
- Retail trade

General airport area uses

- Art gallery
- Business/professional office
- Commercial parking lots
- Community center
- Day-care center
- Golf course
- Government service
- Library
- Museum
- Newspaper publishing
- Optical instrument development
- Photographic studio
- Plastic assembly
- Private club
- Public utility
- Radio/television studio
- Research, engineering, testing labs
- Riding stable
- Music/performing arts studio
- Taxi/limousine service
- Wholesale distribution
- Youth development activity center

FLOOD MAP

According to Floodsource Floodscape Map Number 42027C0610F, effective May 4, 2009, the subject is located in Zone X.



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REAL ESTATE ASSESSMENT ANALYSIS

The subject property is one (1) tax parcel located in Patton Township, Centre County, Pennsylvania. The subject is noted as being enrolled in Clean and Green.

The basis for the real estate tax assessment is made up of two parts, the assessment and the millage rate. The assessed value is multiplied by the millage rate to arrive at the tax liability. The assessment is set by the county assessment.

The breakdown is as follows:

Assessment	
Account #:	18-002-.0029E.0000-
Total Assessed Value C&G:	\$ 109,335
Millage 2013-2014	
Municipal	8.900
County	7.840
School	38.7500
Total	55.4900
Total Taxes	\$6,067

Legislation passed in 1982 empowered the Pennsylvania State Tax Equalization Board (STEB) to establish a Common Level Ratio for each county in the Commonwealth. The PA State Equalization Board has published a rate of 28.4% for Centre County.

The assessment without the adjustment for Clean and Green is indicated as \$173,970. This is an implied value of \$612,570.

HIGHEST AND BEST USE¹⁰

Highest and best use reflects a basic assumption about real estate market behavior; that the price a buyer will pay for a property is based on their conclusions about the most profitable use of the site or property. The determination of highest and best use must be based on careful consideration of prevailing market conditions, trends affecting market participation and change, and the existing use of the subject property.

Highest and best use may be defined as "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value."

Because the use of land can be limited by the presence of improvements, highest and best use is determined separately for the land or site as though vacant and available to be put to its highest and best use, or for the property as improved.

The first determination reflects that land value is derived from potential land use. Land has limited value unless there is a present or anticipated use for it. The amount of value depends on the nature of the land's anticipated use according to the concept of surplus productivity. Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination, is generally regarded as the highest and best use of the land as though vacant. This is the "classic" definition of a land residual analysis.

The highest and best use of a property as improved refers to the optimal use that could be made of the property including all existing structures. The implication is that the existing improvement should be renovated or retained so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

The determination of the highest and best use of land as though vacant is useful for land or site valuation. Determining the highest and best use of an improved property provides a decision regarding continued use or demolition of the property. [The reader should note that demolition is indicated when the land as though vacant has more value than the parcel as presently improved.]

The relationship between the supply of, and demand for, land adaptable to a particular use is significant in determining highest and best use. A site or improved property may be placed under an interim use until demand is sufficient to support its highest and best use. If a more profitable use must be delayed due to insufficient present demand, the interim use

¹⁰ The Appraisal Institute, *The Appraisal of Real Estate*, 14th Edition, Illinois, 2014.

will continue until the value of the land as though vacant, minus the cost of demolishing the existing improvements, exceeds the total value of the improved property at its current use. When properties are devoted to temporary, interim uses, the concept of consistent use must be addressed. Consistent use is the concept that land cannot be valued on the basis of one use while the improvements are valued on the basis of another. Improvements that do not represent the land's highest and best use, but do have substantial remaining physical lives, may have an interim use of temporary value, or they may have no value at all.

The highest and best use analysis requires the employment of various categories of use-oriented decisions. To conclude that a given use is the highest and best use, the use must meet four criteria. The highest and best use must be:

- 1) Legally permissible;
- 2) Physically possible;
- 3) Financially feasible; and
- 4) Maximally profitable.

In sequential order, usually from the most general to the most specific, each criteria is considered in turn, thereby eliminating at each level, proposed uses that do not qualify. This process stimulates the thought process of the rational and informed decision maker and helps the appraiser identify the most likely users and buyers for the subject property.

Highest and Best Use As Though Vacant and Available for Development

Highest and best use of land or a site as though vacant is defined as the use of a property based on the assumption that a parcel of land is vacant or can be made vacant through demolition of any improvements.¹¹ Land value, as though vacant, is a fundamental concept of valuation theory and the basis for the Cost Approach.

The four factors of highest and best use, that is whether the use is legally permissible, physically possible, financially feasible, or maximally profitable will be developed for the property as though it were vacant and available for development.

Subject Property

The subject is one (1) parcel of land estimated at 60.68 acres zoned (PAD) Planned Airport District. It is partially a Mixed Use Area and partially a Non-Residential Area. It is on the corner of the intersection of Bernel Road and Fox Hill Road, is basically level and has access to public utilities.

Legally Permissible: The subject property is located in the (PAD) Planned Airport District of Patton Township. The permitted uses have been presented in the zoning section of this appraisal. Development of the subject property requires a master plan of a minimum of a 20 acre site. The permitted uses are a wide range.

Commercial

Mixed Use Area	Eating and drinking establishments, neighborhood shopping centers, and retail trade.
Non-Residential Area	Amusement enterprises, business services, eating and drinking establishments, neighborhood shopping centers, and retail trade.

General Airport Area

Mixed Use Area	Art gallery, business/professional office, church, community or day-care center, government, library, museum, public utility, riding stables, performing arts, youth development activity center.
Non-Residential Area	Art gallery, business/professional office, church, community or day-care center, government, library, museum, public utility, riding stables, performing arts, youth development activity center, newspaper publishing, plastic assembly, research, engineering, testing labs, taxi service, wholesale distribution.

¹¹ The Appraisal Institute, *The Appraisal of Real Estate*, 14th Edition, Illinois, 2014

Residential

Mixed Use Area	Duplexes, manufactured home parks, multifamily dwellings, parks.
Non-Residential Area	None

Physically Possible: A description of the subject is presented in the Description of the Site section of this report. Many of the permitted uses are physically possible on the subject site. Many of the permitted uses do not need a site as large as 60.68 acres. It is likely the subject will eventually have multiple uses. It is physically possible to subdivide the subject.

Financially Feasible: The use of the area surrounding the subject is limited. It is a combination of Planned Airport District (Mixed Use and Non-Residential). Beyond the immediate area the north is primarily Agricultural zoned and there are State Game Lands to the west. To the south is the Airport facility and the University District zoning. The subject is located in the Growth Boundary Area.

The overall area has had very limited growth. The demographics of the one (1) and three (3) mile radius have limited residential use or growth projected. There has not been residential growth or demand for business use. Within the categories of the permitted uses:

- **Commercial:** The area is not considered to have commercial or business demand. The surrounding permitted uses limit growth.
- **Residential:** Residential use is low density. There has not been residential demand. The surrounding permitted uses limit growth.
- **General:** There has not been demand for business use.

The area received attention from two (2) uses considered more institutional, The Second Mile and Hope For Kids. It is not unusual to see institutional type use in areas of low demand.

Patton Township has approximately 79 +/- acres of vacant land zoned Planned Community in the area of Toftrees and Gray's Woods. These areas are predicted to see growth prior to other areas. There is also an area around the Geisinger facility predicted to evolve to office use as the result of a zoning change. The time frame of market demand resulting in development of the subject for residential, commercial or business use is considered to be lengthy.

The Centre Regional Planning Agency's 2010 Centre Region Growth Management Report projects the majority of the growth in the area of the subject at a time frame of 2020 and beyond.

Maximally Profitable: Considering the four factors: legally permitted, physically possible, financially feasible and maximally productive, the highest and best use of the subject as vacant is considered to be an interim use of agricultural or open space.

The subject and the area were considered useful for an institutional type use (The Second Mile and Hope For Kids), however there is not considered to be a sufficient level of demand to be considered highest and best use alone.

Although there are a wide range of legally permitted uses it is considered unlikely the entire property will be utilized for the same use. The 79 +/- acres of vacant land in Patton Township zoned Planned Community is expected to experience any growth/demand in the market prior to an area of the subject. The time frame for the absorption of 79 +/- acres is not able to be predicted beyond being considered significant. There are other areas of Patton Township and the State College area anticipated to experience growth from market demand prior to the subject.

Highest and Best Use as Improved

The highest and best use as improved is defined as the use that should be made of a property as it exists.¹² There are two reasons to analyze the highest and best use of a property as improved. The first is to identify the property use(s) that can be expected to produce the highest overall return for each dollar of capital invested. The second reason is to help identify comparable properties in the Sales Comparison and the Income Capitalization Approach sections of this analysis.

The highest and best use of the subject as improved with one (1) residential dwelling is not considered quantifiably different than the highest and best use as vacant as the value is considered to be in the land. Single family detached use is not permitted per zoning. Subdivision of the subject requires a minimum of 20 acres per zoning. A 20 acre development plan is likely to not include an older residential dwelling.

¹²The Appraisal Institute, *The Appraisal of Real Estate*, 14th Edition, Illinois, 2014.

THE APPROACHES TO VALUE

In estimating the market value of a given property, it is normal appraisal practice to assemble as much relevant data from the marketplace as possible. This data is then applied in the three recognized approaches to value: the Income Capitalization Approach, the Cost Approach, and the Sales Comparison Approach.

In a Cost Approach, first an estimate of the subject site's land value is obtained by comparing the subject site with other similar sites that have been recently sold. The subject site is valued in accordance with the conclusions reached in the Highest and Best Use - As Though Vacant section of the appraisal report. Based on the physical description presented in the report, the subject's replacement cost new is estimated based on comparative costs derived from the market and from *Marshall Valuation Service* estimates. Accrued depreciation from all observed sources is then subtracted from replacement cost new to yield depreciated replacement cost. An appropriate level of entrepreneurial incentive is also added. This sum is then added to the indicated land value to yield an estimate of value based on the Cost Approach.

As land, the Cost Approach was not considered applicable.

The Income Capitalization Approach analysis is concerned with the present worth of anticipated future benefits derived from the ownership of the subject property, expressed in terms of potential rental income. The anticipated stabilized net operating income available from the property is then converted into a value estimate by means of the application of an appropriate capitalization rate derived from market observations.

As land, the Income Approach was not considered applicable.

The Sales Comparison Approach uses the sales of similar properties as the basis of an indication of value for the subject property. This comparison may be made on a square foot, cubic foot, front foot, or any other basis that is recognized in the marketplace and provides an adequate unit of measure of indicated market value. The Sales Comparison Approach is essential to almost every appraisal of real property. This approach best mirrors the actions of buyers in the marketplace for similar-type properties.

The Sales Comparison Approach has been developed for this report.

COST APPROACH

To develop the value of the subject property by the Cost Approach, the value of the land, as if vacant and available for development to its highest and best use, must first be addressed. Then, the depreciated replacement cost of the subject improvements, including developer's profit and entrepreneurial incentive, must be estimated. The summation of land value and depreciated replacement cost would then be the indicated market value by the Cost Approach.

The Cost Approach was not considered applicable for the subject as land.

THE INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach allows an analysis of the typical investor-buyer, analyzing the property's income potential and future marketability. The present value of cash flows and future sale proceeds is quantified based on the timing, duration, stability and risk of these components of investment return. The investor trades present dollars for the right to receive future dollars in anticipation of making a profit. This is the Principle of Anticipation that is fundamental to the Income Capitalization Approach.¹³

The process of capitalization converts this income stream into a single value indication. This process involves applying a capitalization rate deemed appropriate for the subject's indicated risk and return profile to the subject's net operating income (NOI).

There are several methods to develop a value based on capitalization rates. Two of the most common include direct capitalization and yield capitalization. Direct capitalization requires market-derived capitalization rates from similar properties and transactions and then applies them to the subject property's stabilized net operating income without explicit attention to "return on", and "return of" capital. Yield capitalization is more complex and requires interpreting expectations and attitudes into formulas designed to convert several years' net income into a present value estimate.

The Income Approach was not considered applicable to this report.

¹³ The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Illinois, 2010

SALES COMPARISON APPROACH

The Sales Comparison Approach is a method of estimating market value where the subject property is compared to similar properties that have been sold. This approach is based on the Principal of Substitution, which states that if several competing commodities, goods, or services are available then the one with the lowest price will attract the greatest demand and receive the widest distribution.¹⁴ It is a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant.

The Sales Comparison Approach is considered important to most appraisal problems since it indicates the price paid for similar properties by typically knowledgeable buyers in the open market. It is applicable to the appraisal of all properties for which there are a sufficient number of comparable sales. This approach is most reliable when the property type under analysis is bought and sold regularly.

Applying this approach is a systematic procedure where similar sales are researched and analyzed through the most relevant elements of comparison. Adjustments are made for differences in the sales that reflect market reaction.

This approach to value may be very helpful when a sufficient number of sales of comparable property have occurred in the area within a year or two. This approach relies on the theories of supply and demand, substitution, balance, and externalities. The definitions are from Appraisal Institute, *The Appraisal of Real Estate, Thirteenth Edition*.

SUPPLY & DEMAND

Property prices result from negotiations between buyers, sellers, and lenders. Buyers constitute market demand, and the properties offered for sale make up the supply. If the demand for a particular type of property is high, prices tend to increase; if demand is low, prices tend to decline. Shifts in the Supply of improved properties frequently lag behind shifts in demand because supply is created by time-consuming construction and reduced by conversion to other uses, while satisfiable demand can change rapidly. The analysis of real estate markets at a specific time may seem to focus on demand, but the supply of properties must also be considered. Proposed construction, conversion, and demolition may change the supply/demand relationship and affect prices. To estimate demand, appraisers consider the number of potential users of a particular type of property, their purchasing power, and their tastes and preferences. To analyze supply appraisers focus on existing unsold or vacant properties as well as properties that are being constructed, converted, or planned.

¹⁴The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Illinois, 2010.



Shifts in any of these factors may cause the prices of the subject property and comparable properties to vary. Lenders, whose terms can cause the market to accelerate, decelerate, grind to a halt, or shift elsewhere, also influence sales activity.

Supply and demand appear to be in balance in the general market.

SUBSTITUTION

The principle of substitution holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time. This principle implies that the reliability of the sales comparison approach is diminished if substitute properties are not available in the market.

BALANCE

The forces of supply and demand tend toward equilibrium, or balance, in the market, but absolute equilibrium is almost never attained. The balance between supply and demand changes continually. Due to shifts in population, purchasing power, and consumer tastes and preferences, demand varies greatly over time. The construction of new buildings, conversion to other uses, and the demolition of old buildings cause supply to vary as well.

Another aspect of this principle holds that the relationship between land and improvements and the relationship between a property and its environment must both be in balance for a property to reflect its optimum market value. If, for example, a property has too much land in relation to its improvements or too many expensive amenities for its location, an imbalance is created. Appraisers must watch for imbalances in the market and within properties because they can cause the market to impute different prices to otherwise comparable properties. The ratio of land to building also affects such things as drainage, truck access, parking and traffic patterns for customers and vehicles.

The State College market appears to basically be in balance.

EXTERNALITIES

Positive and negative external forces affect all types of property. Periods of economic development and economic depression influence property values. An appraiser analyzes the neighborhood of the subject property to identify all significant external influences. To a great extent, these external forces are reflected in the adjustments made for property location. Two properties with identical physical characteristics may have quite different market values if one of the properties has less attractive surroundings. The condition and lighting of streets, the convenience of transportation facilities, the adequacy of police protection, the enforcement of municipal regulation, and the proximity to shopping and restaurant facilities vary with location.¹⁵

¹⁵ The Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, Illinois, 2010



Comparable Sales

The area researched for this report is Centre County. It is not considered appropriate to consider a greater geographic area. There is no active sales history of land considered similar to the subject in Centre County. Land sales in general have not had an active sales market in the several years.

The potential use of the subject is a wide range of residential and non-residential use noting that the anticipated time frame of market demand resulting in the development of the subject is considered lengthy. Multi-family residential use is permitted by zoning. The Centre Regional Planning Agency's 2010 Centre Region Growth Management Report projects the majority of the growth in the area of the subject at a time frame of 2020 and beyond. The subject is not anticipated to be utilized for a highly commercial use.

Highest and best use of the subject is considered to be an interim use of agricultural or open space. By definition, an interim use is the temporary use to which a site or improved property is put until it is ready to be put to its future highest and best use.

SUMMARY OF COMPARABLE RESIDENTIAL SALES

#	ADDRESS	ACRES	SALE DATE	SALE PRICE	PRICE PER ACRE
1	Rosewood Cove Centre County, PA	16.35	06/2010	\$900,000	\$55,045
2	170 Exeter Lane Centre County, PA	22.85	09/2004	\$1,200,000	\$52,516
3	Halfmoon Valley Rd Centre County, PA	57.19	06/2006	\$2,901,100	\$50,727
4	Earlstown Road Centre County, PA	82.03	05/2006	\$4,350,000	\$53,029
5	Rhodes Lane College Township	37.85	07/2008	\$1,100,000	\$29,062

Units of Comparison: An important step in the Sales Comparison Approach is the selection of an appropriate unit of comparison. In this analysis, the unit of comparison is deemed to be per acre, since, based on sales similar to the subject, it appears that this is the unit of comparison in which the market participants place the most weight.

Elements of Comparison: Key value elements under scrutiny that may require adjustments are financing terms and condition of sale, time, location, and physical characteristics, (i.e., condition of improvements, quality of construction, size and the like).

The following pages contain outline profiles of the comparable sales used in this analysis of the subject property, via the Sales Comparison Approach.



COMPARABLE RESIDENTIAL LAND SALE #1

<p>LOCATION: Address: Rosewood Cove Municipality: Spring Township County, State: Centre County, PA Tax Identification: 13-003-.034U.0000-</p> <p>LEGAL INFORMATION: Sale Date: 06/24/2010</p> <p>Grantor: Land Holding LLC Grantee: Koltay Homes Inc Property Rights: Fee Simple</p> <p>CONSIDERATION: Contract Price: \$900,000 Unit Price: \$55,045 Financing: Assumed cash to seller Verified: Public record (deed and tax assessment data and appraiser)</p>	<p>SITE DESCRIPTION: Site Size: 16.35 acres Utilities: Public water and sewer Zoning: R4</p> <p>PHYSICAL DATA: Topography: Lightly rolling Shape: Irregular Access: Good</p> <p>COMMENTS: The site is under construction with multi-family residences</p>
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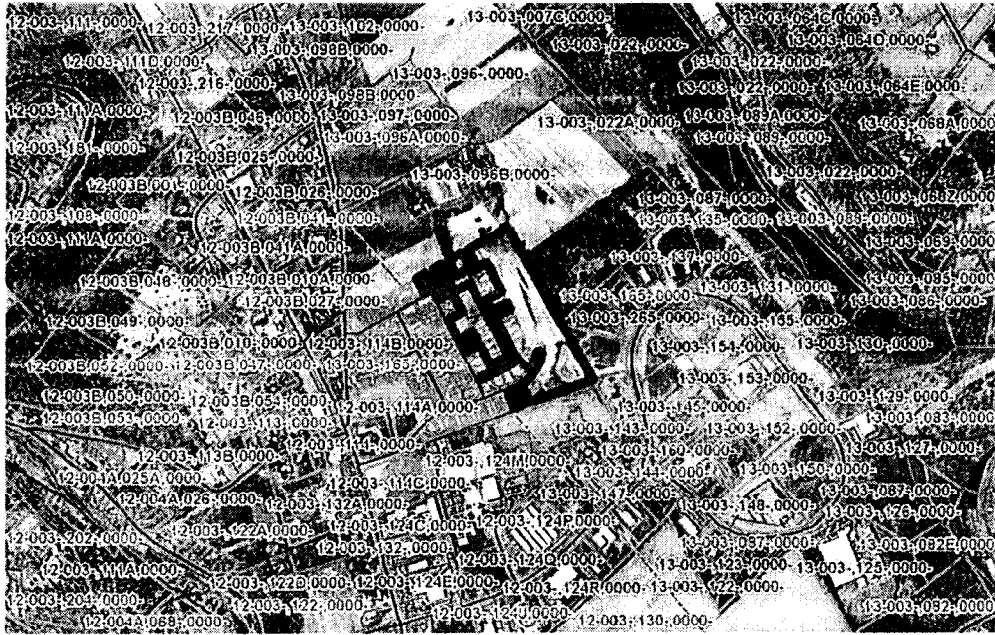
MAP:




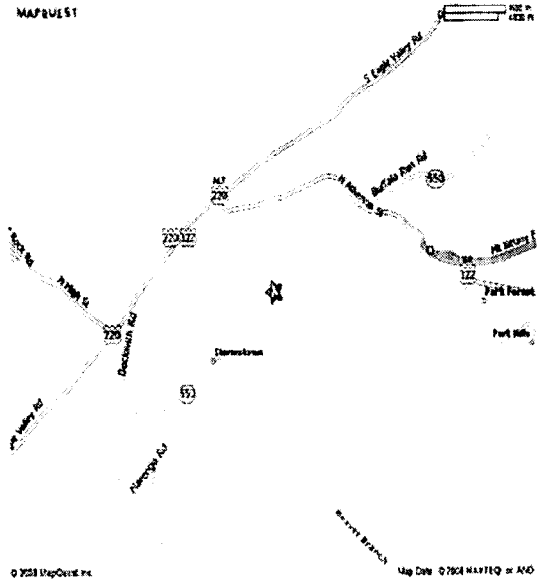
COMPARABLE RESIDENTIAL LAND SALE #2

<p>LOCATION: Address: 170 Exeter Lane Municipality: Spring Township County, State: Centre County, PA Tax Identification: 13-003-165-0000-</p> <p>LEGAL INFORMATION: Sale Date: 09/24/2004</p> <p>Grantor: Jodon, Larry E Grantee: Amberleigh LP Property Rights: Fee Simple</p> <p>CONSIDERATION: Contract Price: \$1,200,000 Unit Price: \$52,516 Financing: Assumed cash to seller Verified: Public record (deed and tax assessment data and appraiser)</p>	<p>SITE DESCRIPTION: Site Size: 22.85 acres Utilities: Public water and sewer Zoning: R4</p> <p>PHYSICAL DATA: Topography: Lightly rolling Shape: Irregular Access: Good</p> <p>COMMENTS: This is the parent tract of the subject and has been developed with single family homes with many under construction.</p>
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MAP:

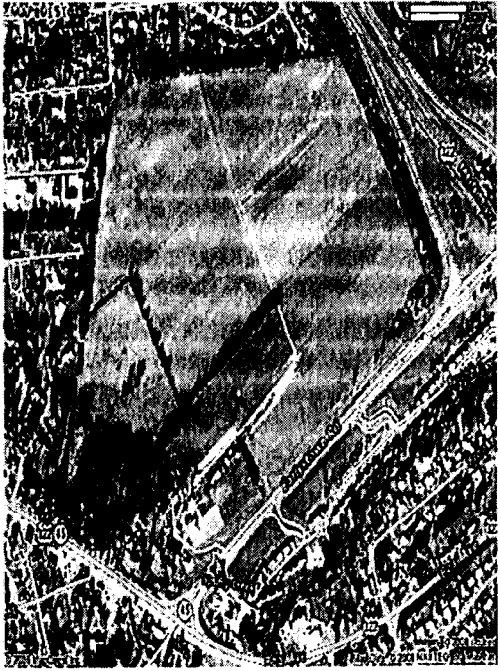
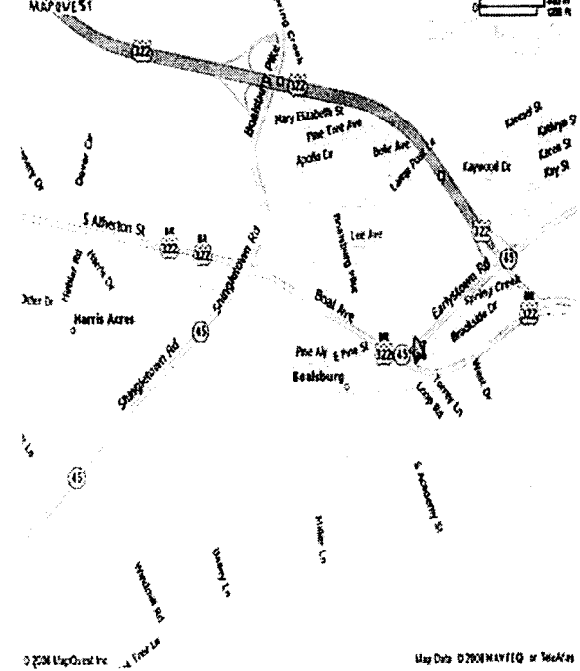


COMPARABLE RESIDENTIAL LAND SALE # 3

<p>LOCATION: Address: Halfmoon Valley Road Municipality: Halfmoon Township County, State: Centre County, PA Tax Identification: 17-001-005</p> <p>LEGAL INFORMATION: Sale Date: June 2006 Libor/Folio: Deed book 1963, pg. 0081 Grantor: Richard and Darlene Graham Grantee: Robert S. Barr</p> <p style="margin-top: 20px;">Property Rights: Fee simple</p> <p>CONSIDERATION: Contract Price: \$2,901,100 Unit Price: \$50,727 per acre Financing: Assumed cash to seller Verified: Public record (deed and tax assessment data)</p>	<p>SITE DESCRIPTION: Site Size: 57.19 acres Utilities: Public water, private sewer Landscaping: Zoning: R-1 and Village</p> <p>PHYSICAL DATA: Topography: Gently Rolling Shape: Irregular Access: Good</p> <p>COMMENTS: This is the sale of a site on the south side of Route 550 to the northwest of State College. The village zoning allows lots as ¼ acre despite the lack of public sewer.</p>
<p>PICTURE:</p> 	<p>MAP:</p> 





COMPARABLE RESIDENTIAL LAND SALE #4

<p>LOCATION:</p> <p>Address: Earlystown Road Municipality: Harris Township County, State: Centre County, PA Tax Identification: 25-004-.057-.0000-</p> <p>LEGAL INFORMATION:</p> <p>Sale Date: May 2006</p> <p>Grantor: Russell Harpster Grantee: TOA Property Rights: Fee Simple</p> <p>CONSIDERATION:</p> <p>Contract Price: \$4,350,000 Unit Price: \$53,029 Financing: Assumed cash to seller Verified: Public record (deed and tax assessment data and appraiser)</p>	<p>SITE DESCRIPTION:</p> <p>Site Size: 82.03 acres Utilities: Public water and sewer Zoning: R-1</p> <p>PHYSICAL DATA:</p> <p>Topography: Lightly rolling Shape: Irregular Access: Good</p> <p>COMMENTS:</p> <p>The site will include 282 condo units, 139 single family homes, 52 semi-detached, 12 triplexes, and 76 quadplexes</p>
<p>PICTURE:</p> 	<p>MAP:</p> 



COMPARABLE RESIDENTIAL LAND SALE #5

<p>LOCATION: Address: Rhodes Lane Municipality: College Township County, State: Centre County, PA Tax Identification: 19-004-,071-,0000-</p> <p>LEGAL INFORMATION: Sale Date: July 2008</p> <p>Grantor: Beamer and Harman, Inc Grantee: Mount Nittany Manor LP Property Rights: Fee Simple</p> <p>CONSIDERATION: Contract Price: \$1,100,000 Unit Price: \$29,062 Financing: Assumed cash to seller Verified: Public record (deed and tax assessment data and appraiser)</p>	<p>SITE DESCRIPTION: Site Size: 37.85 acres Utilities: Public water and sewer Zoning: R-2 and Forest</p> <p>PHYSICAL DATA: Topography: Shape: Irregular Access:</p> <p>COMMENTS: Assessment indicates vacant land. R-2 area has some development potential.</p>
<p>PICTURE:</p> 	<p>MAP:</p> 



Summary of Comparable Agricultural Sales


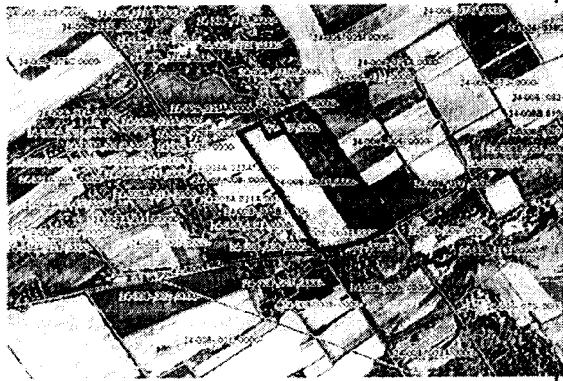
	Property Location	Size/Acres	Sale Date	Sale Price	\$/Acre	Comments
1	W Pine Grove Road Ferguson Township Centre County 24-008-.009A,0000	47.46	5/09	\$253,000	\$5,331	Rural Agricultural
2	Armagast Rd Benner Township Centre County 12-002-.019-.0000-	12.98	6/10	\$155,000	\$11,941	Conservation Wooded. old outbuildings
3	Brush Valley Rd College Township Centre County 19-004-.095A,0000	49.05	12/09	\$245,250	\$5,000	Purchaser owns adjacent property Deed contained ROW
4	3795 W College Ave Ferguson Township Centre County 24-004-.096-.0000-	26.71	10/08	\$427,500	\$16,005	Rural Agricultural

Units of Comparison: An important step in the Sales Comparison Approach is the selection of an appropriate unit of comparison. In this analysis, the unit of comparison is deemed to be the price per acre.

Elements of Comparison: Key value elements under scrutiny that may require adjustments are financing terms and condition of sale, time, location, and physical characteristics, (i.e., condition of improvements, quality of construction, size and the like


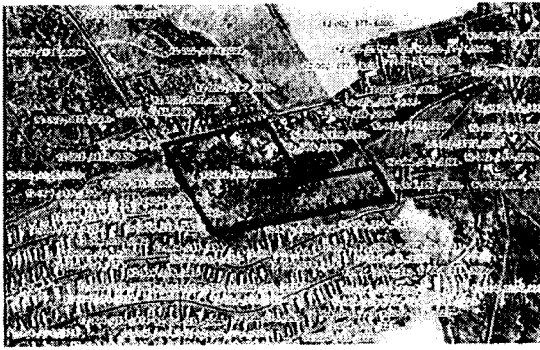


COMPARABLE LAND SALE #1

<p>LOCATION: Address: W Pine Grove Rd Municipality: Ferguson Township County, State: Centre, Pennsylvania Parcel Number: 24-008-.009A,0000-</p> <p>LEGAL INFORMATION: Sale Date: May 26, 2009 Libor/Folio: 20037/0981 Grantor: Estate of Bertha O. Reish</p> <p>Grantee: Breezy Farms</p> <p>Property Rights: Fee simple</p> <p>CONSIDERATION: Contract Price: \$253,000 Unit Price: \$5,331 per acre Financing: Assumed cash to seller Verified: Public record (deed and tax assessment data)</p>	<p>SITE DESCRIPTION: Site Size: 47.46 acres Zoning: Rural Agricultural</p> <p>Utilities: Landscaping:</p> <p>PHYSICAL DATA: Topography: Basically level Shape: Irregular Access: Fair Road Frontage: W Whitehall Rd W Pine Grove Rd</p> <p>COMMENTS: There appear to be crops on the property</p>
<p>PICTURE:</p> 	<p>MAP:</p> 

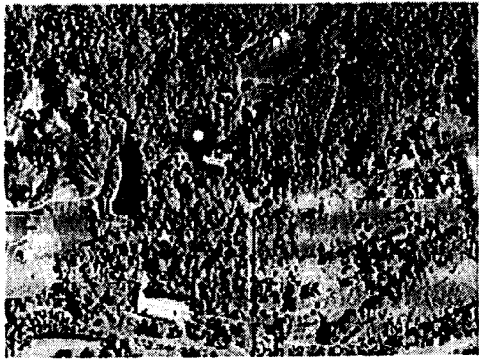



COMPARABLE LAND SALE #2

<p>LOCATION: Address: Armagast Rd Municipality: Benner Township County, State: Centre, Pennsylvania Parcel Number: 12-002-.019-.0000-</p> <p>LEGAL INFORMATION: Sale Date: June 7, 2010 Libor/Folio: 2058/0621 Grantor: Estate of Howard H. Armagast Grantee: Jeffrey C. Corcelius</p> <p>CONSIDERATION: Contract Price: \$155,000 Unit Price: \$11,941 per acre Financing: Assumed cash to seller Verified: Public record (deed and tax assessment data)</p>	<p>SITE DESCRIPTION: Site Size: 12.98 acres Zoning: Conservation Utilities:</p> <p>PHYSICAL DATA: Topography: Generally level to sloping Shape: L shaped Access: Good Corner Lot: No Road Frontage: Armagast Rd</p> <p>COMMENTS: Site is wooded. Contained outbuildings</p>
<p>PICTURE:</p> 	<p>MAP:</p> 

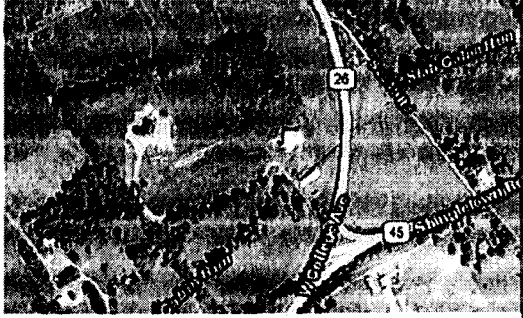



COMPARABLE LAND SALE #3

<p>LOCATION: Address: Brush Valley Road Municipality: College Township County, State: Centre, Pennsylvania Parcel Number: 19-004-.095A.0000-</p> <p>LEGAL INFORMATION: Sale Date: December 28, 2009 Libor/Folio: 2049/0909 Grantor: ARWCO Corporation Grantee: Thomas O. Mincemoyer</p> <p>Property rights: Fee simple</p> <p>CONSIDERATION: Contract Price: \$245,250 Unit Price: \$5,000 per acre Financing: Assumed cash to seller Verified: Public record (deed and tax assessment data)</p>	<p>SITE DESCRIPTION: Site Size: 49.05 acres Zoning: Forest Utilities: Landscaping:</p> <p>PHYSICAL DATA: Topography: Rolling Shape: I. shaped Access: ROW Road Frontage: Brush Valley Road</p> <p>COMMENTS: Site is wooded. Purchaser owns adjacent property. Landlocked with recorded ROW</p>
<p>PICTURE:</p> 	<p>MAP:</p> 



COMPARABLE LAND SALE #4

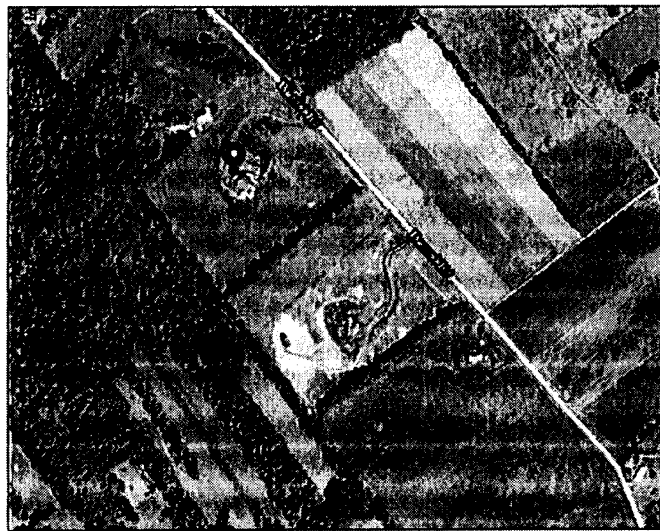
<p>LOCATION: Address: 3795 W College Ave Municipality: Ferguson Township County, State: Centre, Pennsylvania Parcel Number: 24-004-.096-.0000-</p> <p>LEGAL INFORMATION: Sale Date: October 15, 2008 Libor/Folio: 2022/0205 Grantor: Joseph D. Dionisio Grantee: Jennifer C. McCauley</p> <p>CONSIDERATION: Contract Price: \$427,500 Unit Price: \$16,005 per acre Financing: Assumed cash to seller Verified: Public record (deed and tax assessment data)</p>	<p>SITE DESCRIPTION: Site Size: 26.71 acres Utilities: Landscaping: Zoning: Rural Agricultural</p> <p>PHYSICAL DATA: Topography: Rolling Shape: Irregular Access: Good Road Frontage: W College Ave</p> <p>COMMENTS: Contained barn</p>
<p>PICTURE:</p> 	<p>MAP:</p> 



Additional Land Sales

The following is market activity in the area of the subject not necessarily considered comparable sales. Single family residential use is not a permitted use of the subject.

	Property Location	Size/Acres	Sale Date	Sale Price	\$/Acre	Comments
1	2432 Bernel Rd Patton Township	13.37	05/08	\$425,000	\$31,787	Planned Airport District Residential Area
2	2496 Bernell Rd Patton Township	10.18	01/06	\$239,000	\$23,477	Planned Airport District Residential Area



2496 and 2432 Bernel Road

Geisinger Office Land

An example of the sale of land for office use is 52 acres of ground purchased by Geisinger in Patton Township. The township staff indicated the property was rezoned for office use as a conditional of sale and the process took approximately two (2) years. The 52 acres transferred December 2004 for \$58,654 per acre.



As stated earlier in the report: the Weinstein Appraisal Group, an affiliation of Weinstein Realty Advisors, completed an appraisal report on the subject property, report dated January 12, 2012. The current appraisal report is a new assignment, new report, and is a compilation of the 2012 report and updated research of market data and larger land sales in the State College area.

As the State College area is considered a finite market area, and as properties outside of this market area are not considered to be comparable data for the subject, research of larger land sales was conducted within the market area within the time frame of the prior report to the effective date of June 8, 2014.

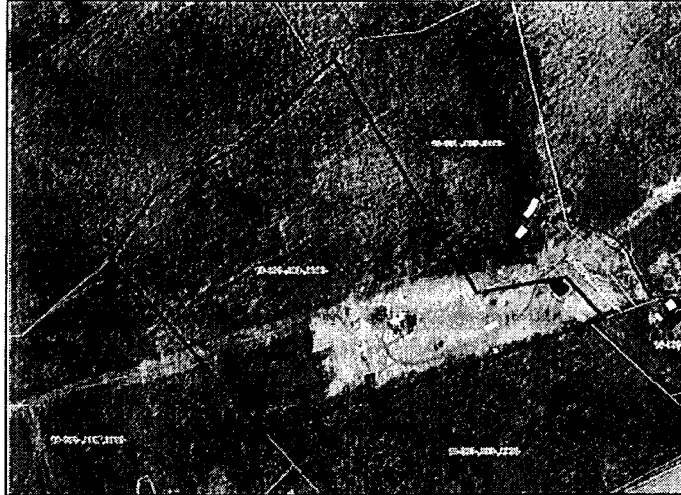
The sales are noted below to indicate market activity and were not found to be material to the market value concluded for the subject property.

Summary of Recent Sales

#	Location	Description	Sale Date	Sale Price	\$/Acre
1	269 Blue Bird Lane Patton Township Centre County	Vacant Land 42.35 Acres Rural Agricultural	12/2010	\$421,666	\$9,956
2	494 Benner Road Walker Township Centre County	Vacant Land 20.00 Acres Rural Agricultural	9/2011	\$140,000	\$7,000
3	Penns Valley Road Penns Township Centre County	Vacant Land 47.53 Acres Rural Agricultural	10/2013	\$475,000	\$9,993



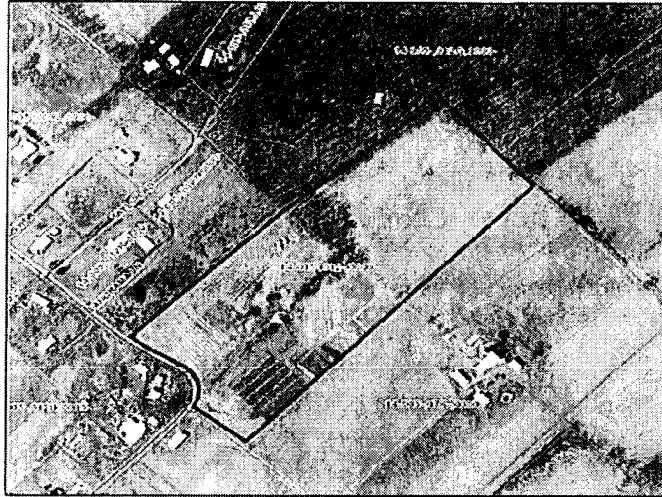
Comparable #1



Location:	269 Blue Bird Lane, Patton Township, Centre County, Port Matilda, Pennsylvania
Tax Identification:	18-001-003-0000
Sale Information:	
Grantor	Anna Maise Trostle and Richard A. Stine
Grantee	Edward E. Babcock, Jr. and Rosemary Babcock
Sale Date	12/10/2010
Sale Price	\$421,666
Unit Price	\$9,956/acre
Financing	Assumed cash to seller
Doc #	Deed Book/Page 2070-0625
Verification	Public records, deed, assessment data
Description:	
Land Size	42.35 Acres, Rural Agricultural
Building SF	Vacant Land at time of sale
Built	2011
Comments:	At the time of sale the property contained vacant land, and Parcel 18-001-003-0000 was purchased to build a home. Grantors also own adjoining parcels 18-001-003A-0000 and 18-001-003B-0000 containing 1.78 combined acres.



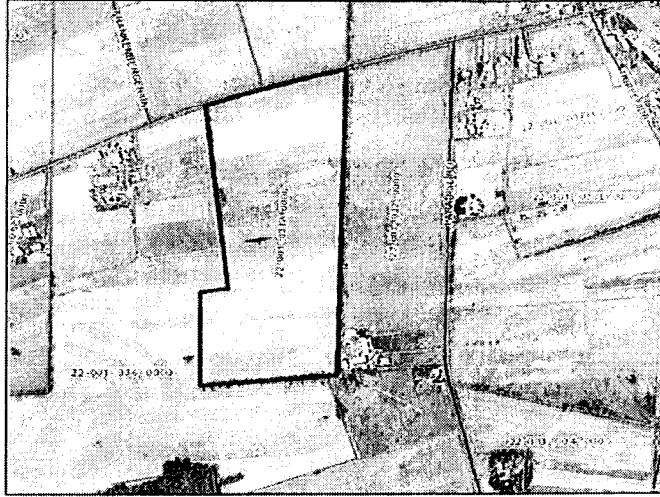
Comparable #2



Location:	494 Benner Road, Walker Township, Centre County, Bellefonte, Pennsylvania
Tax Identification:	14-005-012-0000
Sale Information:	
Grantor	Samuel K. Esch and Barbara L. Esch
Grantee	Douglas Mark MacDonald and Laura Ellen MacDonald
Sale Date	9/8/2011
Sale Price	\$140,000
Unit Price	\$7,000/acre
Financing	Assumed cash to seller
Doc #	Deed Book/Page 2087-0360
Verification	Public records, deed, assessment data
Description:	
Land Size	20.00 Acres, Rural Agricultural Land
Building SF	Vacant Land at time of sale
Comments:	Vacant land at time of sale. Residential dwelling built.




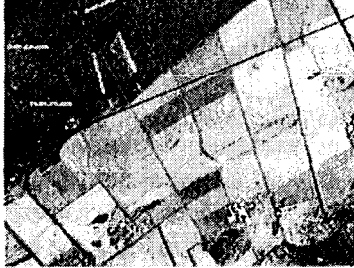
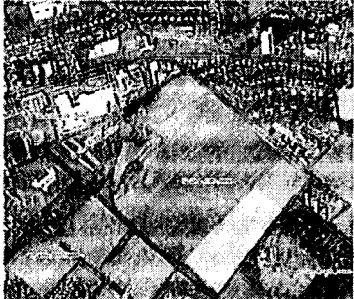
Comparable #3



Location:	Penns Valley Road, Penns Township, Centre County, Spring Mills, Pennsylvania
Tax Identification:	22-001-031A,0000
Sale Information:	
Grantor	Miller Associates Family Limited Partnership
Grantee	George E. Dills and April M. Dills
Sale Date	10/30/2013
Sale Price	\$475,000
Unit Price	\$9,994/acre
Financing	Assumed cash to seller
Doc #	Deed Book/Page 2135-0857
Verification	Public records, deed, assessment data
Description:	
Land Size	47.53 Acres, Rural Agricultural
Building SF	Vacant Land at time of sale
Comments:	Vacant land at time of sale. Purchaser owned adjoining land.



Additional Sales Activity Reported in Centre County

	Location	Description	Sale Date	Sale Price	S/Acre
	<p>Location: 2929 Buffalo Run Road, Patton Township Centre County Parcel # 18-002-013-0000 Grantor: John T. Fisher and Barbara Fisher Grantee: Beck Koleno and Jennifer E. Neely Deed Bk/Pg: 2111-0798</p>	<p>Farm Land Rural District Zoning 196.93 Acres 2 Story Dwelling, Barn + outbuildings</p>	10/2012	\$1,525,000	7,756
	<p>Location: 3 Parcels Identified as Parcel Numbers: 24-002/001, 24-002/003, 24-005/019, Ferguson Township Centre County Grantor: Janet L. Rider Grantee: Evergreen Acres, LLC Deed Bk/Pg: 1726-610</p>	<p>Rural Agriculture Zoning 261.84 Acres</p>	12/2013	\$1,261,000	\$4,816
	<p>Location: 1002 Airport Road Bellefonte Borough Centre County Parcel #: 32-204-076-0000 Grantor: Beaver Development Company Grantee: Bellefonte Area School District Deed Bk/Pg: 2089-0466</p>	<p>Town Residential Zoning 107.57 Acres Purchased by school district for athletic fields.</p>	10/2011	\$4,500,000	\$41,833



General Discussion of Elements of Comparison

In general there is an upward adjustment if the comparable is inferior to the subject for a given element of comparison and a downward adjustment where the comparable is superior to the subject for a given element of comparison.

Property Rights Conveyed: This adjustment normally attempts to equate differentials associated with investor versus owner purchases as well as the positive and negative effects of leasehold interests on a property. Adjustments are necessary only when the comparable presented represents something other than the exchange of fee simple interests.

Financing: The comparable sales have been adjusted for financing terms if thought to be necessary. This adjustment renders the sales price to cash equivalent terms where the seller makes favorable financing terms available. In addition, there is an adjustment necessary if there are any unusual circumstances surrounding the transaction such as foreclosures, bulk sales, related parties, assemblages and the like. The transaction price of a property may differ from the price of an identical property because of different financing arrangements.

Condition of Sale: Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale significantly affect transaction prices; these are not considered arm's-length transactions.

Expenditures Immediately After Sale: A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. These may include deferred maintenance, costs to demolish and remove improvements, costs of zoning changes, remediate environmental contamination, and similar items.

Market Conditions (time): After adjusting all the comparables to a cash equivalent price the sales must be brought current by means of a time adjustment to account for changing market conditions from the date of each comparable sale to the effective date of this appraisal. Time adjustments are made if the market has changed in a calculable way since the sale of the comparable. The type of property appraised also impacts this decision as some properties are more closely tied to their use and thus greatly impacted by that industry.

Location: These are based on the relative strength of the surrounding land uses and accessibility to major activity centers and access ways. This adjustment is based on each comparable's location relative to the subject. Location also reflects things such as traffic count, type of location, and visibility.



Physical Characteristics: Physical differences include differences in site size and shape, attractiveness, and amenities. On-site environmental conditions may also be considered. The value added or lost by the presence or absence of an item in a comparable property may not equal the cost of installing or removing the item. Buyers may be unwilling to pay a higher sale price that includes the extra cost of adding an amenity. Conversely, the addition of an amenity sometimes adds more value to a property than its cost, or there may be no adjustment to value for the existence of or lack of an item.

Economic Characteristics: These include all the attributes of a property that directly affect its income. This element of comparison is usually applied to income-producing properties. Characteristics that affect a property's income include operating expenses, quality of management, tenant mix, rent concessions, lease terms, lease expiration dates, and renewal options.

Use/Zoning: Any difference in the current use or the highest and best use of a potential comparable sale and the subject property must be addressed. The appraiser must recognize the difference and determine if the sale is an appropriate comparable and, if so, whether and adjustment is required.

Non-Realty Components: This includes personality, business concerns, and other items that do not constitute real property but were part of the sale.

Specific Analysis and Adjustments of the Comparable Sales

Highest and best use of the subject is considered to be an interim use of agricultural or open space. By definition, an interim use is the temporary use to which a site or improved property is put until it is ready to be put to its future highest and best use. Some of the land sales of agricultural use became home sites as well. The subject is not permitted as single family detached use. It is anticipated that a purchaser would consider the eventual alternate use of the subject within an unknown time frame. For the subject property a value of \$15,000 is applied.

# Acres		\$/Acre		Valuation	Rounded
60.68	X	\$15,000	=	\$910,200	\$910,000

Conclusion and Summary to the Sales Comparison Approach

**Based on this analysis of the subject property by the Sales Comparison Approach,
the indicated Market Value of fee simple interest,
effective date June 8, 2014 is:
\$910,000**



- Assumption that Pennsylvania State University does not exercise the recorded first option. (The effect of the consolidation of parcels on the first option retained by the grantor is not known.)
- The development plan approval is not considered in valuation.
- Valuation is not adjusted for items required for compliance of any municipal and/or regulatory requirements. (Not limited to compliance of erosion and sedimentation control and stormwater management control.)
- Assumption of our value opinion is that the property is environmentally clean

The use of extraordinary assumptions might have affected the assignment results.



RECONCILIATION AND CORRELATION

The accuracy of an appraisal depends on the appraiser's knowledge, experience and judgment. Equally important, are the quantity and quality of the available data that will be reconciled in the final value conclusion. We used the best data that was available to us to estimate value.

A judgment is made as to the validity and reliability of each of the value indications arrived from the three approaches to value. These indications are never merely averaged. To do so is substituting arithmetic for judgment. Rather, the appraiser reconciles the value indications, analyzing the alternatives and selecting from among them the indication of value that will be most defensible and truly representative of the property being appraised.

Indications As of the Effective Date of June 8, 2014	Value
Indicated Market Value By the Cost Approach	N/A
Indicated Market Value By the Income Capitalization Approach	N/A
Indicated Market Value By the Sales Comparison Approach	\$910,000
Final Market Value	\$910,000

- Assumption that Pennsylvania State University does not exercise the recorded first option. (The effect of the consolidation of parcels on the first option retained by the grantor is not known.)
- The development plan approval is not considered in valuation.
- Valuation is not adjusted for items required for compliance of any municipal and/or regulatory requirements. (Not limited to compliance of erosion and sedimentation control and stormwater management control.)
- Assumption of our value opinion is that the property is environmentally clean

The use of extraordinary assumptions might have affected the assignment results.

Highest and best use of the subject is considered to be an interim use of agricultural or open space. By definition an interim use is the temporary use to which a site or improved property is put until it is ready to be put to its future highest and best use.

The subject is a consolidation of two (2) adjacent parcels purchased separately. One parcel was transferred with a recorded first option to repurchase by the grantor. The effect of the consolidation of parcels on the first option retained by the grantor is not known. Thus, an assumption is made that the grantor does not exercise the option.



Although there are a wide range of legally permitted uses for the subject property it is anticipated that other areas of Patton Township and the State College area are likely to experience growth due to market demand prior to the area of the subject. For example, the 79 +/- acres of vacant land in Patton Township zoned Planned Community (Toftrees and Gray's Woods) is expected to experience any growth/demand in the market prior to the area of the subject. The Centre Regional Planning Agency's 2010 Centre Region Growth Management Report projects the majority of the growth in the area of the subject at a time frame of 2020 and beyond.

The time frame for the absorption of 79 +/- acres is not able to be predicted beyond being considered significant. There are other areas of Patton Township and the State College area anticipated to experience growth from market demand prior to the subject.

The subject is a consolidation of two (2) adjacent parcels purchased separately. One parcel was transferred with a recorded first option to repurchase by the grantor. The effect of the consolidation of parcels on the first option retained by the grantor is not known. Thus, an assumption is made that the grantor does not exercise the option.

The subject property has an approved plan for development. It is our understanding the plan was being executed, earth had been moved on the site and work has now stopped. It is also our understanding there are requirements to undo earth and grading work to comply with regulatory requirements of erosion and sediment control and stormwater management. There may be additional requirements the appraisers are not aware of.

As there is an unknown cost for these items, valuation is not adjusted for items required for compliance of any municipal and/or regulatory requirements. (Not limited to compliance of erosion and sedimentation control and stormwater management control.)

It is recognized that time and funds are involved in completing an approved plan. As the proposed use of the subject is considered specific and not likely to be transferred or adopted by an alternate user, the presence of a plan is not considered in valuation.

There is an older detached residential dwelling on the subject property. As subdivision requires a 20 acre master plan it is considered not likely to include an older residential dwelling. Single family detached use is not permitted per zoning. The residential dwelling is not considered in valuation.

Weinstein Appraisal Group, an affiliation of Weinstein Realty Advisors, completed an appraisal report on the subject property, report dated January 12, 2012. The current appraisal report is a new assignment, new report, and is a compilation of the 2012 report and updated research of market data and larger land sales in the State College area.

As the State College area is considered a finite market area, and as properties outside of this market area are not considered to be comparable data for the subject, research of larger land sales was conducted within the market area within the time frame of the prior report to the effective date of June 8, 2014.



The three approaches to value, Income Capitalization, Cost, and Sales Comparison, have been considered for this report. As land, the Sales comparison Approach was considered applicable and developed.

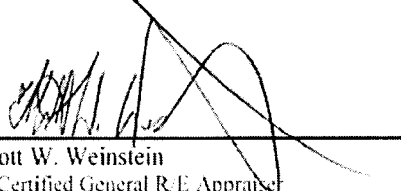
In summary, the market value of fee simple interest of the subject property as of the effective date of June 8, 2014 with the assumptions, limitations and hypothetical conditions outlined throughout this report is concluded as **\$910,000**.




CERTIFICATION

Elliott W. Weinstein, MAI and Marion A. Oberdick, certify that, to the best of our knowledge and belief, except as otherwise noted in this report:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. We have made a personal inspection of the property that is the subject of this report.
9. No one provided significant professional assistance to the person(s) signing this report.
10. We certify that, to the best of our knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
11. We certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Elliott W. Weinstein, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
13. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.


Elliott W. Weinstein
PA Certified General R/E Appraiser
#GA-000063-L


Marion A. Oberdick
A General R/E Appraiser
#GA-003782



STATEMENTS OF ASSUMPTIONS AND LIMITING CONDITIONS

“Appraisal” means the appraisal report and opinion of value stated therein, or the letter opinion of value, to which these Assumptions and Limiting Conditions are annexed.

“Property” means the subject of the Appraisal.

“WRA” means Weinstein Realty Advisors or its subsidiary which issued the Appraisal.

“Appraiser(s) means the employee(s) of Weinstein Realty Advisors who prepared and signed the Appraisal.

The Appraisal has been made subject to the following assumptions and limiting conditions:

No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters which are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.

The information contained in the Appraisal or upon which the Appraisal is based has been gathered from sources the Appraiser assumes to be reliable and accurate. Some of such information may have been provided by the owner of the Property. Neither the Appraiser nor Weinstein Realty Advisors shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters.

The opinion of value is only as of the date stated in the Appraisal. Changes since that date in external and market factors or in the Property itself can significantly affect property value.

The Appraisal is to be used in whole and not in part. No part of the Appraisal shall be used in conjunction with any other appraisal. Publication of the Appraisal or any portion thereof without the prior written consent of Weinstein Realty Advisors is prohibited. Except as may be otherwise stated in the letter of engagement, the Appraisal may not be used by any person other than the party to whom it is addressed or for purposes other than that for which it was prepared. No part of the Appraisal shall be conveyed to the public through advertising, or used in any sales or promotional material without Weinstein Realty Advisors' prior written consent. Reference to the Appraisal Institute is prohibited.

Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.

The Appraisal assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Appraisal; (d) unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective; and (e) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value estimate contained in the Appraisal is based.



It is assumed that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in good condition.

If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.

The forecasted potential gross income referred to in the Appraisal may be based on lease summaries provided by the owner or third parties. The Appraiser has reviewed lease documents and assumes no responsibility for the authenticity or completeness of lease information provided by others. Weinstein Realty Advisors recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best estimates of current market thinking on future income and expenses. The Appraiser and Weinstein Realty Advisors make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Appraisal, envisages for the future in terms of rental rates, expenses, supply and demand.

Unless otherwise stated in the Appraisal, the existence of potentially hazardous or toxic materials which may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Weinstein Realty Advisors recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.

Unless otherwise stated in the Appraisal, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the property. Weinstein Realty Advisors recommends that an expert in this field be employed.



ELLIOTT W. WEINSTEIN

www.weinsteinrealty.com

Curriculum Vitae

MEMBERSHIP:

Appraisal Institute - MAI designation (Certificate #6591) awarded 1983.

EXPERIENCE:

Weinstein Appraisal Group/Weinstein Realty Advisors (1989 to Present): Principal of regional appraisal company.

Weinstein Israel Real Estate Group (1994-1997): Principal of international real estate brokerage company

Weinstein-Hirsh Appraisal Group (1984 to 1988): Partner of regional appraisal company.

Orberg-Brenneman Appraisal Company (1982-1983): Associate in appraisal company.

H. G. Rotz Associates, Inc. (1977-1982): Sales and appraising for industrial/commercial realtors

Laventhol and Horwath (1975-1976): International public accounting firm.

LICENSEE:

State Certified Appraiser, Commonwealth of Pennsylvania (1991) (GA-000063-L)

Reciprocity - State Certified Appraiser, Maryland (1994) (#10445)

Reciprocity - State Certified Appraiser, Delaware (2000) (#0000331)

Real Estate Broker, Commonwealth of Pennsylvania (1979) (RM-042897-C).

Real Estate Broker of Record, Commonwealth of Pennsylvania (1983) (RB-048080-C).

EDUCATION:

Pennsylvania State University:

Master of Science in Business Administration (1974)

Bachelor of Science in Business Administration (1973)

CONTINUING EDUCATION:

Certified for Appraisal Institute Continuing Education Requirements through 2013

REAL ESTATE ACTIVITIES:

Currently general partner, co-owner and/or developer of:

12,000 sq. ft. historical restoration of an office building in downtown York

Vacant land in Zichron Yaacov, Israel

Formerly general partner, co-owner and/or developer:

Land in Kiryat Atta and Beersheva, Israel

Apartment in Tel Aviv, Israel

15,000-sq. ft. new, first class office building in Harrisburg;

9,000 sq. ft. commercial rehabilitation in downtown York

18,000 sq. ft. suburban shopping center in suburban York

10 historical rehabilitated dwelling units in York

2,500-sq. ft. office building in York, leased to a county agency.

10,000 sq.ft. suburban office building in Lancaster County

TEACHING ACTIVITIES

- *Advanced Real Estate Appraising*, Pennsylvania State Continuing Education, 1988, 1990 and 1993.
- Various seminars regarding real estate tax assessment and understanding real estate appraising, presented to numerous banks and financial institutions, realtors' boards, VALUE RETAIL NEWS (re: outlet shopping centers), bar associations, Pennsylvania Chamber of Commerce, and professional organizations
- *Approval by PA State Board of Accountancy* to become a program sponsor continuing professional education (CPE) courses for accountants.



ELLIOTT W. WEINSTEIN, Curriculum Vitae, *continued*

PUBLICATIONS AND ARTICLES:

Provider of monthly articles on appraisal topics for TRI-STATE REAL ESTATE JOURNAL, June 1999-April 2000
The Need for Appraisal Company Standards, THE APPRAISAL JOURNAL, July, 1997
The Art of Testimony: The Real Estate Appraiser, The Appraisal and the Expert Witness, ABI JOURNAL (American Bankruptcy Institute), October, 1996
Synthesizing Marketing and Management of an Appraisal Company: A Creative Approach, THE APPRAISAL JOURNAL, October, 1995
Appraising Outlet Shopping Centers, VALUE RETAIL NEWS, October, 1994
Real Estate Investments in Israel, Israel Resource Directory, THE PHILADELPHIA-ISRAEL CHAMBER OF COMMERCE, 1994
A New Bridge Across the Atlantic for the Appraisal Institute, THE APPRAISAL JOURNAL, January, 1994
Personal Profile, ISRAEL BUSINESS TODAY - ISRAEL'S ECONOMIC NEWSLETTER, June 11, 1993
Understanding Real Estate Taxes in Pennsylvania, CENTRAL PENNSYLVANIA BUSINESS JOURNAL, Real Estate Guide, Fall, 1991
Appraisers Adjust to Demands of Government Regulations, TRI-STATE REAL ESTATE JOURNAL, June 7, 1991

WRITING AWARDS

2002 RMA (Risk Management Association) South Central Pennsylvania Chapter writing award winner
1996 Robert H. Armstrong Honorable Mention Award by The Appraisal Institute, to honor the best original article; for the article published in the October, 1995, THE APPRAISAL JOURNAL

TESTIMONY:

U. S. Bankruptcy Court (Harrisburg, Wilkes-Barre), New Jersey
U. S. District Court (Harrisburg, Lancaster)
Board of Assessment Appeals (Pennsylvania): Over half of 69 counties in Pennsylvania
Board of Assessment Appeals (Other States): California, Illinois, Maryland
Board of View: Berks, Centre, Lancaster and York Counties
Court of Common Pleas: Berks, Bucks, Centre, Cumberland, Dauphin, Lancaster, Lebanon, Luzerne, Schuylkill
And York Counties
City Council: City of Harrisburg
Other: Approved Expert Witness for Cmwlth. of PA, Bureau of Professional and Occupational Affairs (2002-03)

PROFESSIONAL AFFILIATIONS: (Current or Past):

The Appraisal Institute
National Association of Property Taxation
National Association of Industrial and Office Parks (NAIOP)
International Council of Shopping Centers (ICSC)
Institute of Professionals in Taxation (IPT)
National Association of Corporate Officers of Real Estate (NACORE)
National Association of Industrial and Office Parks (NAIOP)
Philadelphia-Israel Chamber of Commerce
Lancaster, York, Harrisburg Board of Realtors
Various local Chamber of Commerces

GEOGRAPHICAL AREAS SERVED:

Provided appraisals/consulting services in the following states (individually, or by Weinstein Realty Advisors):
California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New Mexico, New York, Ohio, Pennsylvania, Virginia
Provided real estate investment advice in the following countries: Canada, Israel



OTHER:

- *Commonwealth of Pennsylvania - Department of State; Bureau of Professional and Occupational Affairs – Approved Expert Witness – 2002/2003*
- *Keynote speaker – Shared keynote speaking with Congressman Adam Schiff (CA) and Todd Platts (PA) for Israel solidarity rally, June 5, 2001.*

COMMUNITY AND PROFESSIONAL ACTIVITIES:

- Board Chair - Penn State Hillel (2012-current)
- Susquehanna Tzedakah Society Honoree (2010 & 2012)
- Rotary – Membership (2006-current)
- Susan P. Bynres Health Education Center – Advisory Board (2006)
- United Jewish Communities – National Trustee (2006-2007)
- Penn State University *Hillel* – Board of Directors (2003 to present); Board Vice Chair (2006-current)
- Betty Dressner Award for Community Service to the York Community (2005)
- United Jewish Communities Network of Independent Jewish Communities – State Chair (2003-2006)
- National Chair: *Partnership 2000* in Dimona and Yerucham, Israel (2001-2003) representing over 400 American communities
- Finalist: *Selected to be 6 of 120 applicants for position on Appraisal Standards Board (ASB) and/or Appraisal Qualifications Board (AQB) of The Appraisal Foundation (2001 and 2002)*
- Volunteer: *2000 York County Cultural Alliance.*
- Ambassadorship: *Appointed The Appraisal Institute's Ambassador to Israel (2000-02)*
- Volunteer: *1999 United Way Campaign (fund raising division responsible for \$1.0m campaign)*
- Member: *York 250th Anniversary Commission (1998-1999)*
- President-elect: *The National Council of Property Tax Consultants (1998)*
- National Chair: *Economic division for Partnership 2000 in Dimona and Yerucham, Israel (1998-present)*
- Vice President: *The National Council of Property Tax Consultants (1997-1998)*
- Board of Governors: *The National Council of Property Tax Consultants (1996-1997)*
- Member - *York County Industrial Development Authority (YCIDA) (1995-1996)*
- Member - *Better York, Inc. (1995-present)*
- President - *The Jewish Day School (1993-1995)*
- Board of Directors - *Philadelphia-Israel Chamber of Commerce (1994 to 1997)*
- Supporter - *Donating 1st floor of 4 story building to ARTS CENTER OF YORK to provide the hub of a downtown York Arts District (1993)*
- Member - *Appraisal Institute, International Relations Committee (1992 to 1995)*
- United Way Ad Hoc Planning Committee (1991)
- President- *Ohev Sholom Congregation (1990-1992)*
- President-*York Council Jewish Charities (1988 to 1989)*
- Penn Laurel Girl Scout Ad Hoc Planning Committee (1988)
- Board Member-*York Jewish Community Center (1979 to 1990)*
- Vice-President-*York Jewish Community Center (1981-1984)*
- Membership Committee-*Philadelphia Chapter American Institute of Real Estate Appraisers (1985 to 1986, 1991)*
- Nominated-*Young Advisory Council of Society of Real Estate Appraisers (November, 1986)*
- Chairman- *Realtors Division, United Way (1985)*
- Panel Member- *United Way (1982 to 1984)*
- York City Zoning Hearing Board (1980-1982)
- President-*York Bicycle Club (1979)*
- President - *AEH Fraternity, Penn State (1973)*

MARION A. OBERDICK
www.moberdick@weinsteinrealty.com
Curriculum Vitae

Membership

Appraisal Institute – Associate Member
Rotary Club of York, Rotary International District 7390

Experience

Weinstein Appraisal Group (2006 to 2009) Assistant to State Certified Real Estate Appraiser
Pennsylvania Certified General Appraiser, 2009
GMAC Mortgage (2005-2006) Loan Officer
Sovereign Bank (aka Harris Savings Bank & Waypoint Bank) (1996-2005) Loan Officer
Morgan Collins, Inc; O’Conor, Piper & Flynn; Strickland Thompson Real Estate (1987-1996)
Real Estate Sales, Management and Training
Olde York Homes and Oberdick Construction (1980-1987) Partner Construction Firm

License

Real Estate Salesperson, Commonwealth of Pennsylvania (1987) RS163381A
State Certified General Appraiser, Commonwealth of Pennsylvania, (2009) GA003782

Education

Real Estate Sales
Real Estate Law
Real Estate Brokerage
Property Management
Basic Real Estate Appraisal
Basic Income Approach to Appraisal
Advance Income Approach to Appraisal
Sales Comparison Approach to Appraisal
Fundamentals of Income Approach to Appraisal
USPAP (Uniform Standards of Professional Appraisal Practice), update 1/2012
PA State Regulations Update (May 2011)
Understanding Commercial Real Estate Investments & 1031 Tax Free Exchange
Business Practices and Ethics
Apartment Appraisal
General Market Analysis and Highest & Best Use
Condemnation Appraising: Basic Principles & Applications
Attacking & Defending an Appraisal in Litigation
Real Estate Finance Statistics and Valuation Modeling
Subdivision Valuation
Review of PA Appraisers Certification Act
PA Eminent Domain Law (May 2011)
Developments in Assessment Law and Procedure and Valuation (May 2011)
Evaluating Commercial Construction (March 2011)
Uniform Appraisal Standards for Federal Land Acquisitions
Fundamentals of Separating Real, Personal Property and Intangible Business Assets (May 2012)
Oil and Gas Valuation (Nov 2011)
Real Estate Brokerage Management Council; People Management: Recruit, Train and Retain
Real Estate Associates and Increase Productivity
Certified New Home Sales Professional: Homebuilders Association of Maryland
Prudential Real Estate Affiliates
Transition to Management
Growth in a Down Market
Relocation specialist for Home Finding



Relocation Specialist for Home Marketing

Community and Professional Activities

Rotary Club of York (2009 to present)

Housing Alliance of York Board of Directors (2009-2011)

Housing Initiates Community Development Corporation Board of Directors (2006-2011)

Housing Authority of the City of York, Commissioner (2006-present) Chair 2009 to present

Historic York, Inc. Board of Directors (1996-2002)(2008-2012) Board Secretary 2009

Healthy York County Housing Task Force

Housing Council of York Board of Directors-past President

York County Association of Realtors – Vice-President 1994, President 1995

Affordable Housing Endeavors – President Board of Directors

Central York School Board (1992-1996)

Planned Parenthood of Central Pennsylvania Board of Directors-President (1991-1993)

Leadership York Graduate

YWCA Board of Directors

Displaced Homemakers Board of Directors

Instructor: HUD Approved Homebuyer Education Class



EXHIBIT 5

STANDARD AGREEMENT FOR THE SALE OF VACANT LAND

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of REALTORS® (PAR).

ASVL

PARTIES	
BUYER(S): <u>Michael J. Lee, and/or assigns</u>	SELLER(S): <u>The Second Mile</u>
BUYER'S MAILING ADDRESS: <u>1304 Magan Drive</u> <u>State College, Pa. 16803</u>	SELLER'S MAILING ADDRESS: <u>P.O. Box 802</u> <u>Lemont, Pa. 16851</u>

PROPERTY	
PROPERTY ADDRESS <u>2400 Bernal Road State College, Pa.</u> ZIP <u>16803</u> in the municipality of <u>Patton Township</u> , County of <u>Centre</u> in the School District of <u>State College</u> , in the Commonwealth of Pennsylvania. Identification (e.g., Tax ID #: Parcel #: Lot, Block; Deed Book, Page, Recording Date): <u>P.C.# 18-02-29E DB 2043 PG 0233</u>	

BUYER'S RELATIONSHIP WITH PA LICENSED BROKER	
<input type="checkbox"/> No Business Relationship (Buyer is not represented by a broker)	
Broker (Company) <u>RE/MAX Centre Realty</u> Company Address <u>1375 Martin St., State College, Pa.</u> <u>16803</u> Company Phone <u>(814) 231-8200</u> Company Fax _____ Broker is: <input checked="" type="checkbox"/> Buyer Agent (Broker represents Buyer only) <input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)	Licensee(s) (Name) <u>Greg Copenhaver</u> Direct Phone(s) _____ Cell Phone(s) _____ Fax _____ Email _____ Licensee(s) is: <input checked="" type="checkbox"/> Buyer Agent with Designated Agency <input type="checkbox"/> Buyer Agent without Designated Agency <input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)
<input type="checkbox"/> Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Buyer)	

SELLER'S RELATIONSHIP WITH PA LICENSED BROKER	
<input type="checkbox"/> No Business Relationship (Seller is not represented by a broker)	
Broker (Company) <u>Coldwell Banker, University Realty</u> Company Address <u>126 E. Foster Ave., State College, Pa.</u> <u>16801</u> Company Phone <u>(814) 237-6543</u> Company Fax _____ Broker is: <input checked="" type="checkbox"/> Seller Agent (Broker represents Seller only) <input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)	Licensee(s) (Name) <u>Scott Shamrock</u> Direct Phone(s) _____ Cell Phone(s) _____ Fax _____ Email _____ Licensee(s) is: <input checked="" type="checkbox"/> Seller Agent with Designated Agency <input type="checkbox"/> Seller Agent without Designated Agency <input type="checkbox"/> Dual Agent (See Dual and/or Designated Agent box below)
<input type="checkbox"/> Transaction Licensee (Broker and Licensee(s) provide real estate services but do not represent Seller)	

DUAL AND/OR DESIGNATED AGENCY

A Broker is a Dual Agent when a Broker represents both Buyer and Seller in the same transaction. A Licensee is a Dual Agent when a Licensee represents Buyer and Seller in the same transaction. All of Broker's licensees are also Dual Agents UNLESS there are separate Designated Agents for Buyer and Seller. If the same Licensee is designated for Buyer and Seller, the Licensee is a Dual Agent.

By signing this Agreement, Buyer and Seller each acknowledge having been previously informed of, and consented to, dual agency, if applicable.

Buyer Initials: ML / _____ ASVL Page 1 of 11 Seller Initials: DAW / _____

1 **1. By this Agreement, dated June 24, 2014**
2 Seller hereby agrees to sell and convey to Buyer, who agrees to purchase, the identified Property.
3 **2. PURCHASE PRICE AND DEPOSITS (2-12)**
4 (A) Purchase Price \$ \$1,050,000.00
5 (One Million, Fifty Thousand
6 _____ U.S. Dollars), to be paid by Buyer as follows:
7 1. Deposit at signing of this Agreement: \$ _____
8 2. Deposit within 30 days of the Execution Date of this Agreement: \$ 10,000.00
9 3. 60 days from the execution date of agreement \$ 10,000.00
10 4. Remaining balance will be paid at settlement.
11 (B) All funds paid by Buyer, including deposits, will be paid by check, cashier's check or wired funds. All funds paid by Buyer
12 within 30 DAYS of settlement, including funds paid at settlement, will be by cashier's check or wired funds, but not by personal
13 check.
14 (C) Deposits, regardless of the form of payment and the person designated as payee, will be paid in U.S. Dollars to Broker for Seller
15 (unless otherwise stated here: _____),
16 who will retain deposits in an escrow account in conformity with all applicable laws and regulations until consummation or termination
17 of this Agreement. Only real estate brokers are required to hold deposits in accordance with the rules and regulations of
18 the State Real Estate Commission. Checks tendered as deposit monies may be held uncashed pending the execution of this
19 Agreement.
20 **3. SELLER ASSIST (If Applicable) (2-12)**
21 Seller will pay \$ _____ or _____ % of Purchase Price (0 if not specified) toward
22 Buyer's costs, as permitted by the mortgage lender, if any. Seller is only obligated to pay up to the amount or percentage which is
23 approved by mortgage lender.
24 **4. SETTLEMENT AND POSSESSION (2-12)**
25 (A) Settlement Date is October 31, 2014 or before if Buyer and Seller agree.
26 (B) Settlement will occur in the county where the Property is located or in an adjacent county, during normal business hours, unless
27 Buyer and Seller agree otherwise.
28 (C) At time of settlement, the following will be pro-rated on a daily basis between Buyer and Seller, reimbursing where applicable:
29 current taxes (see Notice Regarding Real Estate Taxes); rents; interest on mortgage assumptions; water and/or sewer fees, together
30 with any other henable municipal service fees. All charges will be pro-rated for the period(s) covered. Seller will pay up to and
31 including the date of settlement and Buyer will pay for all days following settlement, unless otherwise stated here: _____
32 _____
33 (D) Conveyance from Seller will be by fee simple deed of special warranty unless otherwise stated here: _____
34 _____
35 (E) Payment of transfer taxes will be divided equally between Buyer and Seller unless otherwise stated here: _____
36 _____
37 (F) Possession is to be delivered by deed, existing keys and physical possession to a vacant Property free of debris, with all structures
38 broom-clean, at day and time of settlement, unless Seller, before signing this Agreement, has identified in writing that the Property
39 is subject to a lease.
40 (G) If Seller has identified in writing that the Property is subject to a lease, possession is to be delivered by deed, existing keys and
41 assignment of existing leases for the Property, together with security deposits and interest, if any, at day and time of settlement. Seller
42 will not enter into any new leases, nor extend existing leases, for the Property without the written consent of Buyer. Buyer will
43 acknowledge existing lease(s) by initialing the lease(s) at the execution of this Agreement, unless otherwise stated in this Agreement.
44 **5. DATES/TIME IS OF THE ESSENCE (2-12)**
45 (A) Written acceptance of all parties will be on or before: June 30, 2014
46 (B) The Settlement Date and all other dates and times identified for the performance of any obligations of this Agreement are of the
47 essence and are binding.
48 (C) The Execution Date of this Agreement is the date when Buyer and Seller have indicated full acceptance of this Agreement by signing
49 and/or initialing it. For purposes of this Agreement, the number of days will be counted from the Execution Date, excluding
50 the day this Agreement was executed and including the last day of the time period. All changes to this Agreement should be initialled
51 and dated.
52 (D) The Settlement Date is not extended by any other provision of this Agreement and may only be extended by mutual written agreement
53 of the parties.
54 (E) Certain terms and time periods are pre-printed in this Agreement as a convenience to the Buyer and Seller. All pre-printed terms
55 and time periods are negotiable and may be changed by striking out the pre-printed text and inserting different terms acceptable
56 to all parties.
57 **6. ZONING (5-01)**
58 Failure of this Agreement to contain the zoning classification (except in cases where the property (and each parcel thereof, if subdividable)
59 is zoned solely or primarily to permit single-family dwellings) will render this Agreement voidable at Buyer's option, and, if
60 voided, any deposits tendered by the Buyer will be returned to the Buyer without any requirement for court action.
61 Zoning Classification: Planned Airport District

62 Buyer Initials: MR

ASVL Page 2 of 11

Seller Initials: DW

- 63 7. **FIXTURES AND PERSONAL PROPERTY (5-01)**
 64 (A) INCLUDED in this sale are all existing items permanently installed in the Property, free of liens. Also included: _____
 65
 66 (B) The following items are LEASED (not owned by Seller): _____
 67
 68 (C) EXCLUDED fixtures and items: _____
 69

70 8. **MORTGAGE CONTINGENCY (2-12)**

- 71 WAIVED. This sale is NOT contingent on mortgage financing, although Buyer may obtain mortgage financing and/or the parties may include an appraisal contingency.
 72
 73 ELECTED.
 74 (A) This sale is contingent upon Buyer obtaining mortgage financing according to the following terms:

First Mortgage on the Property	Second Mortgage on the Property
Loan Amount \$ _____	Loan Amount \$ _____
Minimum Term _____ years	Minimum Term _____ years
Type of mortgage _____	Type of mortgage _____
For:	For:
<input type="checkbox"/> Land acquisition only	<input type="checkbox"/> Land acquisition only
<input type="checkbox"/> Land acquisition and construction	<input type="checkbox"/> Land acquisition and construction
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____
Loan-To-Value (LTV) ratio not to exceed _____ %	Loan-To-Value (LTV) ratio not to exceed _____ %
Mortgage lender _____	Mortgage lender _____
Interest rate _____ %; however, Buyer agrees to accept the interest rate as may be committed by the mortgage lender, not to exceed a maximum interest rate of _____ %.	Interest rate _____ %; however, Buyer agrees to accept the interest rate as may be committed by the mortgage lender, not to exceed a maximum interest rate of _____ %.
Discount points, loan origination, loan placement and other fees charged by the lender as a percentage of the mortgage loan (excluding any mortgage insurance premiums or VA funding fee) not to exceed _____ % (0% if not specified) of the mortgage loan.	Discount points, loan origination, loan placement and other fees charged by the lender as a percentage of the mortgage loan (excluding any mortgage insurance premiums or VA funding fee) not to exceed _____ % (0% if not specified) of the mortgage loan.

- 93 (B) The interest rate(s) and fee(s) provisions in Paragraph 8(A) are satisfied if the mortgage lender(s) gives Buyer the right to guarantee the interest rate(s) and fee(s) at or below the maximum levels stated. If lender(s) gives Buyer the right to lock in the interest rate(s), Buyer will do so at least 15 days before Settlement Date. Buyer gives Seller the right, at Seller's sole option and as permitted by law and the mortgage lender(s), to contribute financially, without promise of reimbursement, to the Buyer and/or the mortgage lender(s) to make the above mortgage term(s) available to Buyer.
 94
 95
 96
 97 (C) Within _____ days (7 if not specified) from the Execution Date of this Agreement, Buyer will make a completed, written mortgage application (including payment for and ordering of appraisal and credit reports without delay, at the time required by lender(s)) for the mortgage terms and to the mortgage lender(s) identified in Paragraph 8(A), if any, otherwise to a responsible mortgage lender(s) of Buyer's choice. Broker for Buyer, if any, otherwise Broker for Seller, is authorized to communicate with the mortgage lender(s) to assist in the mortgage loan process.
 98
 99
 100 (D) Buyer will be in default of this Agreement if Buyer furnishes false information to anyone concerning Buyer's financial and/or employment status, fails to cooperate in good faith with processing the mortgage loan application (including delay of the appraisal), fails to lock in interest rate(s) as stated in Paragraph 8(B), or otherwise causes the lender to reject, refuse to approve or issue a mortgage loan commitment.
 101
 102
 103 (E) 1. **Mortgage Commitment Date:** _____ . Upon receiving a mortgage commitment, Buyer will promptly deliver a copy of the commitment to Seller.
 104
 105 2. If Seller does not receive a copy of the mortgage commitment(s) by the Mortgage Commitment Date, Seller may terminate this Agreement by written notice to Buyer. Seller's right to terminate continues until Buyer delivers a mortgage commitment to Seller. Until Seller terminates this Agreement, Buyer is obligated to make a good-faith effort to obtain mortgage financing.
 106
 107 3. Seller may terminate this Agreement by written notice to Buyer after the Mortgage Commitment Date if the mortgage commitment:
 108 a. Does not satisfy the terms of Paragraph 8(A), OR
 109 b. Contains any condition not specified in this Agreement (e.g., the Buyer must settle on another property, an appraisal must be received by the lender, or the mortgage commitment is not valid through the Settlement Date) that is not satisfied and/or removed in writing by the mortgage lender(s) within 7 DAYS after the Mortgage Commitment Date in Paragraph 8(E)(1), or any extension thereof, other than those conditions that are customarily satisfied at or near settlement (e.g., obtaining insurance, confirming employment).
 110
 111 4. If this Agreement is terminated pursuant to Paragraphs 8(E)(2) or (3), or the mortgage loan(s) is not obtained for settlement, all deposit monies will be returned to Buyer according to the terms of Paragraph 24 and this Agreement will be VOID. Buyer will be responsible for any costs incurred by Buyer for any inspections or certifications obtained according to the terms of this Agreement, and any costs incurred by Buyer for: (1) Title search, title insurance and/or mechanics' lien insurance, or any fee for cancellation; (2) Flood insurance, fire insurance, hazard insurance, mine subsidence insurance, or any fee for cancellation; (3) Appraisal fees and charges paid in advance to mortgage lender(s).
 112
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125 Buyer Initials: ML

Seller Initials: DN

(F) If the mortgage lender(s), or a property and casualty insurer providing insurance required by the mortgage lender(s), requires repairs to the Property, Buyer will, upon receiving the requirements, deliver a copy of the requirements to Seller. Within 5 DAYS of receiving the copy of the requirements, Seller will notify Buyer whether Seller will make the required repairs at Seller's expense.

1. If Seller makes the required repairs to the satisfaction of the mortgage lender and/or insurer, Buyer accepts the Property and agrees to the RELEASE in Paragraph 26 of this Agreement.

2. If Seller will not make the required repairs, or if Seller fails to respond within the stated time, Buyer will, within 5 DAYS, notify Seller of Buyer's choice to:

a. Make the repairs/improvements at Buyer's expense, with permission and access to the Property given by Seller, which will not be unreasonably withheld, OR

b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 24 of this Agreement.

If Buyer fails to respond within the time stated in Paragraph 8(F)(2) or fails to terminate this Agreement by written notice to Seller within that time, Buyer will accept the Property and agree to the RELEASE in Paragraph 26 of this Agreement.

9. CHANGE IN BUYER'S FINANCIAL STATUS (2-12)

In the event of a change in Buyer's financial status affecting Buyer's ability to purchase, Buyer shall promptly notify Seller and lender(s) to whom the Buyer submitted mortgage application, if any. A change in financial status includes, but is not limited to, loss or a change in employment; failure or loss of sale of Buyer's home; Buyer's having incurred a new financial obligation; entry of a judgment against Buyer. Buyer understands that applying for and/or incurring an additional financial obligation may affect Buyer's ability to purchase.

10. SELLER REPRESENTATIONS (2-12)

(A) Status of Water

Seller represents that the Property is served by:

Public Water Community Water On-site Water None _____

(B) Status of Sewer

Seller represents that the Property is served by:

Public Sewer Community Sewage Disposal System Ten-Acre Permit Exemption (see Sewage Notice 2)

Individual On-lot Sewage Disposal System (see Sewage Notice 1) Holding Tank (see Sewage Notice 3)

Individual On-lot Sewage Disposal System in Proximity to Well (see Sewage Notice 1; see Sewage Notice 4, if applicable)

None (see Sewage Notice 1) None Available/Permit Limitations in Effect (see Sewage Notice 5)

(C) Historic Preservation

Seller is not aware of historic preservation restrictions regarding the Property unless otherwise stated here: _____

(D) Property, or a portion of it, is preferentially assessed for tax purposes under the following Act(s) (see Notices Regarding Land Use Restrictions):

Farmland and Forest Land Assessment Act (Clean and Green Program; Act 319 of 1974; 72 P.S. § 5490.1 et seq.)

Open Space Act (Act 442 of 1967; 32 P.S. § 5001 et seq.)

Agricultural Area Security Law (Act 43 of 1981; 3 P.S. §901 et seq.)

Other _____

(E) Seller represents that, as of the date Seller signed this Agreement, no public improvement, condominium or homeowner association assessments have been made against the Property which remain unpaid, and that no notice by any government or public authority has been served upon Seller or anyone on Seller's behalf, including notices relating to violations of zoning, housing, building, safety or fire ordinances that remain uncorrected, and that Seller knows of no condition that would constitute a violation of any such ordinances that remain uncorrected, unless otherwise specified here: _____

(F) Seller knows of no other potential notices (including violations) and/or assessments except as follows: _____

(G) Access to a public road may require issuance of a highway occupancy permit from the Department of Transportation.

11. WAIVER OF CONTINGENCIES (9-05)

If this Agreement is contingent on Buyer's right to inspect and/or repair the Property, or to verify insurability, environmental conditions, boundaries, certifications, zoning classification or use, or any other information regarding the Property, Buyer's failure to exercise any of Buyer's options within the times set forth in this Agreement is a WAIVER of that contingency and Buyer accepts the Property and agrees to the RELEASE in Paragraph 26 of this Agreement.

12. INSPECTIONS (2-12) (See Notices Regarding Property and Environmental Inspections)

(A) Rights and Responsibilities

1. Seller will provide access to insurers' representatives and, as may be required by this Agreement or by mortgage lender(s), to surveyors, municipal officials, appraisers and inspectors. All parties and their real estate licensee(s) may attend any inspections.

2. Buyer may make a pre-settlement walk-through inspection of the Property. Buyer's right to this inspection is not waived by any other provision of this Agreement.

3. Buyer and/or anyone on the Property at Buyer's direction or on Buyer's behalf, will leave the Property in the same condition as when they arrived unless otherwise agreed upon by the parties. Buyer bears the risk of restoring or repairing the Property or reimbursing Seller for any loss of value.

4. All inspectors, including home inspectors, are authorized by Buyer to provide a copy of any inspection Report to Broker for Buyer.

5. Seller has the right, upon request, to receive a free copy of any inspection Report from the party for whom it was prepared.

192 Buyer Initials: ML / _____

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Seller Initials: ML / _____

193 (B) Buyer waives or elects at Buyer's expense to have the following Inspections, certifications, and investigations (referred to as
 194 "Inspection" or "Inspections") performed by professional contractors, home inspectors, engineers, architects and other property
 195 licensed or otherwise qualified professionals. If the same inspector is inspecting more than one system, the inspector must com-
 196 ply with the Home Inspection Law. (See Notice Regarding the Home Inspection Law)

197 (C) For elected Inspection(s), Buyer will, within the Contingency Period(s) stated in Paragraph 13(A), complete Inspections, obtain any
 198 Inspection Reports or results (referred to as "Report" or "Reports"), and accept the Property, terminate this Agreement, or submit a
 199 Written Corrective Proposal(s) to Seller, according to the terms of Paragraph 13(B).

200 **Property Inspections and Environmental Hazards**

201 MR / _____ Elected Buyer may have a licensed or otherwise qualified professional conduct an inspection of the Property's water pene- **Waived**
 202 _____ / _____ tration; electromagnetic fields; wetlands and flood plain delineation; structure square footage; mold and other envi-
 203 ronmental hazards (e.g., fungi, indoor air quality, asbestos, underground storage tanks, etc.); and any other items
 204 Buyer may select.

205 **Water Service**

206 MR / _____ Elected Buyer may obtain an Inspection of the quality and quantity of the water system from a properly licensed or otherwise **Waived**
 207 _____ / _____ qualified water/well testing company. If and as required by the inspection company, Seller, at Seller's expense,
 208 will locate and provide access to the on-site (or individual) water system. Seller will restore the Property to its previous
 209 condition, at Seller's expense, prior to settlement.

210 **Connection to Off-Site Water Source**

211 MR / _____ Elected Buyer may determine the terms of connecting the Property to an off-site water source available through (Name of **Waived**
 212 _____ / _____ Service Provider): State College Borough Water Authority . (See Paragraph 14)

213 **On-lot Sewage (If Applicable)**

214 MR / _____ Elected Buyer may obtain an Inspection of the individual on-lot sewage disposal system from a qualified, professional **Waived**
 215 _____ / _____ inspector. If and as required by the existing inspection company, Seller, at Seller's expense, will locate, provide
 216 access to, and empty the individual on-lot sewage disposal system. Seller will restore the Property to its previous
 217 condition, at Seller's expense, prior to settlement. See paragraph 13(C) for more information regarding the
 218 Individual On-lot Sewage Inspection Contingency.

219 **Connection to Off-Site Sewage Disposal System**

220 MR / _____ Elected Buyer may determine whether the terms of connecting the Property to an off-site sewage disposal system through **Waived**
 221 _____ / _____ (Name of Service Provider): University Area Joint Authority are accept-
 222 able to Buyer. (See Paragraph 15)

223 **Property Insurance**

224 MR / _____ Elected Buyer may determine the insurability of the Property by making application for property and casualty insurance for **Waived**
 225 _____ / _____ the Property to a responsible insurer. Broker for Buyer, if any, otherwise Broker for Seller, may communicate with
 226 the insurer to assist in the insurance process. If the Property is located in a flood plain, Buyer may be required to
 227 carry flood insurance at Buyer's expense, which may need to be ordered 14 days or more prior to Settlement Date.

228 **Property Boundaries**

229 MR / _____ Elected Buyer may engage the services of a surveyor, title abstractor, or other qualified professional to assess the legal **Waived**
 230 _____ / _____ description, certainty and location of boundaries and/or quantum of land. Most Sellers have not had the Property
 231 surveyed as it is not a requirement of property transfer in Pennsylvania. Any fences, hedges, walls and other natural
 232 or constructed barriers may or may not represent the true boundary lines of the Property. Any numerical represen-
 233 tations of size of property are approximations only and may be inaccurate.

234 **Deeds, Restrictions and Zoning**

235 MR / _____ Elected Buyer may investigate easements, deed and use restrictions (including any historic preservation restrictions or ordi- **Waived**
 236 _____ / _____ nances) that apply to the Property and review local zoning ordinances. Buyer may verify that the present use of the
 237 Property (such as in-law quarters, apartments, home office, day care) is permitted and may elect to make the
 238 Agreement contingent upon an anticipated use. Present use: _____

239 **Other**

240 _____ / _____ Elected _____ **Waived**
 241 _____ / _____ _____ **_____**
 242 _____

243 The Inspections elected above do not apply to the following existing conditions and/or items: _____
 244 _____
 245 _____

246 **13. INSPECTION CONTINGENCY (2-12)**

247 (A) The Contingency Period is 60 days (10 if not specified) from the Execution Date of this Agreement for each Inspection elect-
 248 ed in Paragraph 12(C), except the following:

Inspection(s)	Contingency Period	
_____	_____	days
_____	_____	days
_____	_____	days
_____	_____	days

254 (B) Except as stated in Paragraph 13(C), if the result of any Inspection elected in Paragraph 12(C) is unsatisfactory to Buyer, Buyer
 255 will, within the stated Contingency Period:

- 256 1. Accept the Property with the information stated in the Report(s) and agree to the RELEASE in Paragraph 26 of this Agreement, OR
- 257 2. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of
- 258 Paragraph 24 of this Agreement, OR

259 Buyer Initials: MR / _____

Seller Initials: DW / _____

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3. Present the Report(s) to Seller with a Written Corrective Proposal ("Proposal") listing corrections and/or credits desired by Buyer. The Proposal may, but is not required to, include the name(s) of a properly licensed or qualified professional(s) to perform the corrections requested in the Proposal, provisions for payment, including retests, and a projected date for completion of the corrections. Buyer agrees that Seller will not be held liable for corrections that do not comply with mortgage lender or governmental requirements if performed in a workmanlike manner according to the terms of Buyer's Proposal.

a. No later than _____ days (5 if not specified) from the end of the Contingency Period(s), Seller will inform Buyer in writing that Seller will:

(1) Satisfy all the terms of Buyer's Proposal(s), OR
(2) Not satisfy all the terms of Buyer's Proposal(s).

b. If Seller agrees to satisfy the terms of Buyer's Proposal, Buyer accepts the Property and agrees to the RELEASE in Paragraph 26 of this Agreement.

c. Within _____ days (2 if not specified) of the receipt of written notification that Seller will not satisfy all terms of Buyer's Proposal, or the time stated in paragraph 13(B)(3)(a) if Seller fails to choose either option in writing, whichever occurs first, Buyer will:

(1) Accept the Property with the information stated in the Report(s) and agree to the RELEASE in Paragraph 26 of this Agreement. OR
(2) Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 24 of this Agreement. OR
(3) Enter into a mutually acceptable written agreement with Seller, providing for any repairs or improvements to the Property and/or any credit to Buyer at settlement, as acceptable to the mortgage lender, if any.

If Buyer fails to respond within the time stated in Paragraph 13(B)(3)(c) or fails to terminate this Agreement by written notice to Seller within that time, Buyer will accept the Property and agree to the RELEASE in Paragraph 26 of this Agreement.

(C) If a Report reveals the need to expand or replace the existing individual on-lot sewage disposal system, Seller may, within _____ days (25 if not specified) of receiving the Report, submit a Proposal to Buyer. The Proposal will include, but not be limited to, the name of the company to perform the expansion or replacement; provisions for payment, including retests; and a projected completion date for corrective measures. Within 5 DAYS of receiving Seller's Proposal, or if no Proposal is provided within the stated time, Buyer will notify Seller in writing of Buyer's choice to:

1. Agree to the terms of the Proposal, accept the Property and agree to the RELEASE in Paragraph 26 of this Agreement. OR
2. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 24 of this Agreement. OR
3. Accept the Property and the existing system and agree to the RELEASE in Paragraph 26 of this Agreement. If required by any mortgage lender and/or any governmental authority, Buyer will correct the defects before settlement or within the time required by the mortgage lender and/or governmental authority, at Buyer's sole expense, with permission and access to the Property given by Seller, which may not be unreasonably withheld. If Seller denies Buyer permission and/or access to correct the defects, Buyer may, within 5 DAYS of Seller's denial, terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 24 of this Agreement.

If Buyer fails to respond within the time stated in Paragraph 13(C) or fails to terminate this Agreement by written notice to Seller within that time, Buyer will accept the Property and agree to the RELEASE in Paragraph 26 of this Agreement.

14. ON-SITE WATER SERVICE APPROVAL CONTINGENCY

NOT APPLICABLE. The Property has an existing water service and Buyer is not seeking approval to install an on-site water system.

WAIVED. Buyer understands and acknowledges there may be no developed water system for the Property and that Buyer has the option to make this Agreement contingent on receiving municipal approval for the installation of an on-site water system. BUYER WAIVES THIS OPTION and agrees to the RELEASE in paragraph 26 of this Agreement.

ELECTED. Contingency Period: _____ days (15 if not specified) from the Execution Date of this Agreement.

1. Within the Contingency Period, Buyer will make a completed, written application for municipal approval for the installation of an on-site water system from _____ (municipality). Buyer will pay for applications, legal representation, and any other costs associated with the application and approval process.

2. If the municipality requires the application to be signed by the current owner, Seller agrees to do so.

3. If final, unappealable approval is not obtained by _____, Buyer will:

a. Accept the Property and agree to the the RELEASE in paragraph 26 of this Agreement, OR
b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of paragraph 24 of this Agreement, OR
c. Enter into a mutually acceptable written agreement with Seller as acceptable to the lender(s), if any.

If Buyer and Seller do not reach a written agreement before the time for obtaining final approval, and Buyer does not terminate the Agreement of Sale by written notice to Seller within that time, Buyer will accept the Property and agree to the terms of the RELEASE in paragraph 26 of this agreement.

319 Buyer Initials: MR / _____

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Seller Initials: DW / _____

320 15. INDIVIDUAL ON-LOT SEWAGE DISPOSAL INSTALLATION CONTINGENCY

321 NOT APPLICABLE. The Property has an existing sewage disposal system.
322 WAIVED. Buyer understands and acknowledges that Buyer has the option to make this Agreement contingent on receiving
323 municipal approval for the installation of an individual on-lot sewage disposal system. BUYER WAIVES THIS OPTION and
324 agrees to the RELEASE in paragraph 26 of this Agreement.

325 ELECTED. Contingency Period: _____ days (15 if not specified) from the Execution Date of this Agreement.
326 1. Within the Contingency Period, Buyer or Seller will make a completed, written application for municipal
327 approval for the installation of an individual on-lot sewage disposal system from _____

328 _____ (municipality). Buyer will pay for applications, legal representation,
329 and any other costs associated with the application and approval process.

330 2. If the municipality requires the application to be signed by the current owner, Seller agrees to do so.

331 3. If final, unappealable approval is not obtained by _____, Buyer will:

332 a. Accept the Property and agree to the the RELEASE in paragraph 26 of this Agreement, OR

333 b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms
334 of paragraph 24 of this Agreement, OR

335 c. Enter into a mutually acceptable written agreement with Seller as acceptable to the lender(s), if any.

336 If Buyer and Seller do not reach a written agreement before the time for obtaining final approval, and Buyer does not
337 terminate the Agreement of Sale by written notice to Seller within that time, Buyer will accept the Property and agree to the
338 terms of the RELEASE in paragraph 26 of this agreement.

339 16. NOTICES, ASSESSMENTS AND MUNICIPAL REQUIREMENTS (2-12)

340 (A) In the event any notices, including violations, and/or assessments are received after Seller has signed this Agreement and before
341 settlement, Seller will within 5 DAYS of receiving the notices and/or assessments provide a copy of the notices and/or assess-
342 ments to Buyer and will notify Buyer in writing that Seller will:

343 1. Fully comply with the notices and/or assessments, at Seller's expense, before settlement. If Seller fully complies with the
344 notices and/or assessments, Buyer accepts the Property and agrees to the RELEASE in Paragraph 26 of this Agreement, OR

345 2. Not comply with the notices and/or assessments. If Seller chooses not to comply with the notices and/or assessments, or falls
346 within the stated time to notify Buyer whether Seller will comply, Buyer will notify Seller in writing within 5 DAYS
347 that Buyer will:

348 a. Comply with the notices and/or assessments at Buyer's expense, accept the Property, and agree to the RELEASE in
349 Paragraph 26 of this Agreement, OR

350 b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of
351 Paragraph 24 of this Agreement.

352 If Buyer fails to respond within the time stated in Paragraph 16(A)(2) or fails to terminate this Agreement by written notice
353 to Seller within that time, Buyer will accept the Property and agree to the RELEASE in Paragraph 26 of this Agreement.

354 (B) If required by law, within 30 DAYS from the Execution Date of this Agreement, but in no case later than 15 DAYS prior to
355 Settlement Date, Seller will order at Seller's expense a certification from the appropriate municipal department(s) disclosing notice
356 of any uncorrected violations of zoning, housing, building, safety or fire ordinances and/or a certificate permitting occupancy of the
357 Property. If Buyer receives a notice of any required repairs/improvements, Buyer will promptly deliver a copy of the notice to Seller.

358 1. Within 5 DAYS of receiving notice from the municipality that repairs/improvements are required, Seller will deliver a
359 copy of the notice to Buyer and notify Buyer in writing that Seller will:

360 a. Make the required repairs/improvements to the satisfaction of the municipality. If Seller makes the required
361 repairs/improvements, Buyer accepts the Property and agrees to the RELEASE in Paragraph 26 of this Agreement, OR

362 b. Not make the required repairs/improvements. If Seller chooses not to make the required repairs/improvements, Buyer will
363 notify Seller in writing within 5 DAYS that Buyer will:

364 (1) Make the repairs/improvements at Buyer's expense, with permission and access to the Property given by Seller, which
365 will not be unreasonably withheld, OR

366 (2) Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms
367 of Paragraph 24 of this Agreement.

368 If Buyer fails to respond within the time stated in Paragraph 16(B)(1)(b) or fails to terminate this Agreement by
369 written notice to Seller within that time, Buyer will accept the Property and agree to the RELEASE in Paragraph
370 26 of this Agreement, and Buyer accepts the responsibility to perform the repairs/improvements according to the
371 terms of the notice provided by the municipality.

372 2. If Seller denies Buyer permission to make the required repairs/improvements, or does not provide Buyer access before
373 Settlement Date to make the required repairs/improvements, Buyer may, within 5 DAYS, terminate this Agreement by
374 written notice to Seller, with all deposit monies returned to Buyer according to the terms of Paragraph 24 of this Agreement.

375 3. If repairs/improvements are required and Seller fails to provide a copy of the notice to Buyer as required in this Paragraph, Seller
376 will perform all repairs/improvements as required by the notice at Seller's expense. Paragraph 16(B)(3) will survive settlement.

377 Buyer Initials: ML

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Seller Initials: DW

378 17. PLANNED COMMUNITY (HOMEOWNER ASSOCIATIONS) RESALE NOTICE (2-12)

379 Property is NOT a part of a Planned Community unless checked below.

380 PLANNED COMMUNITY (HOMBOWNER ASSOCIATION). The Property is part of a planned community as defined by the
381 Uniform Planned Community Act (see Notice Regarding Condominiums and Planned Communities). Section 5407(a) of the Act
382 requires Seller to furnish Buyer with a copy of the Declaration (other than plats and plans), the bylaws, the rules and regulations
383 of the association, and a Certificate containing the provisions set forth in section 5407(a) of the Act.

384 THE FOLLOWING APPLIES TO PROPERTIES THAT ARE PART OF A PLANNED COMMUNITY.

- 385 (A) Within 15 DAYS from the Execution Date of this Agreement, Seller, at Seller's expense, will request from the association a
386 Certificate of Resale and any other documents necessary to enable Seller to comply with the relevant Act. The Act provides that
387 the association is required to provide these documents within 10 days of Seller's request.
- 388 (B) Seller will promptly deliver to Buyer all documents received from the association. Under the Act, Seller is not liable to Buyer for
389 the failure of the association to provide the Certificate in a timely manner or for any incorrect information provided by the asso-
390 ciation in the Certificate.
- 391 (C) The Act provides that Buyer may declare this Agreement VOID at any time before Buyer receives the association documents and
392 for 5 days after receipt, OR until settlement, whichever occurs first. Buyer's notice to Seller must be in writing; upon Buyer
393 declaring this Agreement void, all deposit monies will be returned to Buyer according to the terms of Paragraph 24 of this
394 Agreement.
- 395 (D) If the association has the right to buy the Property (right of first refusal), and the association exercises that right, Seller will reim-
396 burse Buyer for any costs incurred by Buyer for any inspections or certifications obtained according to the terms of the Agreement,
397 and any costs incurred by Buyer for: (1) Title search, title insurance and/or mechanics' lien insurance, or any fee for cancellation;
398 (2) Flood insurance, fire insurance, hazard insurance, mine subsidence insurance, or any fee for cancellation; (3) Appraisal fees
399 and charges paid in advance to mortgage lender.

400 18. TITLES, SURVEYS AND COSTS (2-12)

- 401 (A) The Property will be conveyed with good and marketable title that is insurable by a reputable title insurance company at the reg-
402 ular rates, free and clear of all liens, encumbrances, and easements, **excepting however** the following: existing deed restrictions;
403 historic preservation restrictions or ordinances; building restrictions; ordinances; easements of roads; easements visible upon the
404 ground; easements of record; and privileges or rights of public service companies, if any.
- 405 (B) Buyer will pay for the following: (1) Title search, title insurance and/or mechanics' lien insurance, or any fee for cancellation;
406 (2) Flood insurance, fire insurance, hazard insurance, mine subsidence insurance, or any fee for cancellation; (3) Appraisal fees
407 and charges paid in advance to mortgage lender; (4) Buyer's customary settlement costs and accruals.
- 408 (C) Any survey or surveys required by the title insurance company or the abstracting company for preparing an adequate legal
409 description of the Property (or the correction thereof) will be obtained and paid for by Seller. Any survey or surveys desired by
410 Buyer or required by the mortgage lender will be obtained and paid for by Buyer.
- 411 (D) If Seller is unable to give good and marketable title that is insurable by a reputable title insurance company at the regular rates, as
412 specified in Paragraph 16(A), Buyer may terminate this Agreement by written notice to Seller, with all deposit monies returned to
413 Buyer according to the terms of Paragraph 24 of this Agreement. Upon termination, Seller will reimburse Buyer for any costs
414 incurred by Buyer for any inspections or certifications obtained according to the terms of this Agreement, and for those items spec-
415 ified in Paragraph 18(B) items (1), (2), (3) and in Paragraph 18(C).
- 416 (E) Oil, gas, mineral, or other rights of this Property may have been previously conveyed or leased, and Sellers make no representa-
417 tion about the status of those rights unless indicated elsewhere in this Agreement.

418 Oil, Gas and Mineral Rights Addendum (PAR Form OGM) is attached.

419 (F) COAL NOTICE (Where Applicable)

420 THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHTS OF SUPPORT UNDERNEATH
421 THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL
422 RIGHT TO REMOVE ALL SUCH COAL AND IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE,
423 BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. (This notice is set forth in the manner provided in Section 1 of the Act of
424 July 17, 1957, P.L. 984.) "Buyer acknowledges that he may not be obtaining the right of protection against subsidence resulting
425 from coal mining operations, and that the property described herein may be protected from damage due to mine subsidence by a
426 private contract with the owners of the economic interests in the coal. This acknowledgement is made for the purpose of com-
427 plying with the provisions of Section 14 of the Bituminous Mine Subsidence and the Land Conservation Act of April 27, 1966."
428 Buyer agrees to sign the deed from Seller which deed will contain the aforesaid provision.

429 (G) This property is not subject to a Private Transfer Fee Obligation unless otherwise stated here (see Notice Regarding Private Transfer
430 Fees):

431 Private Transfer Fee Addendum (PAR Form PTF) is attached.

432 19. MAINTENANCE AND RISK OF LOSS (2-12)

- 433 (A) Seller will maintain the Property, grounds, fixtures and personal property specifically listed in this Agreement in its present con-
434 dition, normal wear and tear excepted.
- 435 (B) If any system or appliance included in the sale of Property fails before settlement, Seller will:
- 436 1. Repair or replace the failed system or appliance before settlement, OR
- 437 2. Provide prompt written notice to Buyer of Seller's decision to:
- 438 a. Credit Buyer at settlement for the fair market value of the failed system or appliance, as acceptable to the mortgage lender,
439 if any, OR
- 440 b. Not repair or replace the failed system or appliance, and not credit Buyer at settlement for the fair market value of the
441 failed system or appliance.

442 Buyer Initials: MR

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Seller Initials: DW

443 3. If Seller does not repair or replace the failed system or appliance or agree to credit Buyer for its fair market value, or if Seller
444 fails to notify Buyer of Seller's choice, Buyer will notify Seller in writing within 5 DAYS or before Settlement Date,
445 whichever is earlier, that Buyer will:

446 a. Accept the Property and agree to the RELEASE in Paragraph 26 of this Agreement, OR
447 b. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of
448 Paragraph 24 of this Agreement.

449 If Buyer fails to respond within the time stated in Paragraph 19(B)(3) or fails to terminate this Agreement by written
450 notice to Seller within that time, Buyer will accept the Property and agree to the RELEASE in Paragraph 26 of this
451 Agreement.

452 (C) Seller bears the risk of loss from fire or other casualties until settlement. If any property included in this sale is destroyed and not
453 replaced prior to settlement, Buyer will:

454 1. Accept the Property in its then current condition together with the proceeds of any insurance recovery obtainable by Seller, OR
455 2. Terminate this Agreement by written notice to Seller, with all deposit monies returned to Buyer according to the terms of
456 Paragraph 24 of this Agreement.

457 **20. RECORDING (9-05)**
458 This Agreement will not be recorded in the Office of the Recorder of Deeds or in any other office or place of public record. If Buyer
459 causes or permits this Agreement to be recorded, Seller may elect to treat such act as a default of this Agreement.

460 **21. ASSIGNMENT (2-12)**
461 This Agreement is binding upon the parties, their heirs, personal representatives, guardians and successors, and to the extent assigna-
462 ble, on the assigns of the parties hereto. Buyer will not transfer or assign this Agreement without the written consent of Seller unless
463 otherwise stated in this Agreement. Assignment of this Agreement may result in additional transfer taxes.

464 **22. GOVERNING LAW, VENUE AND PERSONAL JURISDICTION (9-05)**
465 (A) The validity and construction of this Agreement, and the rights and duties of the parties, will be governed in accordance with the
466 laws of the Commonwealth of Pennsylvania.
467 (B) The parties agree that any dispute, controversy or claim arising under or in connection with this Agreement or its performance by either
468 party submitted to a court shall be filed exclusively by and in the state or federal courts sitting in the Commonwealth of Pennsylvania.

469 **23. REPRESENTATIONS (2-12)**
470 (A) All representations, claims, advertising, promotional activities, brochures or plans of any kind made by Seller, Brokers, their
471 licensees, employees, officers or partners are not a part of this Agreement unless expressly incorporated or stated in this
472 Agreement. This Agreement contains the whole agreement between Seller and Buyer, and there are no other terms, obligations,
473 covenants, representations, statements or conditions, oral or otherwise, of any kind whatsoever concerning this sale. This
474 Agreement will not be altered, amended, changed or modified except in writing executed by the parties.
475 (B) Unless otherwise stated in this Agreement, Buyer has inspected the Property (including fixtures and any personal prop-
476 erty specifically listed herein) before signing this Agreement or has waived the right to do so, and agrees to purchase the
477 Property IN ITS PRESENT CONDITION, subject to inspection contingencies elected in this Agreement. Buyer acknowl-
478 edges that Brokers, their licensees, employees, officers or partners have not made an independent examination or deter-
479 mination of the structural soundness of the Property, the age or condition of the components, environmental conditions,
480 the permitted uses, nor of conditions existing in the locale where the Property is situated; nor have they made a mechan-
481 ical inspection of any of the systems contained therein.
482 (C) Any repairs required by this Agreement will be completed in a workmanlike manner.
483 (D) Broker(s) have provided or may provide services to assist unrepresented parties in complying with this Agreement.

484 **24. DEFAULT, TERMINATION AND RETURN OF DEPOSITS (2-12)**
485 (A) Where Buyer terminates this Agreement pursuant to any right granted by this Agreement, Buyer will be entitled to a return of
486 all deposit monies paid on account of Purchase Price pursuant to the terms of Paragraph 24(B), and this Agreement will be VOID.
487 Termination of this Agreement may occur for other reasons giving rise to claims by Buyer and/or Seller for the deposit monies.
488 (B) Regardless of the apparent entitlement to deposit monies, Pennsylvania law does not allow a Broker holding deposit monies to
489 determine who is entitled to the deposit monies when settlement does not occur. Broker can only release the deposit monies:
490 1. If this Agreement is terminated prior to settlement and there is no dispute over entitlement to the deposit monies. A written
491 agreement signed by both parties is evidence that there is no dispute regarding deposit monies.
492 2. If, after Broker has received deposit monies, Broker receives a written agreement that is signed by Buyer and Seller, direct-
493 ing Broker how to distribute some or all of the deposit monies.
494 3. According to the terms of a final order of court.
495 4. According to the terms of a prior written agreement between Buyer and Seller that directs the Broker how to distribute the
496 deposit monies if there is a dispute between the parties that is not resolved. (See Paragraph 24(C))
497 (C) Buyer and Seller agree that if there is a dispute over the entitlement to deposit monies that is unresolved 365 days after
498 the Settlement Date stated in Paragraph 4(A), or any written extensions thereof, the Broker holding the deposit monies will, with-
499 in 30 days of receipt of Buyer's written request, distribute the deposit monies to Buyer unless the Broker is in receipt of verifi-
500 able written notice that the dispute is the subject of litigation. If Broker has received verifiable written notice of litigation prior
501 to the receipt of Buyer's request for distribution, Broker will continue to hold the deposit monies until receipt of a written distri-
502 bution agreement between Buyer and Seller or a final court order. Buyer and Seller are advised to initiate litigation for any por-
503 tion of the deposit monies prior to any distribution made by Broker pursuant to this paragraph. Buyer and Seller agree that the
504 distribution of deposit monies based upon the passage of time does not legally determine entitlement to deposit monies, and that
505 the parties maintain their legal rights to pursue litigation even after a distribution is made.

506 Buyer Initials: ML

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Seller Initials: DW

- 507 (D) Buyer and Seller agree that Broker who holds or distributes deposit monies pursuant to the terms of Paragraph 24 or Pennsylvania
 508 law will not be liable. Buyer and Seller agree that if any Broker or affiliated licensee is named in litigation regarding deposit
 509 monies, the attorneys' fees and costs of the Broker(s) and licensee(s) will be paid by the party naming them in litigation.
 510 (E) Seller has the option of retaining all sums paid by Buyer, including the deposit monies, should Buyer:
 511 1. Fail to make any additional payments as specified in Paragraph 2, OR
 512 2. Furnish false or incomplete information to Seller, Broker(s), or any other party identified in this Agreement concerning
 513 Buyer's legal or financial status, OR
 514 3. Violate or fail to fulfill and perform any other terms or conditions of this Agreement.
 515 (F) Unless otherwise checked in Paragraph 24(G), Seller may elect to retain those sums paid by Buyer, including deposit monies:
 516 1. On account of purchase price, OR
 517 2. As monies to be applied to Seller's damages. OR
 518 3. As liquidated damages for such default.
 519 (G) SELLER IS LIMITED TO RETAINING SUMS PAID BY BUYER, INCLUDING DEPOSIT MONIES, AS LIQUIDATED
 520 DAMAGES.
 521 (H) If Seller retains all sums paid by Buyer, including deposit monies, as liquidated damages pursuant to Paragraph 24(F) or (G),
 522 Buyer and Seller are released from further liability or obligation and this Agreement is VOID.
 523 (I) Brokers and licensees are not responsible for unpaid deposits.

524 **25. MEDIATION (2-12)**

525 Buyer and Seller will submit all disputes or claims that arise from this Agreement, including disputes and claims over deposit monies,
 526 to mediation. Mediation will be conducted in accordance with the Rules and Procedures of the Home Sellers/Home Buyers Dispute
 527 Resolution System, unless it is not available, in which case Buyer and Seller will mediate according to the terms of the mediation sys-
 528 tem offered or endorsed by the local Association of REALTORS®. Mediation fees, contained in the mediator's fee schedule, will be
 529 divided equally among the parties and will be paid before the mediation conference. This mediation process must be concluded before
 530 any party to the dispute may initiate legal proceedings in any courtroom, with the exception of filing a summons if it is necessary to
 531 stop any statute of limitations from expiring. Any agreement reached through mediation and signed by the parties will be binding (see
 532 Notice Regarding Mediation). Any agreement to mediate disputes or claims arising from this Agreement will survive settlement.

533 **26. RELEASE (9-05)**

534 Buyer releases, quit claims and forever discharges SELLER, ALL BROKERS, their LICENSEES, EMPLOYEES and any
 535 OFFICER or PARTNER of any one of them and any other PERSON, FIRM or CORPORATION who may be liable by or
 536 through them, from any and all claims, losses or demands, including, but not limited to, personal injury and property dam-
 537 age and all of the consequences thereof, whether known or not, which may arise from the presence of termites or other wood-
 538 boring insects, radon, lead-based paint hazards, mold, fungi or indoor air quality, environmental hazards, any defects in the
 539 individual on-lot sewage disposal system or deficiencies in the on-site water service system, or any defects or conditions on the
 540 Property. Should Seller be in default under the terms of this Agreement or in violation of any Seller disclosure law or regula-
 541 tion, this release does not deprive Buyer of any right to pursue any remedies that may be available under law or equity. This
 542 release will survive settlement.

543 **27. REAL ESTATE RECOVERY FUND (9-05)**

544 A Real Estate Recovery Fund exists to reimburse any persons who have obtained a final civil judgment against a Pennsylvania real
 545 estate licensee (or a licensee's affiliates) owing to fraud, misrepresentation, or deceit in a real estate transaction and who have been
 546 unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-
 547 3658 or (800) 822-2113 (within Pennsylvania) and (717) 783-4854 (outside Pennsylvania).

548 **28. COMMUNICATIONS WITH BUYER AND/OR SELLER (2-12)**

549 Wherever this Agreement contains a provision that requires or allows communication/delivery to a Buyer, that provision shall be sat-
 550 isfied by communication/delivery to the Broker for Buyer, if any, except for documents required to be delivered pursuant to
 551 Paragraph 15. If there is no Broker for Buyer, those provisions may be satisfied only by communication/delivery being made direct-
 552 ly to the Buyer, unless otherwise agreed to by the parties. Wherever this Agreement contains a provision that requires or allows com-
 553 munication/delivery to a Seller, that provision shall be satisfied by communication/delivery to the Broker for Seller, if any. If there is
 554 no Broker for Seller, those provisions may be satisfied only by communication/delivery being made directly to the Seller, unless oth-
 555 erwise agreed to by the parties.

556 **29. SPECIAL CLAUSES (2-12)**

557 (A) The following are part of this Agreement if checked:

- 558 Sale & Settlement of Other Property Contingency Addendum (PAR Form SSP)
 559 Sale & Settlement of Other Property Contingency with Right to Continue Marketing Addendum (PAR Form SSP-CM)
 560 Settlement of Other Property Contingency Addendum (PAR Form SOP)
 561 Short Sale Addendum to Agreement of Sale (PAR Form SHS)
 562 Appraisal Contingency Addendum (PAR Form ACA)
 563 _____
 564 _____
 565 _____

600 Buyer Initials: MR

Seller Initials: AW

566 (B) Additional Terms: 1) Seller agrees to give Buyer a 60 day due diligence period from the
 567 date of Seller's acceptance of this agreement. Should Buyer choose to declare this
 568 agreement null and void for any reason within the 60 day period, all monies on
 569 deposit will be returned to Buyer and Buyer will have no further liability to
 570 purchase the subject property. Buyer and Seller agree that there will be no deposit
 571 at execution of the agreement, \$10,000.00 at the end of 30 days, and an additional
 572 \$10,000.00 at the end of 60 days from the execution date of the agreement of sale.
 573 At the end of the 60 day period, the total \$20,000.00 deposit becomes
 574 non-refundable but will be credited towards the sale price at settlement.
 575 2) Seller agrees to cooperate with Buyer and turn over any and all reports,
 576 including but not limited to, surveys, land development plans, drawings,
 577 engineering plans, permits, etc. associated with the subject property for Buyers
 578 use within 15 days of Sellers acceptance of this agreement.
 579 3) Buyer and Seller acknowledge that this agreement is subject to court approval
 580 after the agreement is accepted by the seller. Should court approval not be
 581 granted, this agreement may be considered null and void and all monies on deposit
 582 will be returned to Buyer.
 583
 584

585 Buyer and Seller acknowledge receipt of a copy of this Agreement at the time of signing.

586 This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and which coun-
 587 terparts together shall constitute one and the same Agreement of the Parties.

588 NOTICE TO PARTIES: WHEN SIGNED, THIS AGREEMENT IS A BINDING CONTRACT. Parties to this transaction are
 589 advised to consult a Pennsylvania real estate attorney before signing if they desire legal advice.

590 Return of this Agreement, and any addenda and amendments, including return by electronic transmission, bearing the signatures
 591 of all parties, constitutes acceptance by the parties.

592 MR / _____ Buyer has received the Consumer Notice as adopted by the State Real Estate Commission at 49 Pa. Code
 593 §35.336.

594 MR / _____ Buyer has received a statement of Buyer's estimated closing costs before signing this Agreement.

595 MR / _____ Buyer has read and understands the notices and explanatory information in this Agreement.

596 MR / _____ Buyer has received the Deposit Money Notice (for cooperative sales when Broker for Seller is holding deposit
 597 money) before signing this Agreement.

598 BUYER Michael J. Lee _____ DATE 6/29/14
 Michael J. Lee, and/or assigns

599 BUYER _____ DATE _____

600 BUYER _____ DATE _____

601 Seller has received the Consumer Notice as adopted by the State Real Estate Commission at 49 Pa. Code § 35.336.

602 Seller has received a statement of Seller's estimated closing costs before signing this Agreement.

603 Seller has read and understands the notices and explanatory information in this Agreement.

604 SELLER Navel A. Wood _____ DATE 6/29/14
 The Second Mile

605 SELLER _____ DATE _____

606 SELLER _____ DATE _____

NOTICE REGARDING CONVICTED SEX OFFENDERS (MEGAN'S LAW)

The Pennsylvania General Assembly has passed legislation (often referred to as "Megan's Law," 42 Pa.C.S. § 9791 et seq.) providing for community notification of the presence of certain convicted sex offenders. Buyers are encouraged to contact the municipal police department or the Pennsylvania state Police for information relating to the presence of sex offenders near a particular property, or to check the information on the Pennsylvania state Police Web site at www.pameganslaw.state.pa.us.

FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980 (FIRPTA)

The disposition of a U.S. real property interest by a foreign person (the transferor) is subject to the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) income tax withholding. FIRPTA authorized the United States to tax foreign persons on dispositions of U.S. real property interests. This includes but is not limited to a sale or exchange, liquidation, redemption, gift, transfers, etc. Persons purchasing U.S. real property interests (transferee) from foreign persons, certain purchasers' agents, and settlement officers are required to withhold 10 percent of the amount realized (special rules for foreign corporations). Withholding is intended to ensure U.S. taxation of gains realized on disposition of such interests. The transferee/Buyer is the withholding agent. If you are the transferee/Buyer you must find out if the transferor is a foreign person. If the transferor is a foreign person and you fail to withhold, you may be held liable for the tax.

NOTICE REGARDING REAL ESTATE TAXES (Paragraph 2: Purchase Price and Deposits)

Real Estate Tax Proration: For purposes of prorating real estate taxes, the "periods covered" by the tax bills are as follows:

Municipal Taxes: For all counties and municipalities in Pennsylvania, tax bills are for the period January 1 to December 31.
School Taxes: For all school districts, other than the Philadelphia, Pittsburgh and Scranton school districts, the period covered by the tax bill is July 1 to June 30. For the Philadelphia, Pittsburgh and Scranton school districts, tax bills are for the period January 1 to December 31.

Real Estate Assessment: In Pennsylvania, taxing authorities (school districts and municipalities) and property owners may appeal the assessed value of a property at the time of sale, or at any time thereafter. A successful appeal by a taxing authority may result in a higher assessed value for the property and an increase in property taxes. Also, periodic county-wide property reassessments may change the assessed value of the property and result in a change in property tax.

NOTICE TO BUYERS SEEKING MORTGAGE FINANCING (Paragraph 8: Mortgage Contingency)

The appraised value of the Property is used by lenders to determine the maximum amount of a mortgage loan. The appraised value is determined by an independent appraiser, subject to the mortgage lender's underwriter review, and may be higher or lower than the Purchase Price and/or market price of the property.

The Loan-To-Value Ratio (LTV) is used by lenders as one tool to help assess the potential risk of a mortgage loan. LTV is determined by dividing the requested loan amount by either the Purchase Price or the appraised value of the property, whichever is lower. A particular LTV may be necessary to qualify for certain loans, or Buyers might be required to pay additional fees if the LTV exceeds a specific level.

NOTICE REGARDING TRUTH IN LENDING (Paragraph 8: Mortgage Contingency)

The Mortgage Disclosure Improvement Act requires mortgage lenders to provide Buyer with a Truth in Lending (TIL) statement at the time of mortgage application (early disclosure) and anytime thereafter (re-disclosure) if the annual percentage rate (APR) changes by more than .125 percent. Settlement cannot occur within 7 days of the early disclosure or within 3 days of re-disclosure. If a re-disclosure of a TIL statement is made within 3 days of the Settlement Date in the Agreement, settlement for the Property would have to occur after the Settlement Date stated. Buyer and Seller are advised that the APR may change by more than .125 percent based on factors including, but not limited to, Seller credits, changes in loan amount or duration, and Settlement Date change. If the Buyer and Seller agree to modify the Settlement Date in response to the TIL statement waiting period, or for any other reason, it should be done by mutual written agreement of the parties.

Buyer Initials: MR

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Seller Initials: DN

SEWAGE NOTICES (Paragraph 10: Seller Representations)

NOTICES PURSUANT TO THE PENNSYLVANIA SEWAGE FACILITIES ACT

- NOTICE 1: **THERE IS NO CURRENTLY EXISTING COMMUNITY SEWAGE SYSTEM AVAILABLE FOR THE SUBJECT PROPERTY.**
Section 7 of the Pennsylvania Sewage Facilities Act provides that no person shall install, construct, request bid proposals for construction, alter, repair or occupy any building or structure for which an individual sewage system is to be installed, without first obtaining a permit. Buyer is advised by this notice that, before signing this Agreement, Buyer should contact the local agency charged with administering the Act to determine the procedure and requirements for obtaining a permit for an individual sewage system. The local agency charged with administering the Act will be the municipality where the Property is located or that municipality working cooperatively with others.
- NOTICE 2: **THIS PROPERTY IS SERVICED BY AN INDIVIDUAL SEWAGE SYSTEM INSTALLED UNDER THE TEN-ACRE PERMIT EXEMPTION PROVISIONS OF SECTION 7 OF THE PENNSYLVANIA SEWAGE FACILITIES ACT.**
(Section 7 provides that a permit may not be required before installing, constructing, awarding a contract for construction, altering, repairing or connecting to an individual sewage system where a ten-acre parcel or lot is subdivided from a parent tract after January 10, 1987). Buyer is advised that soils and site testing were not conducted and that, should the system malfunction, the owner of the Property or properties serviced by the system at the time of a malfunction may be held liable for any contamination, pollution, public health hazard or nuisance which occurs as a result.
- NOTICE 3: **THIS PROPERTY IS SERVICED BY A HOLDING TANK (PERMANENT OR TEMPORARY) TO WHICH SEWAGE IS CONVEYED BY A WATER CARRYING SYSTEM AND WHICH IS DESIGNED AND CONSTRUCTED TO FACILITATE ULTIMATE DISPOSAL OF THE SEWAGE AT ANOTHER SITE.**
Pursuant to the Pennsylvania Sewage Facilities Act, Seller must provide a history of the annual cost of maintaining the tank from the date of its installation or December 14, 1995, whichever is later.
- NOTICE 4: **AN INDIVIDUAL SEWAGE SYSTEM HAS BEEN INSTALLED AT AN ISOLATION DISTANCE FROM A WELL THAT IS LESS THAN THE DISTANCE SPECIFIED BY REGULATION.**
The regulations at 25 Pa. Code §73.13 pertaining to minimum horizontal isolation distances provide guidance. Subsection (b) of §73.13 states that the minimum horizontal isolation distance between an individual water supply or water supply system suction line and treatment tanks shall be 50 feet. Subsection (c) of §73.13 states that the horizontal isolation distance between the individual water supply or water supply system suction line and the perimeter of the absorption area shall be 100 feet.
- NOTICE 5: **THIS LOT IS WITHIN AN AREA IN WHICH PERMIT LIMITATIONS ARE IN EFFECT AND IS SUBJECT TO THOSE LIMITATIONS. SEWAGE FACILITIES ARE NOT AVAILABLE FOR THIS LOT AND CONSTRUCTION OF A STRUCTURE TO BE SERVED BY SEWAGE FACILITIES MAY NOT BEGIN UNTIL THE MUNICIPALITY COMPLETES A MAJOR PLANNING REQUIREMENT PURSUANT TO THE PENNSYLVANIA SEWAGE FACILITIES ACT AND REGULATIONS PROMULGATED THEREUNDER.**

Buyer Initials: MR

ASVL Notices Page 2 of 5

Seller Initials: DW

**NOTICES REGARDING LAND USE RESTRICTIONS (Paragraph 10: Seller Representations)
NOTICE PURSUANT TO THE PENNSYLVANIA RIGHT-TO-FARM LAW (3. P.S. § 951-957)**

The property you are buying may be located in an area where agricultural operations take place. Pennsylvania protects agricultural resources for the production of food and agricultural products. The law limits circumstances where normal agricultural operations may be subject to nuisance lawsuits or restrictive ordinances.

FARMLAND AND FOREST LAND ASSESSMENT ACT (CLEAN AND GREEN PROGRAM) (72 P.S. § 5490.1 et seq.)

Properties enrolled in the Clean and Green Program receive preferential tax assessment.

Notices Required by Seller: A Seller of Property enrolled in the Clean and Green Program must submit notice of the sale and any proposed changes in the use of Seller's remaining enrolled Property to the County Assessor 30 days before the transfer of title to Buyer.

Notices Required by Buyer: A Buyer of Property enrolled in the Clean and Green Program must submit notice of any proposed changes Buyer intends to make in the use of the Property being purchased to the County Assessor at least 30 days prior to undertaking any changes.

Loss of Preferential Tax Assessment: The sale of the Property enrolled in the Clean and Green Program may result in the loss of program enrollment and the loss of preferential tax assessment for the Property and/or the land of which it is a part and from which it is being separated. Removal from enrollment in the Clean and Green Program may result in the charge of roll-back taxes and interest. A roll-back tax is the difference in the amount of taxes paid under the program and the taxes that would have been paid in the absence of Clean and Green enrollment. The roll-back taxes are charged for each year that the Property was enrolled in the program, limited to the past 7 years.

Buyer and Seller have been advised of the need to determine the tax implications that will or may result from the sale of the Property to Buyer or that may result in the future as a result in any change in use of the Property or the land from which it is being separated by contacting the County Tax Assessment Office before the execution of this Agreement of Sale.

OPEN SPACE ACT 32 P.S. § 5001 et seq.

This Act enables counties to enter into covenants with owners of land designated as farm, forest, water supply, or open space land on an adopted municipal, county or regional plan for the purpose of preserving the land as open space. A covenant between the owner and county is binding upon any Buyer of the Property during the period of time that the covenant is in effect (5 or 10 years). Covenants automatically renew at the end of the covenant period unless specific termination notice procedures are followed.

Buyer acknowledges that the purchase of Property for which there is a covenant will not extinguish the covenant and that a change in the use of the land to any other use other than that designated in the covenant will constitute a breach. When a breach of the covenant occurs, the then-owner is required to pay roll-back taxes and interest. A roll-back tax is the difference in the amount of taxes paid and the taxes that would have been paid in the absence of the covenant. The roll-back taxes are charged for each year that the Property was subject to the covenant, limited to the past 5 years.

Buyer has been advised of the need to determine the restrictions that will apply from the sale of the Property to Buyer and the tax implications that will or may result from a change in use of the Property, or any portion of it. Buyer is further advised to determine the term of any covenant now in effect.

Buyer Initials: MR

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Seller Initials: DAW

NOTICES REGARDING PROPERTY & ENVIRONMENTAL INSPECTIONS

(Paragraph 12: Inspections)

Electromagnetic Fields: Electromagnetic Fields (EMFs) occur around all electrical appliances and power lines. Conclusive evidence that EMFs pose health risks does not exist at present, and Pennsylvania has no laws regarding this issue.

Environmental Hazards: The U.S. Environmental Protection Agency has a list of hazardous substances, the use and disposal of which are restricted by law. Generally, if hazardous substances are found on a property, it is the property owner's responsibility to dispose of them properly. For more information and a list of hazardous substances, contact the U.S. Environmental Protection Agency, Ariel Rios Building, 1200 Pennsylvania Ave., N.W., Washington, D.C. 20460, (202) 260-2090.

Wetlands: Wetlands are protected by the federal and state governments. Buyer may wish to hire an environmental engineer to investigate whether the Property is located in a wetlands area to determine if permits for plans to build, improve or develop the property would be affected or denied because of its location in a wetlands area.

NOTICES REGARDING PLANNED COMMUNITIES

(Paragraph 17: Planned Community (Homeowner Association) Resale Notice)

The Uniform Planned Community Act defines a "planned community" as real estate with respect to which a person, by virtue of ownership of an interest in any portion of the real estate, is or may become obligated by covenant, easement or agreement imposed on the owner's interest to pay any amount for real property taxes, insurance, maintenance, repair, improvement, management, administration or regulation of any part of the real estate other than the portion or interest owned solely by the person. The term excludes a cooperative and a condominium, but a cooperative or condominium may be part of a planned community. For the purposes of this definition, "ownership" includes holding a leasehold interest of more than 20 years, including renewal options, in real estate. The term includes non-residential campground communities.

Exemptions from the Uniform Planned Community Act: When a Certificate of Resale Is Not Required

The owner of a property located within a planned community is not required to furnish the Buyer with a certificate of resale under the following circumstances:

- (1) The Planned Community contains no more than 12 units, provided there is no possibility of adding real estate or subdividing units to increase the size of the Planned Community.
- (2) The Planned Community/Condominium is one in which all of the units are restricted exclusively to non-residential use, unless the declaration provides that the resale provisions are nevertheless to be followed.
- (3) The Planned Community/Condominium or units are located outside the Commonwealth of Pennsylvania.
- (4) The transfer of the unit is a gratuitous transfer.
- (5) The transfer of the unit is required by court order.
- (6) The transfer of the unit is by the government or a governmental agency.
- (7) The transfer of the unit is the result of foreclosure or in lieu of foreclosure.

Notices Regarding Public Offering Statements and Right to Rescission

If Seller is a Declarant of the condominium or planned community, Seller is required to furnish Buyer with a copy of the Public Offering Statement and its amendments. For condominiums, the delivery of the Public Offering Statement must be made no later than the date the Buyer executes this Agreement. Buyer may cancel this Agreement within 15 days after receiving the Public Offering Statement and any amendments that materially and adversely affect Buyer. For planned communities, the Declarant must provide the Buyer with a copy of the Public Offering Statement and its amendments no later than the date the Buyer executes this Agreement. Buyer may cancel this Agreement within 7 days after receiving the Public Offering Statement and any amendments that materially and adversely affect Buyer.

NOTICES REGARDING PRIVATE TRANSFER FEES (Paragraph 18: Title, Surveys & Costs)

In Pennsylvania, Private Transfer Fees are defined and regulated in the Private Transfer Fee Obligation Act (Act 1 of 2011: 68 Pa.C.S. §§ 8101, et. seq.), which defines a Private Transfer Fee as "a fee that is payable upon the transfer of an interest in real property, or payable for the right to make or accept the transfer, if the obligation to pay the fee or charge runs with title to the property or otherwise binds subsequent owners of property, regardless of whether the fee or charge is a fixed amount or is determined as a percentage of the value of the property, the purchase price or other consideration given for the transfer." A Private Transfer Fee must be properly recorded to be binding, and sellers must disclose the existence of the fees to prospective buyers. Where a Private Transfer Fee is not properly recorded or disclosed, the Act gives certain rights and protections to buyers.

Buyer Initials: ML

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Seller Initials: DW

NOTICES REGARDING MEDIATION (Paragraph 25: Mediation)

HOME SELLERS/HOME BUYERS DISPUTE RESOLUTION SYSTEM RULES AND PROCEDURES

1. **Agreement of Parties:** The Rules and Procedures of the Dispute Resolution System (DRS) apply when the parties have agreed in writing to mediate under DRS. The written agreement can be achieved by a standard clause in an agreement of sale, an addendum to an agreement of sale, or through a separate written agreement.
2. **Initiation of Mediation:** If a dispute exists, any party may start the mediation process by submitting a completed Request to Initiate Mediation DRS Transmittal Form (Transmittal Form) to the local Association of REALTORS® (hereafter "Administrator"). The Transmittal Form should be available through the Administrator's office. The initiating party should try to include the following information when sending the completed Transmittal Form to the Administrator:
 - a. A copy of the written agreement to mediate if there is one, OR a request by the initiating party to have the Administrator contact the other parties to the dispute to invite them to join the mediation process.
 - b. The names, addresses and telephone numbers of the parties involved in the dispute, including the name of every insurance company known to have received notice of the dispute or claim and the corresponding file or claim number.
 - c. A brief statement of the facts of the dispute and the damages or relief sought.
3. **Selection of Mediator:** Within five days of receiving the completed Transmittal Form, the Administrator will send each party to the dispute a copy of the Transmittal Form and a list of qualified mediators and their fee schedules. Each party then has ten days to review the list of mediators, cross off the name of any mediator to whom the party objects, and return the list to the Administrator. The Administrator will appoint the first available mediator who is acceptable to all parties involved. A mediator who has any financial or personal interest in the dispute or the results of the mediation cannot serve as mediator to that dispute, unless all parties are informed and give their written consent.
4. **Mediation Fees:** Mediation fees will be divided equally among the parties and will be paid before the mediation conference. The parties will follow the payment terms contained in the mediator's fee schedule.
5. **Time and Place of Mediation Conference:** Within ten days of being appointed to the dispute, the mediator will contact the parties and set the date, time and place of the mediation conference. The mediator must give at least twenty days' advance notice to all parties. The mediation conference should not be more than sixty days from the mediator's appointment to the dispute.
6. **Conduct of Mediation Conference:** The parties attending the mediation conference will be expected to:
 - a. Have the authority to enter into and sign a binding settlement to the dispute.
 - b. Produce all information required for the mediator to understand the issues of the dispute. The information may include relevant written materials, descriptions of witnesses and the content of their testimony. The mediator can require the parties to deliver written materials and information before the date of the mediation conference.

The mediator presiding over the conference:

- a. Will impartially conduct an orderly settlement negotiation.
- b. Will help the parties define the matters in dispute and reach a mutually agreeable solution.
- c. Will have no authority to render an opinion, to bind the parties to his or her decision, or to force the parties to reach a settlement.

Formal rules of evidence will not apply to the mediation conference.

7. **Representation by Counsel:** Any party who intends to be accompanied to the mediation conference by legal counsel will notify the mediator and the other parties of the intent at least ten days before the conference.
8. **Confidentiality:** No aspect of the mediation can be relied upon or introduced as evidence in any arbitration, judicial or other proceeding. This includes, but is not limited to, any opinions or suggestions made by any party regarding a possible settlement; any admissions made during the course of the mediation; any proposals or opinions expressed by the mediator; and any responses given by any party to opinions, suggestions, or proposals.

No privilege will be affected by disclosures made in the course of the mediation.

Transcripts or recordings of the mediation will not be allowed without the prior, written consent of all parties and the mediator.

Records, reports, and other documents received or prepared by the mediator or Administrator cannot be compelled by an arbitration, judicial, or other proceeding, with the exception of an agreement that was reached in the course of mediation and signed by all the parties.

Neither the mediator nor the Administrator can be compelled to testify in any proceeding regarding information given or representations made either in the course of the mediation or in any confidential communication.

9. **Mediated Settlement:** When a dispute is resolved through mediation, the mediator will put the complete agreement in writing and all parties will sign the written agreement within ten days of the conclusion of the mediation conference. Every reasonable effort will be made to sign the written agreement at the end of the conference.
10. **Judicial Proceedings and Immunity:** NEITHER THE ADMINISTRATOR, THE MEDIATOR, THE NATIONAL ASSOCIATION OF REALTORS®, THE PENNSYLVANIA ASSOCIATION OF REALTORS®, NOR ANY OF ITS MEMBER BOARDS, WILL BE DEEMED NECESSARY OR INDISPENSABLE PARTIES IN ANY JUDICIAL PROCEEDINGS RELATING TO MEDIATION UNDER THESE RULES AND PROCEDURES, NOR WILL ANY OF THEM SERVING UNDER THESE PROCEDURES BE LIABLE TO ANY PARTY FOR ANY ACT, ERROR OR OMISSION IN CONNECTION WITH ANY SERVICE OR THE OPERATION OF THE HOME SELLERS/HOME BUYERS DISPUTE RESOLUTION SYSTEM.

Buyer Initials: ML

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Seller Initials: DW

EXHIBIT 6

THE SECOND MILE
Board of Directors Special Meeting
September 4, 2014

WHEREAS, The Second Mile, founded and incorporated in 1977 as a Pennsylvania non-profit corporation, currently owns land and a residence at 2400 Bernel Road, Patton Township, Centre County, Pennsylvania (“Bernel Road Property”).

WHEREAS, on November 4, 2011, the news media widely reported on the findings of a Statewide Investigating Grand Jury that Mr. Gerald Sandusky (“Sandusky”), the founder of The Second Mile, had engaged in alleged acts of child sexual abuse, and that Sandusky had been indicted for such allegedly unlawful conduct, and subsequently found guilty of such conduct.

WHEREAS, as Sandusky was widely associated with The Second Mile as its founder and a prominent fund raiser, it immediately became apparent that the allegations against Sandusky, especially as they focused on child sexual abuse, jeopardized the continuing ability of The Second Mile to maintain its programs.

WHEREAS, The Second Mile owns the Bernel Road Property, which was to be developed for athletic facilities, meeting places and dormitories in connection with the programs offered by The Second Mile.

WHEREAS, following the Sandusky disclosures, funding for the project was withdrawn or unavailable, the development was discontinued and the Bernel Road Property remained vacant except for occasional use of the house.

WHEREAS, the most recent appraisal (dated as of July 30, 2014 based on an inspection date of June 8, 2014) obtained by The Second Mile (“Appraisal”) determined the highest and best use of the Bernel Road Property was as agricultural property or open space, and that the market value of the Bernel Road Property was \$15,000 per acre, or a total of \$910,000.

WHEREAS, The Second Mile can no longer use the Bernel Road Property for any purpose.

WHEREAS, under date of June 24, 2014, The Second Mile entered into an Agreement of Sale with Michael J. Lee for the sale of the Bernel Road Property for \$1,050,000, with a required closing date of October 31, 2014.

WHEREAS, the sale of the Bernel Road Property is in the best interests of The Second Mile insofar as the proposed sale price exceeds the most recent appraised value of the Bernel Road Property.

RESOLVED, that it is in the best interests of The Second Mile that it sell the Bernel Road Property to Michael J. Lee at a purchase price of \$1,050,000, pursuant to the Agreement of Sale dated June 24, 2014.

RESOLVED, FURTHER, that the Chief Executive Officer of The Second Mile is hereby authorized and directed, without the joinder of any other person, to take such steps as are

necessary to carry out, perform and consummate the Agreement of Sale with Michael J. Lee, including the authority to negotiate any amendments deemed necessary in his reasonable judgment, all subject to approval by the Court of Common Pleas of Centre County-Orphans' Court Division.

RESOLVED, FURTHER, that the proceeds from the sale of the Bernel Road Property shall be held by The Second Mile pursuant to the Order of the Court of Common Pleas of Centre County - Orphans' Court Division, dated September 4, 2012.

The undersigned hereby certifies that she is the duly elected and qualified Secretary of The Second Mile; that the foregoing is a true record of a Resolution duly adopted at the Special Meeting of the Board of Directors of The Second Mile; that said meeting was held in accordance with the Bylaws of The Second Mile on September 4, 2014; and that said Resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, I have executed my name as Secretary this 4th day of September, 2014.


Linda Gall, Secretary

EXHIBIT 7

THE SECOND MILE
P.O. BOX 802
LEMONT, PENNSYLVANIA 16851

June 20, 2014

VIA E-MAIL (dws8@psu.edu) and CERTIFIED MAIL

Daniel Sieminski, Associate Vice President

For Finance and Business

208 Old Main

University Park, PA 16802

Re: Right of First Option – 2400 Bernel Road (“Property”)

Dear Dan:

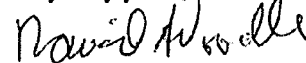
Although we had understood that the University, by letter dated February 10, 2012, waived and removed its Right of First Option from the Deed dated April 23, 2002, in all respects, The Second Mile does not want to argue this point with the University and, therefore, provides this notice to you without waiver of any rights or position.

We formally advise the University that The Second Mile has an offer to purchase the Property (approximately 60 acres) for \$975,000, from Michael J. Lee. Pursuant to the Deed, subject only to the reservation above, the University has the right to purchase the Property at a purchase price equal to the appraised value of the Property. Enclosed with this letter is the Appraisal for this Property, which values the Property at \$910,000.

Pursuant to the Deed, the University has 30 days from receipt of the Appraisal to accept the appraised value as the purchase price and acquire all 60 acres. Please notify me, however, as soon as possible if the University intends to do so as I am concerned that the Buyer, which is a cash transaction with no mortgage contingency, may elect not to proceed if the contemplated closing is delayed. In addition, I would request that the University, if it declines to purchase the Property again, make clear that this is a waiver and effective removal of the Right of First Option from the Deed in the future so that we can promptly market and sell the Property without restriction or contingency if this sale is not completed for any reason.

Once again, in light of the outstanding Agreement, we request your very prompt reply and look forward to your agreement to waive and remove the University's Right of First Option in the Deed generally.

Very truly yours,



David A Woodle
President

DW/dms

Enclosure (Appraisal)

cc: Gary W. Langsdale, University
Risk Officer
Joseph F. O'Dea, Jr., Esquire

EXHIBIT 8



David J. Gray
Senior Vice President for Finance
and Business / Treasurer

The Pennsylvania State University
208 Old Main
University Park, PA 16802-1503

July 1, 2014

David A. Woodle – President
The Second Mile
P O Box 802
Lemont, PA 16802

Re: Right of First Option – 2400 Bernel Road (Property)

Dear David,

Thank you for your attached letter dated June 20, 2014, notifying the University that The Second Mile has an offer to purchase the Property for \$975,000 from Michael J. Lee and, consistent with the deed, the University has the right to purchase the Property at a purchase price equal to the appraised value which is \$910,000.

Please be advised that the University does not wish to exercise its right to purchase the Property at this time.

The University does reserve the right of first refusal, however, should the sale that is currently being considered not proceed to settlement.

Again, thank you for your letter.

Sincerely,

A handwritten signature in black ink that reads "David J. Gray".

David J. Gray
Senior Vice President for Finance
and Business/Treasurer

EXHIBIT 9

IN THE ORPHANS' COURT DIVISION OF THE COURT OF COMMON PLEAS
OF CENTRE COUNTY PENNSYLVANIA

IN RE: THE SECOND MILE

ORPHANS' COURT NO. 14-12-0255

ORDER

REGINA A. BARTON
REGISTER OF WILL &
CLERK OF ORPHANS COURT
CENTRE COUNTY PA

2012 SEP -5 A 8:33

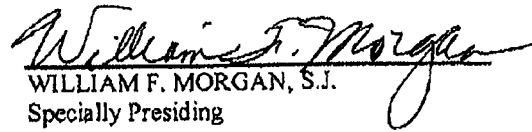
FILED FOR RECORD

AND NOW, this 4th day of September, 2012, this Court having reviewed the Petition For Distribution of Assets Of The Second Mile Pending Dissolution; the Answer And Objection of John Doe A. and Grand Jury Presentment Victims 3, 5 and 7 to said Petition; and the Stipulation Of Counsel Regarding Stay of Proceedings, this Court approves said Stipulation and it is hereby ORDERED and DECREED as follows:

- a. The Petition for Distribution Of Assets Of The Second Mile Pending Dissolution is held in abeyance and all proceedings thereunder are stayed during such time as actions in tort are filed and pending against The Second Mile on behalf of alleged victims of sexual abuse as may have been committed by Gerald Sandusky (hereinafter "Victims"). This stay may be lifted only upon further Order of the Court.
- b. At such time as The Second Mile elects to proceed under its pending Petition, under an amended petition, or elects to dissolve the corporation, it shall give thirty days notice in advance of filing its motion to lift the stay, and/or to dissolve, to counsel for all known Victims, to unrepresented known victims, to counsel for all parties, and counsel for the Office of Attorney General, Charitable Trusts and Organization Section.
- c. In the event that the Court enters an order lifting the stay, no party's rights shall be prejudiced and all objections are preserved.
- d. Neither this Order nor the underlying Stipulation shall settle, resolve or release the legal claims that a Victim may have against The Second Mile or any other entity or person.

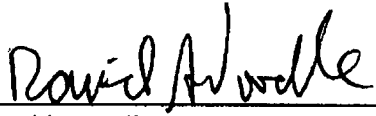
- e. The Second Mile shall not oppose a request by a Victim whose claims are unresolved to intervene in this proceeding as to the appropriate distribution of assets and shall not challenge the standing of a Victim to intervene. The Second Mile reserves its right to dispute any other position taken by a Victim in this proceeding.

BY THE COURT


WILLIAM F. MORGAN, S.J.
Specially Presiding

VERIFICATION

David Woodle, being first duly sworn according to law, deposes and says that he is President of The Second Mile, and that he is authorized to make this Verification on its behalf, and, further, that he has reviewed the foregoing Petition and that the statements contained therein are true and correct based upon his personal knowledge or, otherwise, on information and belief. This Verification is made subject to the penalties of 18 Pa. C.S.A. § 4904 relating to unsworn falsification to authorities.



David Woodle
President

**IN THE ORPHANS' COURT DIVISION OF THE COURT OF COMMON PLEAS
OF CENTRE COUNTY, PENNSYLVANIA**

IN RE: THE SECOND MILE

ORPHANS' COURT NO. 14-12-0255

CERTIFICATE OF SERVICE

The undersigned counsel for Petitioner certifies that true and correct copies of the Petition to Approve Sale of Property were served on September 16, 2014, in the manner noted and addressed as follows:

VIA E-MAIL AND UNITED STATES MAIL

Mark A. Pacella, Esquire
Chief Deputy Attorney General
Charitable Trusts & Organizations Section
Office of Attorney General
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Harrisburg, PA 17120

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Janet, Jenner & Suggs, LLC
1829 Reistertown Road
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Stephen E. Raynes, Esquire
Raynes McCarty
1845 Walnut Street
20th Floor
Philadelphia, PA 19103

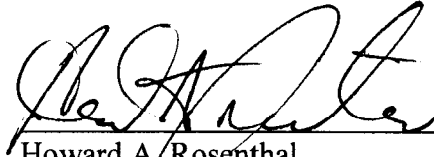
Bret J. Southard, Esquire
Casale & Bonner, P.C.
10 West Third Street
Williamsport, PA 17701

Joseph F. O'Dea, Jr., Esquire
Saul Ewing LLP
1500 Market Street
Philadelphia, PA 19102

Notification of filing of the Petition to Approve Sale of Property has been made to all persons whose names appear on the Service List attached as Exhibit "A," by depositing a Memorandum

describing the purpose of the Petition in the United States Mail, first class postage prepaid.

Upon request, counsel will furnish copies of the Supplemental Petition to such persons.



Howard A. Rosenthal
Attorney for Petitioner

OF COUNSEL:

ARCHER & GREINER, P.C.

One Liberty Place

Thirty-Second Floor

1650 Market Street

Philadelphia, Pennsylvania 19103-7393

Telephone: (215) 963-3300

Facsimile: (215) 963-9999

11494952v1

EXHIBIT “A”

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C-17
Downingtown, PA 19335-2904

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Ashburn, VA 20147-3109

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Mr. and Mrs. Edward Anderson
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Centre Hall, PA 16828-8937

Mr. Louis Appell
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Sewickley, PA 15143-1207

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(Bud) Shaub
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Ellicott City, MD 21042-1255

Dr. and Mrs. Bill B. Benton
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Ellicott City, MD 21042-1255

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Meserve
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Swarthmore, PA 19081-1221

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Relations Manager
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DE5-001-05-03
Wilmington, DE 19884

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Atlantic Beach, FL 32233-5975

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Centre Hall, PA 16828-8016

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3rd Floor
Pittsburgh, PA 15222

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Wernersville, PA 19565-9760

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State College, PA 16801-6936

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Schreyer
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Boalsburg, PA 16827-1437

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Mr. and Mrs. William Martin
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Radnor, PA 19087

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Mr. Ted McDowell
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Mr. Daryl Milliner
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Pittsburgh, PA 15221-4719

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Lakewood, OH 44107-5413

Mr. Kim Moyer
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Melanie Nero, Esquire
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New Pig Corp.
One Pork Avenue
Tipton, PA 16684

Ms. Heidi Nicholas
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Nittany Media, Inc
P.O. Box 111
Lewistown, PA 17044

Ms. Mariam C. Noland
333 W. Fort Street
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Detroit, MI 48226-3134

Mr. and Mrs. Charles R. Noll
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North American Communications
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Mr. James Novinger
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Mr. Michael O'Donnell
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Mrs. Kimberly Ortenzio-Nielsen
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