

AGREEMENT OF SALE

THIS AGREEMENT made this 17th day of MARCH, 2008, by and between **THE PENNSYLVANIA STATE UNIVERSITY**, a non-profit corporation, an instrumentality of the Commonwealth of Pennsylvania with an office and principal place of business at University Park, Centre County, Pennsylvania (hereinafter referred to as "University"),

-AND-

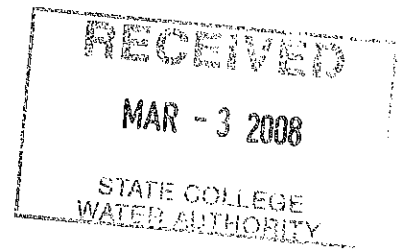
STATE COLLEGE BOROUGH AUTHORITY, a municipal authority with offices located at 1201 West Branch Road, State College, Centre County, Pennsylvania (hereinafter referred to as "Authority").

RECITALS:

- A. University owns real estate situate in Ferguson Township, Centre County, Pennsylvania including Tax Parcel Numbers 24-04/76A, 24-04/93A, and 24-04/94.
- B. University has subdivided its property to create a new parcel containing 59 acres designated as Lot 5 on the Plan prepared by Sweetland Engineering and Associates, Inc. entitled "Pennsylvania State University Whitehall Road 6 Lot Final Subdivision Plan", drawing numbers E-3343 and E-3344, dated 7 June, 2007, last revised 1 October, 2007, herein referred to as "Plan", intended to be recorded in the Centre County Recorder's Office at Plat Book 80, Page 90 as shown on Exhibit "A" attached hereto, hereinafter called the "Property".
- C. University desires to sell the Property to Authority who desires to purchase the Property in accordance with the terms of this Agreement of Sale.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and with the intent to be legally bound, the parties agree as follows:

1. Sale and Purchase. University shall sell and Authority shall purchase the Property under the terms and conditions more fully set forth herein.
2. Purchase Price. The purchase price to be paid University by Buyer for the Property shall be **THREE HUNDRED EIGHTY-THREE THOUSAND FIVE HUNDRED and no/100 (\$ 383,500.00) DOLLARS**, payable in full on the date of settlement by certified or escrow check or by wire transfer of immediately available funds to an account or accounts designated in writing by University.



3. Settlement and Possession. Provided all the contingencies set forth in this Agreement have been met, settlement shall occur on or before June 30, 2008. Settlement shall take place at a time and place in Centre County to be agreed upon by University and Authority, at which time University shall give Authority exclusive possession and control of the Property free and clear of all tenancies; subject only to any existing farm lease, a copy of which has been delivered to Buyer, which lease will be assigned to Buyer at settlement and rent paid thereunder will be prorated to the date of settlement.

4. Deed and Transfer Tax. At settlement, University shall execute a good and sufficient special warranty deed and deliver the same in recordable form conveying the Property to Authority. The deed shall be under and subject to the express condition and restriction as follows:

“ It is the understanding of the parties that the Authority shall use this Property to protect a water recharge area and that the Property shall remain in an undeveloped state or used by Authority, its successors or assigns, for agricultural, passive park, conservation area, preserve, or wetland uses, to include unpaved roadways and walkways, and beneficial reuse uses. This property is restricted to such uses and this restriction has the effect of a covenant running with the land. The covenant shall be enforceable by the University and the costs of enforcement, including costs of litigation and counsel fees, shall be borne by the party who causes a violation of the restriction.”

The University shall bear the cost of preparation of the Deed, and the Authority shall pay the cost of recordation of the Deed. It is contemplated that the transfer of the Property shall occur without the imposition of state or local Realty Transfer Tax since both parties are excluded from payment of transfer tax pursuant to §91.192(a) of the Realty Transfer Tax Regulations. However, if any transfer tax is imposed on the transfer of the Property it shall be divided equally with University paying one-half and Authority paying one-half. Formal tender of purchase money is hereby waived. It is intended that the Deed shall transfer to the Authority all of the University's right, title and interest in and to the Property, subject to aforesaid restrictions, but otherwise including all right, title and interest in all improvements, fixtures, easements, hereditaments, privileges and appurtenances thereunto belonging.

5. Real Estate Tax/Clean and Green. The parties acknowledge that the Property is currently carried as exempt on the real estate tax assessment rolls for Centre County. Upon settlement on the sale and purchase of the Property, it is contemplated that the Property shall remain exempt from real estate taxation. University represents that the Property is currently

assessed in and presently enrolled in the preferential real estate tax program commonly referred to as the "Clean and Green Act" (Act 319 of 1974, The Pennsylvania Farmland and Forest Land Assessment Act of 1974), and is under and subject to the terms and conditions of the Clean and Green Act and any applicable rules and regulations. It is intended that the Property shall remain enrolled in the Clean and Green program after transfer to Authority. If, after the date of settlement, any action is taken by Authority with respect to the Property which action triggers roll-back taxes under the Clean and Green Act that affects the Property, then Authority agrees to assume full and complete responsibility for roll-back taxes (including roll-back taxes for tax years prior to the date of the deed transfer or when the Property was owned by other parties), together with interest, costs and penalties, assessed. This provision shall survive settlement.

6. Title. Title to the Property shall be good and marketable, or such as may be insured at regular rates by a title insurance company authorized to do business in Pennsylvania. The Property shall be conveyed free and clear of all liens and encumbrances, excepting however the covenant running with the land as set forth in Section 4 hereof, and any existing building restrictions, ordinances, easements of roads, easements visible on the ground, or privileges and rights of public service companies. In the event that good and marketable or insurable title as aforesaid cannot be delivered, Authority shall have the option of (i) taking such title as University can give without abatement of purchase price; or (ii) rescinding this Agreement in which event there shall be no further liability or obligation on either of the parties.

7. Municipal Liens. Any municipal lien or charge with respect to improvements not commenced as of the date of this Agreement of Sale shall be the obligation of the Authority, and shall be paid in accordance with the requirements of the municipality.

8. Representations, Warranties and Covenants. University warrants and covenants to Authority that as of the date hereof and the settlement date:

a. University has no actual knowledge of any condemnation or judicial proceedings, administrative actions or examinations, claims or demands of any type, which have been instituted or which are pending or threatened with regard to the Property. In the event that University receives notice of such proceeding, action, examination, claim or demand after the date of this Agreement, that party shall provide a copy of such notice to Authority.

b. University represents that no assessments or notice of assessments for public improvements have been made against their respective properties which will not be paid in full prior to settlement.

c. University represents that it has not used the Property for the disposal, storage, treatment, processing or other handling of waste, contamination, PCBs or other toxic or hazardous substances, nor has any party received any

notice of violation of any applicable federal, state or local environmental law, ordinance or regulation with regard to their respective properties.

9. Contingencies. The performance of the parties hereunder is specifically contingent upon University obtaining of the approval of the Board of Trustees of University for the sale of the Property as contemplated in this Agreement at the March, 2008 meeting of the Board. The parties acknowledge the meetings of the Board of Trustees are open to the public and that the material terms of this Agreement may be disclosed to the public at the said meeting. If the above contingency is not met, this Agreement shall become null and void in which case there shall be no further liability or obligation on any of the parties with respect to the subject matter hereto.

10. Maintenance and Inspection. University shall maintain the Property in its present condition until the date that University delivers possession of the Property to Authority as provided hereunder, subject to the reasonable use of the property by the University or its tenant, and normal wear and tear excepted. The University hereby grants Authority the immediate right to enter upon the Property by its agents, contractors and employees for the purpose of making such surveys, soil tests, environmental audits, engineering studies, tests and examination, core borings and other investigations as Authority deems necessary or desirable. Authority shall provide University with reasonable notice of its intent to enter the Property to conduct any of the foregoing, and shall carry them out in a manner reasonably acceptable to the University, and shall promptly repair any damage caused by any of the foregoing activities conducted by or on behalf of Authority, and thereafter restore the Property to as good condition as existed prior to any such entry upon the Property by the Authority, its agents or contractors. In performing any such actions, Authority shall exercise due care for any crops planted on the Property by University's tenant. All costs associated with the carrying out of the activities described in this paragraph shall be the sole cost and expense of the Authority.

11. Risk of Loss and Damage. Between the date hereof and the time of settlement, University shall continue to maintain liability insurance coverage on the Property in such amounts as University shall determine in its sole discretion. Any material loss or damage to the Property between the date of this Agreement and the date of settlement shall not void or impair Authority's obligation to purchase the Property.

12. Sewage. Notice Pursuant to Pennsylvania Sewage Facilities Act: There may be no currently existing community system available for the 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. Authority is advised by this notice that, before signing an Agreement of Sale, Authority should contact the Ferguson Township Sewage Enforcement Officer to determine the procedure and requirements for obtaining a permit for an individual sewage system.

13. Water. Public water service may not be currently available to the Property. University makes no representation or warranty regarding the quality or quantity of any on-site water source on the Property, and Authority specifically assumes the risk of the availability of a water source for the Property.

14. Brokerage. The University and Authority represent and warrant to each other that all negotiations relating to this Agreement and the transactions contemplated hereby have been conducted without the intervention of any real estate brokers or agents, or any other such persons acting for the parties, so as to not give rise to any claim against either of the parties hereto for any brokerage commission or similar payment. The University and Authority, respectively, agree to indemnify and hold harmless the other with respect to any breach of the foregoing representation and warranty.

15. Further Assurances. Each party hereto agrees, on the request of the other parties hereto, to execute, acknowledge and deliver after or simultaneously with the settlement, such other further instruments and documents as any party may reasonably request to effect the purposes of this Agreement.

16. Heirs and Assigns. This Agreement shall be binding on the parties, their respective heirs, successors, administrators and assigns.

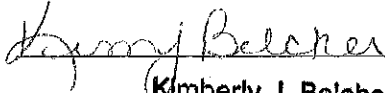
17. Sole Agreement. This Agreement constitutes the sole and exclusive agreement of the parties with respect to the subject matter hereof and supersedes any prior understandings or written or oral agreements between the parties with respect to the subject matter hereof. Any modifications or amendments to this Agreement shall be in writing and executed by the parties.

18. Time of the Essence. Time is of the essence of this Agreement.

19. Section Headings. The section headings preceding each section of this Agreement are for reference only, and shall not be considered for purposes of construing or interpreting this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and date first above written.

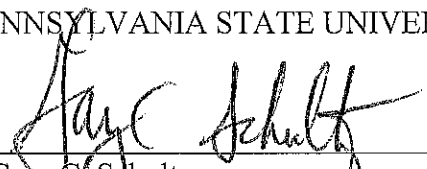
WITNESS/ATTEST:



Kimberly J. Belcher
Assistant Secretary

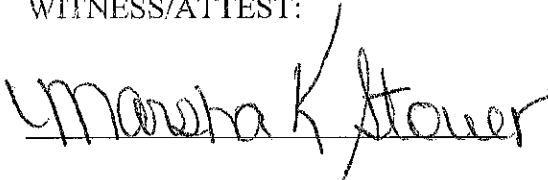
THE PENNSYLVANIA STATE UNIVERSITY

By:



Gary C. Schultz
Senior Vice President for Finance and
Business/Treasurer

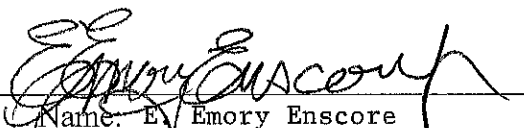
WITNESS/ATTEST:



Umawha K. Stower

STATE COLLEGE BOROUGH AUTHORITY

By:



Name: E. Emory Enscoe
Title: Chairman

EXHIBIT "A"

Plan prepared by Sweetland Engineering and Associates, Inc. entitled "Pennsylvania State University Whitehall Road 6 Lot Final Subdivision Plan", drawing numbers E-3343 and E-3344, dated 7 June, 2007, last revised 1 October, 2007, intended to be recorded in the Centre County Recorder's Office at Plat Book 80, Page 90.