

AGREEMENT OF SALE

THIS AGREEMENT OF SALE (the “**Agreement**”) made this _____ day of _____ 2025 is by and between **BOROUGH OF KENNETT SQUARE**, a Pennsylvania Borough, with an address of 600 S Broad Street, Suite 110, Kennett Square, PA 19348 (the “**Seller**” or Borough) and **STE HOLDINGS, LLC** a Pennsylvania Limited Liability Company with an address of 229 Old Kennett Road Kennett Square, PA 19348 (the “**Buyer**”). In this Agreement, Seller and Buyer are collectively referred to herein as the “**Parties**” and each, a “**Party**”.

W I T N E S S E T H:

Seller is the owner of two parcels of land located in the Borough of Kennett Square, Chester County, Pennsylvania, the first consisting of approximately .1123 acres and identified as Uniform Parcel Identifier 3-3-37 with a street address of 115 North Broad Street, Kennett Square, Chester County, PA and the second consisting of approximately .1722 acres and identified as Uniform Parcel Identifier 3-3-38 with a street address of 208 E. Linden Street Kennett Square, Chester County Pennsylvania (collectively, the “**Property**”), acquired by the Seller pursuant to a Deed dated April 20, 1994 and recorded at Office of Recorder of Deeds on April 20, 1994 at Book 3742, page 1649 attached hereto as **Exhibit A** and incorporated herein by reference. Nothing herein shall be construed as an agreement by the Borough, as a municipal entity operating under the Pennsylvania Borough Code and the Pennsylvania Municipalities Planning Code, for the modification, waiver or revision of any provisions of the Borough Ordinances with respect to the Property. Any consideration of the same, if any, by the Borough shall be undertaken pursuant to applicable Pennsylvania law.

NOW, THEREFORE, the undersigned, with the intention to be legally bound hereby, and in consideration of the mutual promises herein, agree as follows:

1. **Purchase Price.** The agreed-upon total consideration for the Property shall be **FIVE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$525,000.00)** (“**Purchase Price**”), payable as follows:

(a) Upon execution of this Agreement by the Seller, Buyer shall deliver **TWENTY-FIVE THOUSAND DOLLARS (\$25,000)** (the “**Deposit**”) to Madison Settlement Services (the “**Escrow Agent**”), to be held by Escrow Agent in escrow as hereinafter provided. The Deposit will be held in escrow by Escrow Agent until Closing (as hereinafter defined) or sooner cancellation or termination of this Agreement in an interest-bearing account in a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation. All interest earned thereon shall constitute additional deposit monies hereunder and shall be paid to Seller at Closing and applied towards the Purchase Price. Interest earned on the Deposit shall be paid or credited to which party is entitled to the Deposit at Closing or otherwise upon cancellation or termination of this Agreement. Any reference herein to the Deposit shall be deemed to include any interest earned thereon at the relevant time.

(b) At Closing, Buyer shall pay to Seller the balance of the Purchase Price (less the Deposit), subject to the positive or negative net effect of the apportionments for real estate taxes, statutory penalties against the Property, encumbrances against the Property and other apportionable items pursuant to this Agreement, by bank treasurer's or cashier's check, or by wire transfer of immediately available federal funds at Closing.

2. Conditions Precedent to Buyer's Obligation. Buyer's obligation to proceed to Closing under the terms of this Agreement is expressly conditioned upon the following conditions:

(a) Buyer obtaining formal approval by the Kennett Square Borough Council of the approval of the Buyer's bid for the proposed purchase of the Property, through an approval of the purchase and of a Resolution for acceptance of the same to Buyer from Seller.

(b) Buyer shall have a period of forty five (45) days ("Due Diligence Period") within which to conduct, at Buyer's expense, such inspections and investigations of the condition of title as set forth in Section 3, the physical condition of the Property for the purpose of determining, without limitation, its compliance with all applicable laws, the suitability of the site for the purposes contemplated by the Buyer as set forth in Exhibit B ("Buyer's Investigation"), noting that such Buyer's Inspection may include a Phase I or II environmental study or other environmental impact statement or any other inspections or studies as determined appropriate by Buyer. Seller shall permit Buyer and its agents and contractors to have access to the Property at reasonable times for purposes of conducting Buyer's Investigation. If Buyer is dissatisfied with the results of Buyer's Investigation, in its sole discretion, and for any reason whatsoever, it has the right to terminate this Agreement by giving written notice dated on or before the end of Due Diligence Period.

(c) Seller must not cause or permit any material change to the natural features of the Property between the date of this Agreement and Closing.

(d) Notwithstanding anything else herein contained, Buyer's obligation to proceed to Closing hereunder is contingent upon Seller's warranties and representations herein being true and correct in all material respects as of the Closing Date, and Seller having complied in all material respects with all its obligations under this Agreement.

Upon failure of any such condition, Buyer may terminate this Agreement by written notice dated on or before the expiration of the Due Diligence Period. In the event of timely termination of this Agreement pursuant to this paragraph 2, paragraph 3, or paragraph 6 hereof or otherwise, this Agreement shall be null and void, and the Deposit and any other monies theretofore paid by Buyer on account of the Purchase Price, if any, shall be returned to Buyer and neither party shall have any further liability or obligation to the other hereunder. In the event of such termination, however, each party shall remain responsible for its own respective transaction costs, including attorneys' fees and other costs incurred

in connection with the negotiation and performance of this Agreement. Buyer may waive the benefit of any of the following conditions, in whole or in part, in writing, and shall be deemed to have waived any unsatisfied or unfulfilled condition if Buyer in fact completes Closing and pays the balance of the Purchase Price.

3. Quality of Title.

(a) Title to the Property shall be good and marketable and free and clear of all liens, restrictions, easements and other encumbrances and title objections, except for the Permitted Title Exceptions (as hereinafter defined) and shall be insurable as such at ordinary rates by any reputable title insurance company selected by Buyer.

(b) Buyer takes the Personal Property, if any, "AS IS" and "WITH ALL FAULTS" and acknowledges that Seller has not made and does not make any representations or warranties as to physical condition, operation, merchantability, marketability, profitability, suitability or fitness for a particular use or purpose or any other matter. (c) Buyer shall have the right to order an ALTA title insurance commitment with respect to the Property ("Title Report"), together with copies of all instruments listed as exceptions therein. To the extent that Buyer does so, Buyer may notify Seller of any objections Buyer may have with respect to the Exceptions (as hereinafter defined) disclosed by the Title Report. "Exceptions" shall mean all restrictions, reservations, outstanding mineral rights, leases, easements, rights-of-way, encroachments, encumbrances, title exceptions or defects and other matters affecting title to the Property and all exceptions, printed or typed, which are disclosed in the Title Report. Notwithstanding the preceding, the term "Exceptions" shall not include the following: (i) standard pre-printed exceptions that are customarily removed by a standard seller's title affidavit at settlement or upon completion of a pre-settlement "bring-down" of title prior to settlement, and are in fact so removed, (ii) standard exceptions that can only be removed by special endorsement that Buyer does not elect to purchase, (iii) rights of the public with respect to any public road or road right of way passing through or bounding the Property that do not materially impact the Buyer's ability to operate the Property as intended, and (iv) easements in favor of public utility companies located within or immediately outside the legal right of way of existing public roads passing through or abutting the Property.

(c) If Buyer does not so notify Seller of any objections to the Exceptions on or before the end of the Due Diligence Period or within fifteen (15) days after receipt of the Title Report, whichever is later (the "Title Objection Period"), then Buyer shall be deemed to have waived any objections to the Exceptions disclosed in the Title Report, and such Exceptions shall be "Permitted Title Exceptions," and Buyer shall purchase the property subject to such Permitted Title Exceptions. If Buyer notifies Seller prior to the expiration Title Objection Period, the Exceptions as to which Buyer has not objected shall be "Permitted Title Exceptions." Notwithstanding anything to the contrary contained herein, if, prior to Closing, any new Exception is recorded after the effective date of Buyer's first Title Report, upon Buyer's written objection to such Exception prior to Closing, such Exception shall not be a Permitted Title Exception. Any mortgages, judgments, tax liens, support liens and other liens evidencing or securing a monetary obligation in a fixed,

liquidated or otherwise readily ascertainable amount (each, a “Monetary Lien”) shall not be deemed to be Permitted Title Exceptions and shall be satisfied, released, bonded against or discharged by Seller at or prior to Closing. Upon the failure of Seller to remove any such Exception, Buyer shall have the options as provided in paragraph 3(d) below.

(d) If Buyer objects to an Exception, Seller shall have the right, but not the obligation, to cure or remove such Exception, provided that Seller shall pay, discharge or otherwise secure the release of the Property from or bond against any Monetary Lien to the extent of the Purchase Price. If Seller has not cured all Exceptions that are not Permitted Title Exceptions on or before Closing, Buyer shall have the option of either (i) taking such title as Seller can convey, without abatement in the Purchase Price other than the application thereof to the payment and discharge of Monetary Liens which Seller has failed to discharge, or (ii) of terminating this Agreement. In the latter event, the Deposit and any accrued interest, and any other monies theretofore paid on account, if any, shall be returned promptly to Buyer, and Seller shall reimburse Buyer for the cost of the appraisal and title search with respect to the Property, but otherwise neither party shall have any further rights, obligations or liability to the other.

4. Seller’s Representations and Warranties. As a material inducement to cause Buyer to enter into this Agreement, Seller hereby represents, warrants, and agrees as follows:

(a) Seller’s Ownership Interest and Authorization to Enter Into Agreement. Seller is the legal owner of the Property, with full, unfettered and unconditional authority to sell the Property; to convey title to the Property and to execute this Agreement. Seller further covenants that no other party has any legal or equitable interest in the Property (including leasehold interests, except as explicitly disclosed to and approved in writing by the Buyer).

(b) Enforceability. This Agreement has been duly authorized, executed and delivered by Seller and constitutes the valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms.

(c) Consents; Proceedings; Bankruptcy.

(i) No consent, approval or other authorization of or by any Governmental Authority other than the Borough of Kennett Square is required in connection with Seller’s (a) execution and delivery of this Agreement, (b) compliance with the terms of this Agreement, or (c) completion of the transactions contemplated by this Agreement. The term “Governmental Authority” means any federal, state, county or municipal government, or political subdivision thereof, any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality, or public body, or any court or administrative tribunal.

(ii) No proceedings or actions are pending or, to the best of Seller’s knowledge, threatened, which do or might limit or impair Seller’s power, authority or right

to (a) execute and deliver this Agreement, (b) comply with the terms of this Agreement, or (c) complete the transactions contemplated by this Agreement.

(iii) Without limiting the generality of sub-paragraphs 4(c)(i) or 4(c)(ii): (a) there has not been filed by or against Seller a petition in bankruptcy or insolvency proceedings or for reorganization or for the appointment of a receiver or trustee, under state or Federal law; (b) Seller has not made an assignment for the benefit of creditors or filed a petition for an arrangement or entered into an arrangement with creditors which petition, proceedings, assignment, or arrangement was not dismissed by final, unappealable order of the court or body having jurisdiction over the matter; and (c) Seller is not insolvent, nor has Seller admitted in writing the inability to pay its debts as they become due.

(d) Conflicts; Other Agreements.

(i) Seller's execution and delivery of this Agreement, compliance with the terms of this Agreement, and completion of the transactions contemplated by this Agreement, will not conflict with, or result in a breach of any mortgage, lease, agreement or other instrument, or any applicable law, judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority to which Seller is a party or by which it or its properties is bound.

(ii) There are no rights, options, or other agreements of any kind to purchase or otherwise acquire or sell or otherwise dispose of any portion of the Property.

(e) Regulatory Compliance.

(i) Seller has received no notice from any Governmental Authority of a violation of any Federal, state or local law, regulation or ordinance affecting any portion of the Property.

(f) Notices from Insurers. Seller has received no notice from any insurance company or Board of Fire Underwriters that the condition of the Property is unsatisfactory or that any work or repairs must be undertaken.

(g) Tax Liens. No lien exists or can be asserted against the Property because of the failure of Seller to file any tax return or report or pay any Federal, state or local taxes of any kind. Seller has paid all taxes, license fees and other charges levied, assessed or imposed upon the Property or upon Seller except those which are not yet due and payable.

(h) General Disclaimer.

EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES

NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES (OTHER THAN THE WARRANTY OF TITLE AS SET OUT IN THE DEED, AS DEFINED BELOW), PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, OR (H) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE, ZONING OR DEVELOPMENT OF REGIONAL IMPACT LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN OR ON THE PROPERTY OF HAZARDOUS MATERIALS (AS DEFINED BELOW), MOLD OR MILDEW. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER AND AT THE CLOSING AGREES TO ACCEPT THE PROPERTY AND WAIVE ALL OBJECTIONS OR CLAIMS AGAINST SELLER (INCLUDING, BUT NOT LIMITED TO, ANY RIGHT OR CLAIM OF CONTRIBUTION) ARISING FROM OR RELATED TO THE PROPERTY OR TO ANY HAZARDOUS MATERIALS ON THE PROPERTY, MOLD OR MILDEW. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH

ALL FAULTS. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY BUYER SUBJECT TO THE FOREGOING. THE PROVISIONS OF THIS SECTION 4(h) SHALL SURVIVE THE CLOSING.

Hazardous Materials. “Hazardous Materials” shall mean any substance which is or contains (i) any “hazardous substance” as now or hereafter defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.) (“CERCLA”) or any regulations promulgated under or pursuant to CERCLA; (ii) any “hazardous waste” as now or hereafter defined in the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.) (“RCRA”) or regulations promulgated under or pursuant to RCRA; (iii) any substance regulated by the Toxic Substances Control Act (15 U.S.C. §2601 et seq.); (iv) gasoline, diesel fuel, or other petroleum hydrocarbons; (v) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (vi) polychlorinated biphenyls; (vii) radon gas; and (viii) any additional substances or materials which are now or hereafter classified or considered to be hazardous or toxic under Environmental Requirements (as hereinafter defined) or the common law, or any other applicable laws relating to the Property. Hazardous Materials shall include, without limitation, any substance, the presence of which on the Property, (A) requires reporting, investigation or remediation under Environmental Requirements; (B) causes or threatens to cause a nuisance on the Property or adjacent property or poses or threatens to pose a hazard to the health or safety of persons on the Property or adjacent property; or (C) which, if it emanated or migrated from the Property, could constitute a trespass.

Environmental Requirements. “Environmental Requirements” shall mean all laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, and decrees, now or hereafter enacted, promulgated, or amended, of the United States, the states, the counties, the cities, or any other political subdivisions in which the Property is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Property, the Property, or the use of the Property, relating to pollution, the protection or regulation of human health, natural resources, or the environment, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into the environment (including, without limitation, ambient air, surface water, ground water or land or soil).

Environmental Risks. By proceeding with this transaction following the expiration of the Inspection Period, Buyer shall be deemed to have made its own independent investigation of the Property, the inspections and reports, and the presence of Hazardous Materials on the Property as Buyer deems appropriate. Accordingly, subject to a claim for the breach of any of the representations and warranties of Seller, whether set forth herein or in any document delivered in connection with Closing, or any other breach of this Agreement or any other agreement to be delivered in connection with Closing, which claim(s) is expressly reserved to Buyer, Buyer, on behalf of itself and all of its officers,

directors, shareholders, employees, representatives and affiliated entities (collectively, the “Releasors”) hereby expressly waives and relinquishes any and all rights and remedies Releasors may now or hereafter have against Seller, and their respective successors and assigns, partners, shareholders, officers, members, managers and/or directors (the “Seller Parties”), whether known or unknown, which may arise from or be related to (a) the physical condition, quality, quantity and state of repair of the Property and the prior management and operation of the Property, (b) the Seller’s deliverables provided by Seller, (c) the Property’s compliance or lack of compliance with any federal, state or local laws or regulations, and (d) any past, present or future presence or existence of Hazardous Materials on, under or about the Property or with respect to any past, present or future violation of any rules, regulations or laws, now or hereafter enacted, regulating or governing the use, handling, storage or disposal of Hazardous Materials, including, without limitation, (i) any and all rights and remedies Releasors may now or hereafter have under the Comprehensive Environmental Response Compensation and Liability Act of 1980 (“CERCLA”), the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, and the Toxic Substance Control Act, all as amended, and any similar state, local or federal environmental law, rule or regulation, and (ii) any and all claims, whether known or unknown, now or hereafter existing, with respect to the Property under Section 107 of CERCLA (42 U.S.C.A. §9607), provided, however, none of the Seller Parties are released by the foregoing for any claim based upon a breach of any of Seller’s warranties, breach of any covenant or indemnity which survives Closing, whether set forth herein or in any document delivered in connection with Closing, or any other breach of this Agreement or any other agreement to be delivered in connection with Closing.

(i) Leases.

(i) There are no leases, tenancies, licenses or other rights of occupancy or use for any portion of the Property.

(j) Accuracy of Documents. Copies of all documents delivered or made available to Buyer pursuant to this Agreement shall be true, correct and complete, and shall accurately reflect the matters contained therein.

(k) Patriot Act; Executive Order 13224; Anti-Money Laundering Act.

(i) No Benefited Party (as hereafter defined) is a Prohibited Person. No Benefited Party (as hereafter defined) is in violation of the Executive Order, the Patriot Act, the Anti-Money Laundering Act, or any order, rule, regulation or recommendation promulgated under or in connection with the Executive Order, the Patriot Act or the Anti-Money Laundering Act.

(ii) “Benefited Party” means and includes any and all of the following: Seller; any officer, director, shareholder, partner or member of Seller; any direct or indirect holder of any equity interest in Seller; and any affiliate of Seller. “Prohibited Person” means and includes any person or entity with whom US persons or entities are prohibited or restricted from doing business pursuant to any of the following: the Executive

Order and the Annex thereto; the regulations of the Office of Foreign Asset Control of the Department of the Treasury, including the Specially Designated Nationals and Blocked Persons List, as updated from time to time; and, any other statute, law, executive order, rule, regulation or other governmental action. "Executive Order" means Executive Order 13224 signed on September 24, 2001, and titled "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism." "Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001. "Anti-Money Laundering Act" means the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001.

(l) Assessments. No assessments for public improvements have been made against the Property which remain unpaid for any street paving, curbing, water or sewer lines or other public improvements which might have been installed prior to the date hereof.

(m) Condemnation. Seller has no knowledge of any pending or threatened condemnation or eminent domain proceedings which would affect the Property.

(n) Foreign Person. Seller represents and warrants that it is not a foreign person as defined in Section 1445 (f)(3) of the Internal Revenue Code of 1986, as amended. Seller will deliver to Buyer at Closing a Certificate of Nonforeign Status, certifying under penalty of perjury the correctness of this subparagraph and providing Seller's taxpayer identification or Social Security number.

(o) No Representation of Tax Benefits.

(i) Seller has not relied upon any advice, information or analyses furnished by Buyer with respect either to the availability, amount, or effect of any deduction, credit, or other benefit to Seller under the Internal Revenue Code, the Treasury Regulations, or other applicable law; or the value of the Property.

(ii) Seller has relied solely upon its own judgment and/or professional advice furnished by the appraiser and legal, financial, and accounting professionals engaged by Seller. If any person providing services in connection with this Property was recommended by Buyer, Seller acknowledges that Buyer is not responsible in any way for the performance of services by these persons.

(iii) The sale of this Property is not conditioned upon the availability or amount of any deduction, credit, or other benefit under the Internal Revenue Code, Treasury Regulations, or other applicable law.

5. Eminent Domain and Casualty.

(a) In the event Seller receives any notice of any condemnation proceedings, or other proceedings in the nature of eminent domain relating to the Property, it will forthwith

send a copy of such notice to Buyer. If all or any part of the Property is taken by eminent domain prior to Closing, Buyer may, upon written notice to Seller, elect to cancel this Agreement. In the event of any such taking or notice thereof, unless Buyer completes Closing and pays the Purchase Price, all awards and just compensation payable as a result of such taking shall be the property of Seller.

(b) If all or any portion of the Property is destroyed or damaged by Fire or other casualty materially and adversely affecting the conservation values of the Property, Buyer may terminate this Agreement by notice to Seller within thirty (30) days after receipt of Seller's notice of the casualty. In that event, all insurance proceeds and other claims for damage shall be the property of Seller. Unless Buyer terminates this Agreement as provided in the second preceding sentence, Buyer shall complete Closing and pay the full Purchase Price to Seller without abatement, and Seller deliver any sums it has received and shall assign all rights to insurance proceeds to Buyer at Closing. Seller shall bear the risk of loss associated with the Property until Closing and shall maintain insurance on such Property for the full value of the Purchase Price.

6. Default; Remedies.

(a) Except as otherwise provided in Sections 2, 3 or 6 above, in the event Buyer fails to consummate the Closing in accordance with the terms of this Agreement, the Deposit and any accrued interest shall be paid to Seller as liquidated damages. With respect to all provisions of this Agreement, the parties agree that the amount of actual damages which Seller would suffer as a result of Buyer's default would be extremely difficult to determine and have agreed, after specific negotiation relating thereto, that the amount of the Deposit is a reasonable estimate of Seller's damages and is intended to constitute a fixed amount of liquidated damages in lieu of other remedies available to Seller and is not intended to constitute a penalty. This shall be Seller's sole remedy in the event of Buyer's default.

(b) In the event Seller fails to consummate the Closing in accordance with the terms of this Agreement, each party recognizes and agrees that Buyer's remedy at law would be inadequate and agrees that for breach of such obligation, Buyer shall, in addition to such other remedies as may be available to it at law or in equity, be entitled to injunctive relief and to enforce its rights by an action for specific performance to the extent permitted by applicable law. The parties hereby waive any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award of injunctive, mandatory or other equitable relief. Nothing herein contained shall be construed as prohibiting Buyer from pursuing any other remedies available to it pursuant to the provisions of this Agreement or applicable law for such breach or threatened breach, including without limitation the recovery of damages and the recovery of Buyer's transaction costs up to the time of the breach (including without limitation, any title, survey, environmental investigation, allocated staff time, and counsel fees incurred).

7. Assignment; Binding Effect; Novation. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns. Neither Party may assign or transfer all or any portion or all of its rights or obligations

under this Agreement without the prior written consent of the other Party, which consent may be withheld in such other Party's sole and absolute discretion, and any such prohibited assignment shall be void; provided, however, upon no less than five (5) days prior written notice to Seller containing a certification from Buyer and Buyer's assignee concerning Buyer's ownership or control of the assignee, Buyer may assign this Agreement to an affiliate of Buyer, provided that the owner of the affiliate is identical to the ownership of the Buyer. In the event that the Parties execute a Novation Agreement (defined below), the person or entity initially named herein as the "Buyer" (the "Initial Buyer") shall be deemed to be acting on behalf of a yet-to-be-formed Pennsylvania limited liability company, provided that ownership of the limited liability company is identical to the ownership of the Buyer (hereinafter, an "Affiliate"). After this Agreement is executed and prior to the consummation of Closing, Buyer shall have the right to form the Affiliate and assign this Agreement to the Affiliate, without the need for obtaining Seller's consent. At or before Closing, at Buyer's request, Seller will enter into an agreement by which the Affiliate is substituted for the Buyer, such substitute Buyer will assume all obligations of the Buyer hereunder (a "Novation Agreement"). The Buyer and Affiliate shall be liable for and shall indemnify, defend and hold Seller harmless from and against any realty transfer taxes (including any interest and penalties and any reasonable attorneys' fees incurred by Seller) which relate in any manner to a novation or an assignment of this Agreement by Buyer, its successors and assigns. The foregoing indemnification obligations will survive Closing or the earlier termination of this Agreement. Upon entering into an Assignment and Novation Agreement, Affiliate shall step into Buyer's shoes with respect to this Agreement and all investigations undertaken by Buyer, and shall be imputed with all knowledge obtained by Buyer with respect to the Property through the conduct of Buyer's Due Diligence Investigation. This Agreement shall, nevertheless, constitute the contractual obligation of Buyer, and Buyer shall have all rights and obligations of the Buyer hereunder, unless and until this Agreement has been novated and an Affiliate, Buyer and Seller have signed a Novation Agreement.

8. Closing Date. Closing under this Agreement (the "Closing") is to take place at the offices of the title company insuring Buyer's interest in the Property or at another location that is mutually agreeable to Buyer and Seller. Unless otherwise agreed by Buyer and Seller in writing, Closing shall not more than fifteen (15) days after the expiration of the Due Diligence Period, unless extended by the mutual agreement of the parties or to permit the Buyer to exercise its rights under Section 3 or Section 6 above and provided that neither the Buyer nor the Seller has exercised any right it may have to terminate, void or rescind this Agreement.

9. Closing Documents. At Closing, Seller must sign a Special Warranty Deed and deliver the fully executed documents, in proper form for recording in the public records, together with any affidavits or other documents customarily required by the title insurance agency to issue a title policy to the Buyer in proper form for recording in the public records. Both parties shall execute a settlement statement mutually agreed to by the parties.

10. Costs and Expenses.

(a) Buyer shall provide any affidavits required by the public records to claim exemption of the purchase of the Property from realty transfer tax.

(b) If Buyer chooses to obtain a survey, it shall pay for the new survey.

(c) Buyer shall pay for the costs of the title report, title insurance premiums, and recording fees for the Property.

(d) Seller shall pay recording fees for documents to be produced or removed by Seller.

(e) Each party will pay for its own attorney, counsel and accountant fees.

(f) In no event shall Buyer be responsible for payment of any Act 319 roll-back taxes that might be assessed because of the purchase.

(g) Real Estate Taxes; Apportionments. To the extent that any real estate taxes are imposed for the conveyance, they shall be adjusted pro rata as of the date of Closing and will be borne equally by the Buyer and Seller.

11. Waiver of Tender. Formal tender of a deed and purchase money is hereby waived.

12. Notices. All notices required or permitted to be given hereunder shall be in writing and sent by (i) personal delivery, (ii) recognized overnight delivery service (e.g., FedEx or UPS), or (iii) sent by electronic mail and also sent by any of the methods provided in clauses (i) through (iii) of this sentence, addressed as follows:

If to Buyer:

STE Holdings, LLC
229 Old Kennett Road
Kennett Square, Pennsylvania 19348
Attn: Joseph Corrado, Jr.

with a copy to:

J. Charles Gerbron, Esquire
MacElree Harvey, Ltd.
17 West Miner Street
West Chester, Pennsylvania 19380

If to Seller:

Borough of Kennett Square

600 S. Broad Street
Kennett Square, PA 19348
Attn: Borough Manager, Kyle Coleman
kcoleman@kennettsq.org

with a copy to:

Michael G. Crotty, Esquire
Siana Law, LLP
941 Pottstown Pike, Suite 200
Chester Springs, PA 19425
mgcrotty@sianalaw.com

If to Escrow Agent:

Madison Settlement Services
148 West State Street
Kennett Square, Pennsylvania 19348
Attn: David Myers, Esquire

Or to such other person or address as the party to be charged with such notice may designate by written notice given in the aforesaid manner.

13. Brokerage. Buyer and Seller represent and warrant that Emory Hill/Karmar are the sole agents that either party has used the services of a broker or intermediary in connection with this Property and that they shall be paid by the parties pursuant to a separate agreement and each party shall be responsible for the costs associated with those agreements and shall hold harmless the other Party against loss, cost, expenses, fees, liabilities and attorneys' fees arising as the consequence of any claim for a commission or fee.

14. Escrow Agent. The Escrow Agent shall hold the Deposit under the terms of this Agreement. The Escrow Agent shall apply the Deposit as provided in this Agreement. Any action of the Escrow agent shall be requested in writing by the respective parties hereto with copies of such requests sent as provided in paragraph 13 of this Agreement. Unless the Escrow Agent receives a written notice of objection from the other party to this Agreement within five days of any request for action, the Escrow Agent shall act in accordance with the request and this Agreement. If the Escrow Agent receives written objection to any request, the Escrow Agent shall advise both parties thereof. If the parties fail to resolve or compromise the conflicting claims as to the instructions given to Escrow Agent within thirty (30) days after the mailing of any notice of objection, the Escrow Agent of its own initiative or at the request of either party may pay the Deposit into court for decision with respect to the requested action. Upon payment of the Deposit into court, the Escrow Agent shall have no responsibility to Buyer or Seller except as specifically provided in this Agreement and shall not be responsible for the performance by Buyer or Seller of any obligation set forth in this Agreement. The Escrow Agent shall be liable

solely for its own negligence or default. The Escrow Agent shall be entitled to rely conclusively on the genuineness of any notice, authorization, instructions or other documents delivered to it under this Agreement which purports to have been signed by Buyer or Seller.

15. Parties Bound. This Agreement shall be binding upon the parties hereto and their respective heirs, administrators, executors, and assigns.

16. Captions. The captions contained herein are not a part of this Agreement. They are only for the convenience of the parties and do not in any way modify, amplify, or give full notice of any of the terms, covenants or conditions of this Agreement.

17. Number and Gender. For purpose of this Agreement, the masculine shall be deemed to include the feminine and the neuter, and the singular shall be deemed to include the plural, and the plural the singular, as the context may require.

18. No Recording. Neither this Agreement nor any document referring to this Agreement shall be recorded by Buyer, or by anyone acting on its behalf, in any public office, at Seller's option, any such recording shall be a default by Buyer hereunder.

19. Entire Agreement – Amendment. This Agreement contains the entire agreement between Seller and Buyer with respect to the Property; there are no other terms, covenants, obligations or representations, oral or written, of any kind whatsoever related to the subject matter of this transaction. This Agreement may be amended only by a written instrument executed by both parties.

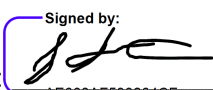
20. Governing Law. This Agreement is being executed, delivered and is intended to be performed in Chester County, Pennsylvania, and the substantive laws of the Commonwealth of Pennsylvania will govern the validity, construction and enforcement of this Agreement. The parties' consent to the venue and jurisdiction of any federal or state courts of Chester County, Pennsylvania in any action brought to enforce the terms of this Agreement. The parties irrevocably and unconditionally submit to the jurisdiction (both subject matter and personal) of any such court and irrevocably and unconditionally waive: (a) any objection any party might now or hereafter have to the venue in any such court; and (b) any claim that any action or proceeding brought in any such court has been brought in an inconvenient forum.

21. Effective Date Counterparts. This Agreement shall be effective on the later of the date signed by Buyer or the date signed by Seller, and in either case delivered to the other party. If Seller does not execute this Agreement and deliver two (2) fully executed counterparts hereof to Buyer within three (3) business days after the date this Agreement is signed by Buyer and delivered to Seller, this Agreement shall be null and void, and in such event the provisions of paragraph 2 shall apply.

INTENDING TO BE LEGALLY BOUND, the Seller and Buyer, by their respective duly authorized representatives, have signed and delivered this Agreement the day and year first above written.

Buyer:

STE HOLDINGS, LLC

Signed by:

By: _____
Name: Joseph Corrado, Jr.
Title: Authorized Member

Attest: Seller:

BOROUGH OF KENNETT SQUARE

By: _____
Name: Robert Norris
Title: Borough Council President

Joinder by Escrow Agent

The undersigned Escrow Agent, with the intention to be legally bound hereby, joins in the foregoing Agreement solely for the purpose of agreeing to be bound by paragraph 15 thereof.

Madison Settlement Services

By: _____
David Myers, as _____

Date: _____

Exhibit A

(to be updated when Title Commitment is issued)

Uniform Parcel Identifier 3-3-37 with a street address of 115 North Broad Street, Kennett Square, Chester County, PA and the second consisting of approximately .1722 acres

Uniform Parcel Identifier 3-3-38 with a street address of 208 E. Linden Street Kennett Square, Chester County Pennsylvania

Both acquired by the Seller pursuant to a Deed dated April 20, 1994 and recorded at Office of Recorder of Deeds on April 20, 1994 at Book 3742, page 1649

