

COMMUNITY CONTRIBUTION AGREEMENT

THIS AGREEMENT made this ____ day of _____, 2022, by and between **WELLSBORO AREA SCHOOL DISTRICT** (the “District”), having a principal business address of 227 Nichols Street, Wellsboro, Pennsylvania 16901 and **UPMC WELLSBORO**, f/k/a Soldiers and Sailors Memorial Hospital, with a business address of 32 Central Avenue, Wellsboro, Pennsylvania 16901 (hereinafter referred to as “Petitioner”) and the **GREEN HOME**, with a business address of 37 Central Avenue, Wellsboro, Pennsylvania 16901 (collectively with UPMC Wellsboro the “Owners”).

WHEREAS, by Appeal dated August 31, 2021, Wellsboro Area School District challenged the tax exempt status of the real properties owned by Owners and located in the District, as listed on Attachment “A” to this Agreement (the “Property”); and

WHEREAS, the Board of Assessment Revision (“Board”) by Decision dated October 25, 2021, determined that the properties were no longer exempt; and

WHEREAS, Owners filed a timely tax appeal to the Court of Common Pleas on November 15, 2021; and

WHEREAS, the parties have consulted regarding the issues in this matter, and the mutual benefit to be derived from the resolution of this matter through a negotiated settlement; and

WHEREAS, the District agrees that the property shall be designated exempt from local real estate taxes, and it agrees not to contest the determination that Owners are entitled to the exemption for real property taxes, nor the current assessed value of the Property for all Property; and

WHEREAS, the District and Owners further agree, upon the execution of this Agreement, that Owners shall notify the Court of Common Pleas of Tioga County that the litigation presently pending at Docket No. 0680-CV-2021 has been settled by mutual agreement as between Owners and the District. This Agreement does not constitute a settlement or discontinuance as to any other parties to the litigation.

NOW, THEREFORE, in consideration of the foregoing promises and other good and valuable consideration as hereinafter set forth, the parties, intending to be legally bound hereby, agree as follows:

1. **INCORPORATION OF RECITALS.** All of the foregoing recital paragraphs set forth above in this Agreement are herein incorporated by reference as if set forth at length.

2. **VOLUNTARY PILOT PAYMENTS.** Owners agree to make monetary contributions (hereinafter referred to as “Voluntary Payments”) to the Wellsboro Area School District during the term of this Agreement as follows:

a. With the exception of the 32 Central Avenue property (Tax Parcel

No. 39.04F00.014.000), which is addressed separately in subsection (b) below, Owners shall annually pay fifty percent (50%) of the stated amount due on the Real Estate Tax Notice issued each year.

Example: If the Real Estate Tax Notice for the Property indicates a total tax due of \$10,000, Owners will be required to pay 50% of that stated amount, equating to \$5,000.

b. The Parties agree to stipulate to and set the assessed value of the 32 Central Avenue Property (Tax Parcel No. 39.04F00.014.000) at \$6,074,630 and agree that UMPC Wellsboro shall annually pay fifty percent (50%) of the District's millage rate for the 32 Central Avenue Property based upon this stipulated assessed value of \$6,074,630, which represents the Parties' agreed upon assessment of this property to include the addition to the emergency room facilities, which was not previously included in the assessment for the property.

c. In all other respects, Owners shall be subject to the same payment terms as all other taxpayers and as set forth on the Real Estate Tax Notice, including any stated discounts for early payments and/or penalties for late payments.

d. The parties understand and acknowledge that the County is undertaking a countywide reassessment.

3. **EXEMPTION OF PROPERTY.** In consideration of Owners' consent to the terms and conditions as described herein, the District hereby warrants, covenants and agrees that, for purposes of the Property as described on Attachment "A," the District shall consider and treat Owners as an institution of purely public charity and the Property as exempt from real property taxes for each year covered by this Agreement, and that the District will not take any action to challenge or otherwise change the tax exempt status of the Property under the Pennsylvania Constitution, Act 55, the General County Assessment Law, or otherwise during the term of this Agreement. The limited exception to the preceding language is that either Party may challenge a change to the assessed value of the Property in the event that the Owners make material improvements to the same or in the event of a change to the assessed value of the Property due to a countywide reassessment.

4. **TERM.** The Agreement shall be in perpetuity unless terminated as provided hereunder.

5. **TERMINATION.** In the event that either party determines they no longer desire to abide by the terms of the Agreement, they shall provide written notice of the same to the other party, pursuant to Paragraph No. 8 herein, and to the District and the Tioga County Board of

Assessment within ninety (90) days prior to the commencement of the next District fiscal year (currently July 1st). If such notice is issued, the classification of the Property shall immediately be revised to reflect the current “taxable, non-exempt” status which was determined by the Board on October 25, 2021.

6. **ADDITIONAL OWNERSHIP INTERESTS.** Any additional ownership interest obtained by the Owners within the boundaries of the District shall not be subject to the terms and conditions of this Agreement, although the parties may choose to incorporate any new ownership interest into the same.

7. **BINDING EFFECT.**

a. This Agreement shall remain in full effect, and shall bind the parties hereto, so long as the principal use of the Property is continued to be used as a non-profit healthcare facility.

b. If, at any time during the term of this Agreement, the primary use of the Property shall change from a non-profit healthcare facility to another use, or, if ownership interest in the Property changes then, in that event, upon Notice to Owners as provided under this Agreement, the Property shall be subject to the imposition of the full amount of real estate taxes in accordance with law, and the terms of this Agreement shall be deemed of no further force or effect.

c. Absent a circumstance described within this Agreement, the terms herein shall be binding, to the extent permitted by law, upon the parties and their successors and assigns.

8. **NOTICE.** All notices, requests and other communications under this Agreement shall be effective only if made in writing and delivered to the following addresses:

If intended for the School District:

Wellsboro Area School District
227 Nichols Street
Wellsboro, PA 16901

If intended for the Owners:

UPMC Wellsboro
32 Central Avenue
Wellsboro, PA 16901
Attn: Hospital President

The Green Home
37 Central Avenue
Wellsboro, PA 16901

Attn: Administrator

With a copy to:

UPMC Legal Department
1001 Grampian Blvd.
Williamsport, PA 17701

9. **PILOT AGREEMENT.** The parties acknowledge and agree that this Agreement is intended to be a voluntary agreement (i.e. a voluntary "PILOT" Agreement) within the meaning of 10 P.S. § 371 et seq. (Act 55).

10. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, and any action seeking the enforcement of any term or condition of this Agreement shall be brought in the Court of Common Pleas of Tioga County, Pennsylvania.

IN WITNESS WHEREOF, the parties have set their hands and seals, with the full intent to be legally bound hereby, on the date first written above.

WELLSBORO AREA SCHOOL DISTRICT

UPMC WELLSBORO

By: _____

By: _____

Attest: _____

Attest: _____

By: _____

By: _____

Attest: _____

Attest: _____

THE GREEN HOME

By: _____

Attest: _____

By: _____

Attest: _____

Attachment "A"

<u>Parcel</u>	<u>Address</u>	<u>Owner</u>	<u>Current Assessment</u>
39.07F00.018.001	7 Water Street, Wellsboro	Soldiers and Sailors Memorial Hospital	342,800
39.04C00.015.000	Walnut Street, Wellsboro	Green Home Inc.	113,750
39.04C00.005.000	39 Central Avenue, Wellsboro	Green Home Inc.	3,160,810
39.04C00.001.000	37 Central Avenue, Wellsboro	Green Home Inc.	3,041,550
39.04C00.019.000	25 Walnut Avenue	The Green Home	160,010
39.05B00.021.000	Morgan Terrace Parking Lot	Soldiers and Sailors Memorial Hospital	112,380
39.04F00.014.000	32 Central Avenue	Soldiers and Sailors Memorial Hospital	6,074,630*
39.04C00.016.000	Walnut Street Parking Lot	Green Home Inc	87,500
39.04C00.017.000	Walnut Street Parking Lot	Green Home Inc	30,000
39.05B00.022A	Morgan Terrace	Soldiers and Sailors Memorial Hospital	45,000

*This figure represents the stipulated assessed value agreed to by and between the District and UMPC Wellsboro for the 32 Central Avenue property (Tax Parcel No. 39.04F00.014.000).