

Legal Department

Exelon Business Services Company
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Business Services
Company

John C. Halderman
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Direct Dial: 215-841-4263
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June 29, 2011

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

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SECRETARY'S BUREAU

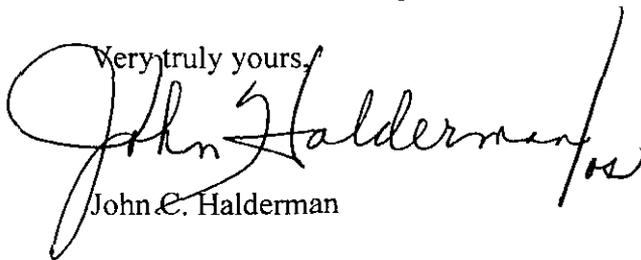
RE: Trail License Agreement between PECO Energy Company and The Philadelphia Authority for Industrial Development dated March 31, 2011

Dear Ms. Chiavetta:

Enclosed for filing and approval pursuant to §507 of the Public Utility Code are two copies of a Trail License Agreement regarding the above-referenced matter.

Kindly advise me of the Commission's approval thereof. Enclosed for your convenience is a self-addressed U.S. postage paid envelope.

Very truly yours,



John C. Halderman

JCH/as
enclosures

cc: Dennis Wilson

(b) provide the appropriate media releases which will inform the general public of the donation by Licensor of the use of its property for the Trail upon the execution of this License; and

(c) provide Licensor with copies of all media releases, pamphlets, brochures, and other informational material distributed by Licensee which involves the Trail.

7. Trail Design. Licensee recognizes that Licensor is concerned about the possibility of unauthorized use of the Trail and its property by motorized vehicles such as all terrain vehicles (ATV's), motorcycles, and snowmobiles. Licensee agrees to incorporate control and safety measures into its design to discourage such unauthorized use and to protect the public. Such design factors shall include, but are not limited to, signs, barricades, and deflectors around obstructions such as towers, poles and guy wires. Licensee shall be solely responsible for the design of the Trail and all improvements but will review such designs with Licensor before finalizing the designs. Licensee shall also modify the trail safety system if required in the future for improvement of safety. Licensee's trail design and subsequent construction shall not hinder Licensor's access to Licensor's property.

8. Plans.

(a) Licensee shall submit six (6) copies of detailed plans and profiles to Licensor's Real Estate & Facilities Division showing the proposed construction of the Trail, any alteration or improvements to be constructed and all proposed grading, including existing grading, fencing and grounding protection, paving, drainage facilities, landscaping, lighting fixtures, utilities and any other possible proposed alteration to the Premises in accordance with Licensor's Electric Construction Standard S-7073, a copy of which is attached hereto. **LICENSEE SHALL NOT COMMENCE THE CONSTRUCTION OR INSTALLATION OF THE TRAIL OR ANY ALTERATIONS OR IMPROVEMENTS UPON THE PREMISES AT ANY TIME UNTIL LICENSEE HAS RECEIVED WRITTEN APPROVAL FROM LICENSOR OF LICENSEE'S PLANS.** Licensor reserves the right to refuse to review or approve plans not in accordance with Licensor's standard. Licensee shall notify Licensor immediately upon the completion of any approved construction in order that a final inspection can be made by Licensor to insure compliance with plans approved by Licensor.

(b) Any relocation or other adjustment or modification of Licensor's Facilities, if acceptable to Licensor, to accommodate the Trail or Licensee's improvements for the Trail shall be performed by Licensor at the sole cost and expense of Licensee on a cost plus overhead basis. Licensee shall pay an estimate of the costs prior to Licensor performing such work. Any overpayment will be refunded following completion and any unpaid amount over the estimate paid by Licensee shall be paid to Licensor within thirty (30) days following Licensor's bill therefore to Licensee.

12. Indemnification of Licensor, Waiver and Release. Licensee assumes all risk of loss, injury or damage to the Trail or personal property and all risk of injury or death to its employees, contractors, workmen, or any other person or persons from any causes whatever, including but not limited to claims for injuries to employees of the Licensor Parties, Licensee or their contractors or subcontractors. To the fullest extent permitted by applicable law, Licensee shall indemnify, defend and save harmless Licensor, its officers, agents and employees ("Licensor Parties"), from and against any and all claims, actions, liability, damages, costs and expenses (including attorney's fees) in connection with loss of life, personal injury, or damage to property caused to any person in or about the Premises (including but not limited to claims for injuries to employees of Licensor, Licensee or their contractors or subcontractors) or arising out of the occupancy or use of the Premises by Licensee to the extent such damage or loss is legally caused by Licensee's use of the Premises. Notwithstanding the foregoing, the Licensee shall have no obligation to indemnify the Licensor for any Claims which may arise as a result of any (i) pre-existing condition of the Premises unrelated to this License; (ii) actions of third parties unrelated to use of the Trail or the License; or (iii) to the extent said Claims are caused by the sole negligence or willful misconduct of the Licensor or Licensor Parties and unless Licensee has been given prompt and timely written notice of the filing of any such Claims. Nothing herein shall waive or amend any defense or immunity which the Licensee, its officers, employees or agents may have under 42 Pa.C.S.A. § 8521, et seq. (Sovereign Immunity), as amended.

13. Insurance.

(a) Licensee shall require that the City insures the Premises in accordance with the terms of the Sublicense. The City self-insures with regard to its liability under Pennsylvania Law for negligent acts or omissions of its officers and employees and for physical loss to property, for which the City is legally liable. To that end, the City has established an indemnity fund (to support its legal liabilities) on a fiscal year basis, which is administered by the City's Law Department and Risk Management Division. Claims involving personal injury and property damage are handled by the Risk Management Division. Nothing herein shall waive or amend any defense or immunity which the Licensee, its officers, employees or agents may have under 42 Pa.C.S.A. § 8521, et seq. (Sovereign Immunity) or 42 Pa.C.S.A. § 8541, et seq. (Governmental Immunity), as amended.

(b) Licensee shall require all contractors and subcontractors to carry and maintain Commercial General Liability Insurance (with coverage consistent with ISO Form CG 0001 (12/04)) providing bodily injury, property damage and personal/advertising injury coverage (including but not limited to coverage for claims against Licensor for injuries to employees of Licensee or its contractors or subcontractors) with limits not less than Four Million Dollars (\$4,000,000) per occurrence with an insurance company or companies acceptable to Licensor during the

Philadelphia City Council's and the Mayor of Philadelphia's approval of an Ordinance authorizing the City to enter into the Sublicense.

(b) If Licensee abandons or ceases to use the Premises, or violates or fails to comply with any of the terms, conditions, covenants and provisions in this License (such as abandonment and/or noncompliance shall be collectively referred to herein as an "Event of Default"), then Licensee shall, upon written notice from Licensor, have 90 days, or such period of days acceptable to Licensor and Licensee, in which to cure such Event of Default ("Cure Period"). If the reason for the notice has not been resolved by the Cure Period, then this License shall thereupon automatically terminate forthwith and the privileges of Licensee hereunder shall thereupon immediately cease and terminate. In the event that this License shall terminate by reason of any of the foregoing and Licensee has not vacated the Premises or has failed to remove from the Premises any improvements, property and/or materials thereon belonging to Licensee, then Licensor may serve written notice upon Licensee to vacate the Premises and/or to remove all such improvements, property and materials within five (5) days after the date of such notice.

(c) If Licensee fails to vacate the Premises and/or fails to remove Licensee's improvements, property and/or materials within the period specified in paragraphs 17 (a) and (b), then the title to such improvements, property and/or materials may, at Licensor's option, automatically be and become vested in Licensor without further or additional act or acts on the part of the Licensee or Licensor and Licensor at its option shall have the right to remove same at the sole cost and expenses of the Licensee, which cost and expense Licensee hereby agrees to pay to Licensor no later than ten (10) days after demand to do so from Licensor.

18. Notices. All notices given by either party shall be in writing served personally upon the other party; or sent by United States certified mail, return receipt requested or sent by a recognized commercial courier service, addressed to the other party at its address, which the parties agree shall be

Licensor:

PECO ENERGY COMPANY
2301 Market Street
Philadelphia, PA 19103
Attention: Director, Real Estate & Facilities

Licensee:

Philadelphia Authority for Industrial Development
c/o Philadelphia Industrial Development Corporation
2600 Center Square West

(b) Licensee acknowledges that during its observation of the Premises it found no physical evidence of Hazardous Materials stored thereon.

(c) If Licensee receives notice from any governmental authority regarding Hazardous Materials on, from or affecting the Premises then Licensee shall immediately notify Licensor.

(d) Licensee hereby agrees to indemnify, defend and hold harmless Licensor from any claim, investigation, litigation, damages, cost and expenses (including, but not limited to, reasonable attorneys' fees) arising out of (i) failure to comply with environmental laws; and (ii) any Hazardous Materials in, on or under the Premises arising out of or in any way related to or caused by the Licensee or Licensee's activities on the Premises. The obligations and liabilities under this section shall survive the termination of this License and shall be continuing.

23. Licensor's Mortgage. This License is subject to the lien of the First and Refunding Mortgage dated May 1, 1923, of The Counties Gas and Electric Company (to which PECO Energy Company is successor) to Fidelity Trust Company (to which US Bank, National Association, is successor) as the same has been and may hereafter be amended and supplemented for the security of presently outstanding bonds of Licensor and additional bonds which may hereafter be issued and outstanding under such mortgage as so amended and supplemented.

24. Filings. If required by law, Licensor shall file a copy of this Agreement with the Pennsylvania Public Utility Commission promptly upon the execution hereof, the 33rd day after such filing shall be the effective date hereof, unless prior to such date proceedings are instituted as provided in Section 507 of the Pennsylvania Public Utility Law, Title 66, and in the event of the institution of such proceedings, then this Agreement shall become effective as to Licensor only after approval by the Pennsylvania Public Utility Commission.

25. Miscellaneous.

(a) This License shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

(b) Licensee shall not assign its interest in this License without the prior written consent of Licensor. Notwithstanding the foregoing, Licensor hereby acknowledges and consents to the Sublicense.

(c) The waiver by Licensor of any breach of any covenant, obligation or condition of this License shall not be deemed to be a waiver of any subsequent breach of any covenant, obligation or condition.

Executed as of the day and year first above written.

PECO ENERGY COMPANY



BY: [Signature]
M.A. Williams
Director, Real Estate & Facilities

Approved as to Form:

Philadelphia Authority for Industrial
Development

By: [Signature]
Ilene Burak, Esq.
Vice President – Corporate Counsel
on behalf of the Philadelphia
Authority for Industrial Development

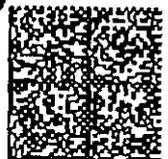
BY: [Signature]
Name: James Ne Manus
Title: Chairman

J. J. Haldeman

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*Rosemary Chivetta, Secretary
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Harrisburg, PA 17105-3265*