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August 10, 2011

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

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PA P.U.C.
SECRETARY'S BUREAU

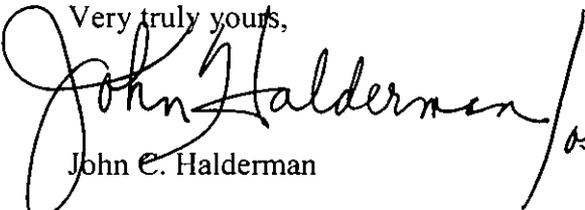
RE: Lease and Temporary License Agreement for Chester Valley Trail between PECO Energy Company and The County of Montgomery

Dear Ms. Chiavetta:

Enclosed for filing and approval pursuant to §507 of the Public Utility Code are two copies of a Lease and Temporary 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

LEASE AND TEMPORARY LICENSE AGREEMENT FOR CHESTER VALLEY TRAIL

THIS LEASE AND TEMPORARY LICENSE AGREEMENT FOR CHESTER VALLEY TRAIL (this "Agreement") is made this 5 day of May 2011 (the "Agreement Date") by and between **THE COUNTY OF MONTGOMERY**, a body politic and corporate of the Commonwealth of Pennsylvania, located at One Montgomery Plaza, Norristown, Pennsylvania 19401 ("Montgomery County"), **THE COUNTY OF CHESTER**, a body politic and corporate of the Commonwealth of Pennsylvania, located at 2 N. High Street, Suite 512, , P.O. Box 2748, West Chester, Pennsylvania 19380-0991 ("Chester County") and **PECO ENERGY COMPANY**, a Pennsylvania corporation with an address of 2301 Market Street, Philadelphia, Pennsylvania 19103 (the "Owner").

BACKGROUND/RECITALS

WHEREAS, Owner is the owner of certain parcels of real property located on the west side of South Warner Road (T-502) in Upper Merion Township, Montgomery County, Pennsylvania, which are more particularly described on Exhibit "A" attached hereto (the "Property"), and which are now and will continue to be used by Owner for its corporate purposes; and

WHEREAS, in cooperation with Chester County, Montgomery County desires to establish and preserve a twenty (20') foot wide trail corridor, as part of its Open Space plan and in lieu of condemnation, better known as the Chester Valley Trail, together with associated non-commercial, non-motorized, recreational and educational purposes, including, but not limited to, walking, jogging, bicycling, horseback riding, cross country skiing, nature study and the like (hereinafter called the "Trail"), for use by the general public, and Owner is willing to lease a portion of the Property to Montgomery County, for such purposes, so long as said uses comply with current Montgomery County policies and the terms of this Agreement; and

WHEREAS, part of the Trail will be constructed on the Property in the location which is identified as the "Required Right-of-Way" on a plan prepared by Arora and Associates, P.C., sheet 73 of 74 (the "Plan"), a copy of which is attached hereto as Exhibit "B" and incorporated herein by reference; and

WHEREAS, in addition to the Trail, Montgomery County also desires to locate a trail head with designated parking spaces (the "Trail Head") on the Property in the location which is depicted on the Plan; and

WHEREAS, pursuant to an Agreement between Montgomery County and Chester County, Chester County will construct the Trail and Trail Head pursuant to the terms of this Agreement and Montgomery County will maintain the Trail and Trail Head on the Property in accordance with the terms of this Agreement; and

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SECRETARY'S BUREAU

WHEREAS, Owner is willing to lease to Montgomery County the portion of the Property which is depicted on the Plan and identified as "Required Right-of-Way," and "Potential Trail Head" (collectively the "Trail Lease Area") subject to the terms and conditions set forth herein; and

WHEREAS, Owner is willing to grant to Chester County a temporary license for the purpose of constructing the Trail and Trail Head on the Property; and

WHEREAS, the Property is subject to a Declaration of Restrictions dated December 20, 2006 whereby Owner imposed certain restrictive covenants against the Property in favor of Upper Merion Township and granted to Upper Merion Township the right to use the Property for passive recreation, open space, and such other uses as Owner may approve; and

WHEREAS, Upper Merion Township has approved the use of the Property by Montgomery County for the Trail and Trail Head as evidenced on the consent which is attached hereto;

NOW THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Incorporation of Recitals.**

The Background of this Agreement is incorporated herein by reference.

2. **Lease to Montgomery County for Trail and Trail Head.**

A. Owner, to the extent it has the right to do so, agrees to lease to Montgomery County the portion of the Property which is identified as the "Required Right-of-Way" on the Plan (the "Trail Lease Area"). Owner disclaims any warranty that it has title to the Trail Lease Area.

B. Owner, to the extent it has the right to do so, agrees to lease to Montgomery County the portion of the Property which is identified as the "Proposed Trail Head" on the Plan (the "Trail Head Lease Area").

3. **Use of Trail Lease Area.**

A. Montgomery County, and its agents, employees, contractors and subcontractors, shall be permitted and authorized to use the Trail Lease Area to reconstruct, improve, repair and maintain the Trail and all necessary accessories and appurtenances used in connection with the Trail, including benches, waste receptacles and a reasonable number of identification and directional signs and signs which identify the restrictions on the use of the Trail. Montgomery County and the general public shall be permitted and authorized to use the Trail and Trail Lease Area as a recreational trail for pedestrian and non-motorized vehicle traffic subject to the rules and regulations

established by Montgomery County for the use of the Trail generally. Montgomery County shall prohibit the Trail from being used by motorized recreational vehicles including but not limited to motorcycles, mini-bikes and snowmobiles, except that motorized vehicles shall be permitted to be used by authorized County employees, police, or others specifically authorized by Montgomery County and Owner for emergency patrol and to maintain the Trail.

B. Subject to Owner's right in Paragraph 11, Owner shall not erect, maintain or allow any improvements on, over and under the Trail Lease Area, or take or allow any action which would affect free and unimpeded access to or use of the Trail Lease Area and other rights and privileges granted herein. Montgomery County and Owner shall prohibit barriers, structures, fences, curbs or other obstructions from impeding the free and unhampered use of the Trail Lease Area by pedestrian and non-motorized vehicle traffic.

C. Montgomery County shall permit the use of the Trail Lease Area for the uses which are identified in Paragraph 3.A. No use of the Trail Lease Area shall interfere with Owner's reasonable and customary use, operation and maintenance of the Property.

D. Owner reserves the right of continuous access to and from Owner's Facilities (as defined in Paragraph 11) located upon the Property and property adjacent thereto. Montgomery County shall not permit the Property, or any part thereof, to be used except as herein specifically provided. Montgomery County agrees to protect the Property from any and all trespassers and adequately to notify and warn the public that the Property is private property and that all trespassing is prohibited except for use of the Trail Lease Area as a hiking, biking, jogging and walking trail.

4. Use of Trail Head Lease Area.

A. Montgomery County, and its agents, employees, contractors and subcontractors, shall be permitted and authorized to use the Trail Head Lease Area to construct, reconstruct, improve, repair and maintain the Trail Head and all necessary accessories and appurtenances used in connection with the Trail Head, including waste receptacles and a reasonable number of identification and directional signs and signs which identify the restrictions on the use of the Trail and Trail Head. Montgomery County and the general public shall be permitted and authorized to use the Trail Head and Trail Head Lease Area for parking and access to the Trail subject to the rules and regulations established by Montgomery County for the use of the Trail Head and Trail generally.

B. Montgomery County shall permit the use of the Trail Head Lease Area for the uses which are identified in Paragraph 4 A. No use of the Trail Head Lease Area shall interfere with Owner's reasonable and customary use, operation and maintenance of the Property.

5. **Term and Termination of Lease for the Trail and Trail Head Lease.**

A. This Agreement shall be for a term of twenty-five (25) years commencing on the Effective Date as defined in Paragraph 26 (the "Term").

B. If Montgomery County shall abandon or cease to use the Property, or shall violate or fail to comply with any of the terms, conditions, covenants and provisions in this Agreement within thirty (30) days after written notice from Owner, Owner shall have the right to terminate the Lease for the Trail and Trail Head. In the event that Owner terminates the Lease for the Trail or Trail Head by reason of any of the foregoing and Montgomery County has not vacated the Property or has failed to remove from the Property any improvements, property and/or materials thereon belonging to Montgomery County, then Owner may serve written notice upon Montgomery County to vacate the Property and/or to remove all such improvements, property and materials within sixty (60) days after the date of such notice.

C. If Montgomery County fails to vacate the Property and/or fails to remove its improvements, property and/or materials within the period specified in Paragraphs 5 A and B, then the title to such improvements, property and/or materials may, at Owner's option, automatically be and become vested in Owner without further or additional act or acts on the part of Montgomery County or Owner.

D. Montgomery County may renew the term of the Lease for the Trail and Trail Head for an additional twenty-five (25) years at the expiration of the initial Term provided that it is not in default of any of the provisions of this Agreement by sending Owner written notice one hundred eighty (180) days prior to the expiration of the initial Term.

E. Owner shall have the right to terminate this Agreement upon thirty (30) days prior written notice to Montgomery County if termination is necessary for Owner's compliance with applicable laws and regulations, including without limitation those of FERC, NERC, and the Pennsylvania PUC.

6. **Abandonment of Trail.**

Montgomery County shall have the right to use the Trail Lease Area and Trail Head Lease Area for as long as Montgomery County maintains the Trail as a public recreational trail and maintains the Trail Head as a public parking lot for users of the Trail. In the event Montgomery County formally vacates or abandons the use of the Trail or the Trail Head, Montgomery County shall forthwith notify Owner and within thirty (30) days after such notification, Montgomery County shall execute a release in recordable form, which will memorialize that this Agreement is terminated and of no further force and effect.

7. **Grant of Temporary License to Chester County for Construction of the Trail and Trail Head.**

Owner grants to Chester County, its agents, employees, contractors and subcontractors a temporary license over, under, across and through the Property in the areas labeled as "Required Right of Way", "Temporary Construction License" and "Proposed Trail Head" on the Plan (collectively referred to as the "Temporary License") for the purpose of constructing and establishing the Trail and the Trail Head and all related accessories and appurtenances to the Trail and Trail Head which may include benches, waste receptacles and small identification and directional signs.

8. **Term of the Temporary License.**

A. The Temporary License granted herein to Chester County shall commence when Chester County through its agents, employees, contractors and subcontractors commences the construction of the Trail and the Trail Head and shall terminate and become null and void following Chester County's completion of the Trail and Trail Head.

B. If Chester County shall abandon or cease to use the Property, or shall violate or fail to comply with any of the terms, conditions, covenants and provisions in this Agreement relating to the exercise of the Temporary License, within thirty (30) days after written notice from Owner, Owner shall have the right to terminate the Temporary License. In the event that Owner terminates the Temporary License by reason of any of the foregoing and Chester County has not vacated the Property or has failed to remove from the Property any improvements, property and/or materials thereon belonging to Chester County, then Owner may serve written notice upon Chester County to vacate the Property and/or to remove all such improvements, property and materials within sixty (60) days after the date of such notice.

C. If Chester County fails to vacate the Property and/or fails to remove its improvements, property and/or materials within the period specified in Paragraphs 8 A and B, then the title to such improvements, property and/or materials may, at Owner's option, automatically be and become vested in Owner without further or additional act or acts on the part of Chester County or Owner.

9. **Public Relations.**

Montgomery County and Chester County are aware that there may be public concerns which may be encountered as a result of their plans to establish and use the Property for a Trail and Trail Head. Montgomery County and/or Chester County agree that they will meet and discuss these concerns with the property owners adjoining the Trail and actively work with them to reasonably resolve all such concerns.

10. **Existing Leases and Licenses.**

Portions of the Property may be subject to existing leases and licenses granted by Owner. Owner will notify tenants, if any, that their leases or licenses are affected by this Agreement. Montgomery County and/or Chester County shall discuss their use of the Property with the existing tenants of the Owner, if any, and resolve any concerns with such tenants in a reasonable and timely manner. Any damages to crops or other property of such tenants or future tenants caused by Montgomery County or Chester County or their authorized agents others shall be the sole responsibility of Montgomery County or Chester County.

11. **Owner's Uses.**

A. The Lease granted herein to Montgomery County and the Temporary License granted herein to Chester County are expressly subject to Owner's right to erect, install, use, operate, maintain, repair, renew, add to, relocate, remove Owner's facilities upon, along, over, under and across the Property or necessary for the transmission or distribution of electric, gas or telecommunications services ("Owner's Facilities"), together with the right as Owner shall deem necessary to cut down, trim and remove any trees, brush or other vegetation that interferes or potentially interferes with Owner's Facilities. Upon notification from Owner to do so, Montgomery County agrees to relocate the Trail at Montgomery County's expense should Owner require such relocation to accommodate Owner's Facilities. Owner shall not unreasonably require such relocation.

B. Owner reserves the right and privilege to grant licenses and leases on, over, or under any part of the Property for any purpose which does not unreasonably interfere with the Montgomery County's and Chester County's permitted uses of the Property under this Agreement.

12. **Publicity and Signs.**

Montgomery County and/or Chester County agree to:

A. Erect and install signs and notices approved by Owner at each end of and entrance to the Trail on the Property indicating Owner's ownership of the Property and the contribution of the use of the Property to the development of the Trail. Montgomery County and/or Chester County agree that any signs or notices posted by them on the Property or any pamphlets, brochures, or other informational material distributed by Montgomery County or Chester County which involves the Property shall so acknowledge Owner's contribution;

B. Provide the appropriate media releases which will inform the general public of the donation by Owner of the use of the Property for the Trail and Trail Head upon the execution of this Agreement; and

C. Provide Owner with copies of all media releases, pamphlets, brochures, and other informational material distributed by Montgomery County or Chester County which involves the Trail.

13. **Trail Design.**

Chester County recognizes that Owner is concerned about the possibility of unauthorized use of the Trail and the Property by motorized vehicles such as all terrain vehicles (ATV's), motorcycles, and snowmobiles. Chester County 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. Chester County shall be solely responsible for the design of the Trail and all improvements but will review such designs with Owner before finalizing the designs. Montgomery County shall be required to modify the trail safety system if required in the future for improvement of safety. The Trail design and subsequent construction shall not hinder Owner's access to the Property.

14. **Plans for Trail and Trail Head.**

A. Chester County shall submit six (6) copies of detailed plans and profiles to Owner'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 Property in accordance with Owner's Electric Construction Standard S-7073, a copy of which is attached hereto as Exhibit "C". CHESTER COUNTY SHALL NOT COMMENCE THE CONSTRUCTION OR INSTALLATION OF THE TRAIL OR TRAIL HEAD OR ANY ALTERATIONS OR IMPROVEMENTS UPON THE PROPERTY AT ANY TIME UNTIL CHESTER COUNTY HAS RECEIVED WRITTEN APPROVAL FROM OWNER OF CHESTER COUNTY'S PLANS. Owner reserves the right to refuse to review or approve plans not in accordance with Owner's standard. Chester County shall notify Owner immediately upon the completion of any approved construction in order that a final inspection can be made by Owner to insure compliance with plans approved by Owner.

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

15. **Permits, Costs and Expenses.** Chester County shall obtain and maintain at all times during the construction of the Trail and Trail Head all necessary governmental permits that are required to construct the Trail and Trail Head. Chester County shall be solely responsible for the construction of the Trail and Trail Head and all costs and expenses relating to the construction of the Trail and Trail Head shall be paid for by and be the sole responsibility of Chester County with contribution by Montgomery County in accordance with the Agreement between the Counties.

16. **Drainage.**

All work performed by Chester County to construct the Trail and Trail Head shall be done in a manner that will not adversely affect the drainage upon the Property, other adjacent property owned by Owner and property of others adjacent thereto. Any drainage problems created by the construction of the Trail or Trail Head by Chester County shall be corrected at Chester County's sole cost and expense and without additional use of the Property or any other adjacent property owned by Owner.

17. **Owner's Facilities.**

Montgomery County and Chester County understand and acknowledge that the business of Owner involves the construction, maintenance, operation and use of structures, fixtures and facilities with appurtenances, now or which may hereafter be erected on the Property and property adjacent thereto which are used or useful in connection with the generation, conversion, transmission or distribution of electricity, gas and communications services. Montgomery County and Chester County shall not touch, handle, tamper with or contact, directly or indirectly any of the structures, fixtures and facilities of Owner located on the Property and property adjacent thereto.

18. **Liens.**

If any lien is filed against the Property by any contractor of Chester County or Montgomery County for work done on the Property, the County who contracted for the services which led to the filing of the lien shall cause the same to be discharged or satisfied within fifteen (15) days of service or upon notice of same, whichever shall be sooner. Montgomery County and Chester County shall indemnify, defend and hold harmless Owner against all costs and expenses including, without limitation, reasonable attorneys' fees arising out of any such liens.

19. **Compliance with Laws.**

Montgomery County and Chester County shall comply with all notices, rules, regulations, laws and ordinances of all governmental and regulatory agencies in their respective use of the Property without expense to Owner.

20. **Restoration of the Property.**

Upon completion of construction of the Trail and Trail Head, Chester County shall, at its sole cost and expense, promptly remove all of its equipment and materials from the Property and repair, replace or restore to as close as the pre-existing condition thereof as may be practical any areas of the Property disturbed by or on behalf of Chester County in connection with the construction of the Trail and Trail Head.

21. **Maintenance of the Trail and Trail Head.**

A. Montgomery County, at its sole cost and expense, shall be responsible for any and all year-round maintenance of the Trail which is constructed within the Trail Lease Area. Montgomery County, for itself and its successors and assigns, hereby covenants and agrees to continuously maintain, repair, replace and reconstruct the Trail within the Trail Lease Area so as to provide a safe, non-motorized vehicle and pedestrian recreational trail.

B. Montgomery County, at its sole cost and expense, shall be responsible for any and all year-round maintenance of the Trail Head which is constructed within the Trail Head Lease Area. Montgomery County, for itself and its successors and assigns, hereby covenants and agrees to continuously maintain, repair, replace and reconstruct the Trail Head within the Trail Head Lease Area so as to provide a public parking lot for users of the Trail.

C. Montgomery County shall not erect, alter or remove any fences or other structures on the Property and shall not plant, destroy, cut or remove any trees, nor remove any rock, stone, gravel, soil or other natural material or property of Owner from the Property without the prior written consent of Owner. Montgomery County shall cut grass and trim shrubbery, cut and destroy any Canada thistles or weeds commonly known as chicory, succory or blue daisy or other objectionable or obnoxious weeds or vegetation on the Property in the Trail Lease Area and Trail Head Lease Area and shall also cut and destroy all brush in excess of three (3) feet in height on the Property. Montgomery County shall also remove and properly dispose of all trash and other debris, if any, on or which may be on the Property. Montgomery County may not use and expressly agrees not to use Owner's property for disposal purposes. In addition, Montgomery County shall (i) establish and enforce rules and regulations for use of the Trail, prevent unauthorized uses and obtain assistance from police when required; (ii) police and maintain all areas adjoining the Trail which are affected by the authorized or unauthorized use of the Trail; and (iii) handle all complaints from adjoining property owners and other parties relating to the Trail within a reasonable period of time upon notification of such complaints.

22. **Indemnity.**

A. Montgomery County agrees to indemnify, defend and hold harmless Owner, its officers, agents and employees from and against any damage, liability, claim, settlement, cost and expense, award, judgment, damage, fine, fee, or other loss suffered by Owner, arising out of (1) any injury and/or loss and/or damage caused by the negligent acts or omissions, or intentional misconduct of Montgomery County or its agents, employees, contractors, subcontractors, assigns or successors-in-interest, in the maintenance of the Trail and Trail Head and the performance of its responsibilities hereunder; or (2) any personal injury or death or property damage occurring on the Property resulting from the use of the Trail and the Trail Head on the Property after the date of this Agreement by Montgomery County or any of its agents, employees, licensees, contractors, subcontractors and invitees; provided however, that such injury or damage was not caused by the sole negligence or willful misconduct of Owner.

B. Chester County agrees to indemnify, defend and hold harmless Owner, its officers, agents and employees from and against any damage, liability, claim, settlement, cost and expense, award, judgment, damage, fine, fee, or other loss suffered by Owner, arising out of (1) any injury and/or loss and/or damage caused by the negligent acts or omissions, or intentional misconduct of Chester County or its agents, employees, contractors, subcontractors, assigns or successors-in-interest, in the construction of the Trail and Trail Head and the performance of its responsibilities hereunder; or (2) any personal injury or death or property damage occurring on the Property resulting from the use of the Temporary License after the date of this Agreement by Chester County or any of its agents, employees, licensees, contractors, subcontractors and invitees; provided however, that such injury or damage was not caused by the sole negligence or willful misconduct of Owner.

C. This Agreement is intended to comply with the Recreational Use of Land and Water Act, Act of February 2, 1966, P.L. (1965) 1860, No. 586, as amended, 68 P.S. §477-1 *et seq.* (as may be amended from time to time).

23. **Insurance.**

A. In addition to the indemnifications contained in Paragraph 22, but not in limitation thereof, Montgomery County agrees to carry and maintain the following policies of insurance with companies acceptable to Owner:

i. Commercial General Liability Insurance with coverage consistent with ISO form CG001 (12/04) with limits of not less than Four Million Dollars (\$4,000,000) per occurrence for bodily injuries to or death of one or more persons (including but not limited to coverage for claims against Owner for injuries to employees of Montgomery County or to employees of Montgomery County's contractors or subcontractors), and/or property damage arising from premises, operations, independent contractors, products/completed operations, personal injury/advertising

injury and blanket contractual liability.

ii. Workers Compensation insurance with statutory limits, as required by the Commonwealth of Pennsylvania and employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence.

iii. Automobile Liability in an amount of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury or death (including but not limited to coverage for claims against Owner for injuries to employees of Montgomery County or to employees of Montgomery County's contractors or subcontractors), and property damage, covering all owned, leased, rented or non-owned vehicles, which shall include automobile contractual liability coverage.

iv. Montgomery County may substitute lower limits of One Million Dollars (\$1,000,000) for commercial general liability and Five Hundred Thousand Dollars (\$500,000) for automobile liability listed above, or may self-insure any portion of the limits specified in this insurance clause, provided that Montgomery County maintains an umbrella or excess liability policy or policies which provide a total minimum limit of Five Hundred Thousand Dollars (\$500,000) for automobile liability and Three Million Dollars (\$3,000,000) for general liability, and that such umbrella or excess policy or policies satisfy all other requirements of this insurance clause.

B. At all times during the term of the Temporary License and at any time when Chester County and its agents, employees, contractors and subcontractors shall enter the Property pursuant to the Temporary License in order to construct the Trail and Trail Head, for the purposes described herein, Chester County agrees to carry and maintain the policies of insurance identified in paragraph 23 A above with companies acceptable to Owner.

C. The insurance required above shall name the Owner, its officers, directors, agents and employees, as additional insured (except Workers Compensation and Automobile Liability), be primary insurance for all purposes, contain cross-liability provisions and provide for a waiver of all rights of subrogation to the extent of such insurance coverage. Certificates of insurance shall be delivered to Owner within ten (10) days after the signing of this Agreement, together with a certification of the insurance company or companies that the policy or policies shall not be canceled or suspended by the insurance company or companies without ten (10) days prior written notice from the insurance company or companies to Owner. Thereafter, duplicate policies or certificates of insurance shall be delivered to Owner at least ten (10) days prior to the expiration of the then current policy or policies of insurance. The amount or type of insurance may be revised by Owner in a manner that is commercially reasonable for similar properties at such time from time to time by giving notice thereof to Chester County and Montgomery County.

24. **Taxes.**

A. Montgomery County shall pay all real property taxes and other charges and assessments levied upon or assessed against Owner or the Property caused by this Agreement or the construction of the Trail or the Trail Head or the improvements constructed by Chester County or Montgomery County on the Property associated with the Trail or Trail Head and shall save Owner harmless from any such taxes, charges and assessments at its sole cost and expense.

B. Montgomery County agrees that no charge or assessment shall be made or imposed upon Owner or the Property for the cost of installing the Trail or the Trail Head or improvements and shall save Owner harmless from any such charge or assessment at Montgomery County's sole cost and expense.

25. **PECO Blanket Mortgage.**

This Agreement is made under and subject to the lien of the First and Refunding Mortgage dated as of 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 heretofore and may hereafter be amended and supplemented for the security of the presently outstanding bonds of Owner and other and additional bonds which may hereafter be issued and outstanding under said Mortgage as so amended and supplemented.

26. **PUC 507 Approval.**

Owner shall file a copy of this Agreement with the Pennsylvania Public Utility Commission ("PUC") promptly upon the execution hereof, the 33rd day after such filing shall be the effective date hereof (the "Effective Date"), 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 Owner only after approval by the PUC. Owner shall provide to Chester County and Montgomery County a copy of the approval of this Agreement by the PUC and shall memorialize in writing to both Counties the Effective Date.

27. **Covenants Running with the Land.**

The covenants and obligations of this Agreement shall be covenants running with the Property and the parties hereto agree for themselves and their successors and assigns that in any deed of conveyance of all or any portion of the Property to any person, partnership, corporation, or other entity that said covenants and obligations shall be incorporated herein by reference to this Agreement and the recording hereof as fully as if the same were contained therein.

28. Enforcement.

If any party determines that this Agreement is being or has been violated by another party, the non-defaulting party may, in addition to other remedies available at law or in equity, seek injunctive relief to specifically enforce the terms of this Agreement or to restrain present or future violations of this Agreement. If any party has to resort to legal action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its legal fees and costs from the defaulting party.

29. Notices.

Any notice or other communication given hereunder or pursuant hereto shall be in writing and shall be personally delivered (in which event such notice shall be deemed effective only upon such delivery), or sent by a nationally-recognized overnight delivery service (which provides a receipt of delivery), or delivered by mail, sent by registered or certified mail, postage prepaid, return receipt requested, to such party at the address set forth below:

If to Montgomery County: Ronald H. Ahlbrandt
Director of Parks and Recreation
Human Services Center
1430 Dekalb Street
Norristown, Pennsylvania 19404

With a copy to: Upper Merion Township
Attention: Ronald G. Wagenmann, Manager
175 W. Valley Forge Road
King of Prussia, Pennsylvania 19406

and: Montgomery County Solicitor
One Montgomery Plaza
Suite 800, P.O. Box 311
Norristown, PA 19404

If to Chester County: Stephen Fromnick
Director of Facilities
17 N. Church Street, Suite 167
P.O. Box 2748
West Chester, Pennsylvania 19380-0991

With a copy to: Chester County Solicitor
2 N. High Street
West Chester, Pennsylvania 19382

If to Owner:

PECO Energy Company
Attention: Director, Real Estate & Facilities
2301 Market Street
Philadelphia, Pennsylvania 19103

With a copy to:

Exelon Business Services Company
2301 Market Street
Philadelphia, PA 19103
Attn: John C. Halderman, Associate General
Counsel

All notices shall be deemed given when received. A party may change its address by giving notice of such change in the manner herein provided by giving notice. Unless and until such written notice is received, the last address and addressee stated by written notice, or as provided herein if no written notice of change has been sent or received, shall be deemed to continue in effect for all purposes hereunder.

30. **Rent.**

Montgomery County shall pay Owner rent of Five Hundred Dollars (\$500) annually in advance, while this Agreement remains in effect. The first payment shall be made at signing, and all additional payments shall be made to Owner on or before the 1st day of each November this Agreement is in effect.

31. **Miscellaneous Provisions.**

A. **Recording.** This Agreement shall not be recorded in the Office of the Recorder of Deeds for Montgomery County or any other public office. The parties will execute and record a memorandum of this agreement substantially in the form which is attached hereto as Exhibit "D". Montgomery County shall be responsible for all recording costs, fees and taxes.

B. **Waiver.** No waiver by either party of any breach or default on the part of the other of any terms, covenants, or conditions of this Agreement shall be deemed or construed to constitute a waiver of any subsequent similar breach or default.

C. **Severability.** If any provision of this Agreement shall to any extent be invalid or unenforceable, the remainder of this Agreement (or the application of such provision to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each provision of this Agreement, unless specifically conditioned upon such invalid or unenforceable provision, shall be valid and enforceable to the fullest extent permitted by law.

D. Amendment. This Agreement may not be amended except by written instrument signed and acknowledged by Montgomery County, Chester County and Owner.

E. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the Commonwealth of Pennsylvania.

F. Integration. This Agreement, together with the Exhibits attached hereto, each of which is incorporated herein by this reference, sets forth the entire agreement among the parties with respect to the subject matter hereof.

G. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

H. Assignment. Montgomery County and Chester County may not assign their rights under this Agreement without the prior written consent of Owner.

I. Waiver. Owner understands that it is entitled to receive just compensation and to be informed of an estimate of just compensation by receiving an appraisal of the value of the Lease conveyed to Montgomery County and the value of the Temporary License granted to Chester County in this Agreement. Owner waives its right to receive an appraisal of the value of the Lease and Temporary License conveyed in this Agreement and waives the right to be compensated for the Lease of the Trail and Trail Head and the grant of the Temporary License.

J. Counterparts. This Agreement may be executed in counterpart copies, each of which shall constitute an original, but all of which together shall constitute one and the same instrument.

EXECUTED BY THE PARTIES ON THE NEXT PAGE

IN WITNESS WHEREOF, the parties hereto executed this Agreement the day and year first above written.

ATTEST:

[Signature]
Assistant Corporate Secretary

PECO ENERGY COMPANY

By: [Signature]
Name: Michael A. Williams
Title: Director, Real Estate & Facilities

APPROVED
RE
FORM

ATTEST:

[Signature]

THE COUNTY OF MONTGOMERY

[Signature]
James R. Matthews, Chairman

[Signature]
Joseph M. Hoeffel, Vice Chairman

[Signature]
Bruce L. Castor, Jr., Commissioner

ATTEST:

[Signature]
Janelle Syah
Chief Clerk

THE COUNTY OF CHESTER

[Signature]
Terence Farrell, Chairman

[Signature]
Kathi Cozzone, Vice-Chairman

[Signature]
Ryan Costello, Commissioner

COMMONWEALTH OF PENNSYLVANIA :
 :
 : SS
COUNTY OF ~~MONTGOMERY~~ *CHESTER* :

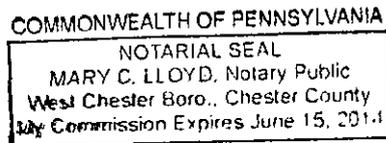
On this, the 5th day of May, 2011, before me, the undersigned officer, personally appeared Terence Farrell, Kathi Cozzone and Ryan Costello, who acknowledged themselves to be the Chairman and Members of the Board of Commissioners of **THE COUNTY OF CHESTER**, respectively and that they, being authorized to do so, executed the within instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



NOTARY PUBLIC

MY COMMISSION EXPIRES:

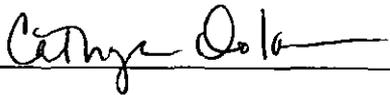


CONSENT

The undersigned, Board of Supervisors of Upper Merion Township, has been granted the right to use the Property described in the foregoing Lease and Temporary License Agreement for Chester Valley Trail pursuant to a Declaration of Restrictions executed by PECO Energy Company dated December 20, 2006 which was recorded in the Office of the Recorder of Deeds for Montgomery County on January 24, 2007, in Book 5632, page 2781 *et seq.* The undersigned consents to the foregoing Agreement.

ATTEST:

UPPER MERION TOWNSHIP



By:



Name: Edward McBride

Title: Chairman, Board of Supervisors

COMMONWEALTH OF PENNSYLVANIA :
 :
 : SS
 :
COUNTY OF MONTGOMERY :

On this, the 17th day of July, 2011, before me, the undersigned officer, personally appeared EDWARD McBRIDE, who acknowledged himself to be the Chairman of the Board of Supervisors of UPPER MERION TOWNSHIP and that he, being authorized to do so, executed the within instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Judith A. Viochio
NOTARY PUBLIC

MY COMMISSION EXPIRES July 23, 2011

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Judith A. Viochio, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires July 23, 2011
Member, Pennsylvania Association of Notaries

ALL THAT CERTAIN parcel or tract of land being the remaining portion of Tax Map Block 8 Units 10 and 15 situate on the westerly side of South Warner Road (T-502), on the northerly side of other lands now or late PECO Energy Company, as shown on a Boundary Survey as prepared by Schoor Depalma, Inc., dated October 13, 2006, on the easterly side of Devon Park Drive (T-503) and the southerly side of SR 0202 Limited Access Easement in Upper Merion Township, Montgomery County, Pennsylvania as shown on an Exhibit Plan prepared by Schoor DePalma, Inc., dated December 15, 2006, being Project No. 060402801 and sheet 1 of 1 and being more fully described to wit:

BEGINNING a concrete monument set on the southwesterly legal right-of-way of South Warner Road, said point being the northeasterly corner of other lands now or late PECO Energy Company, Tax Map Block 8 Unit 11, thence from said point of beginning in a westerly direction partially extending along said lands and lands now or late Julicher, passing over a concrete monument set at the corner of said lands, to a point in line of said lands of Julicher and on the easterly side of Herring Road, aforesaid,

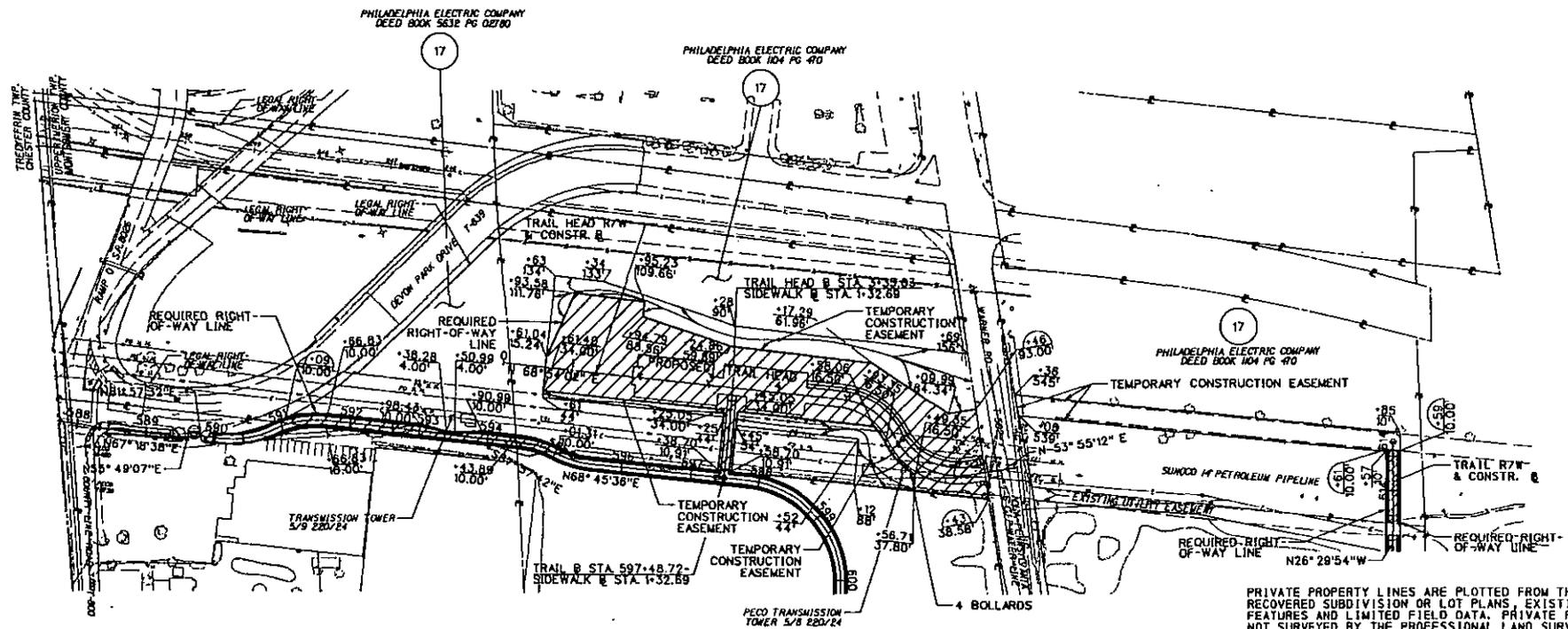
Thence extending along the same in a northerly direction to a point on the southerly side of SR 0202 Limited Access right-of-way,

Thence extending along the same in an easterly direction to a point on the southwesterly legal right-of-way line of South Warner Road, aforesaid, thence extending along the same in a southeasterly direction to the first mentioned point and place of beginning.

CONTAINING approximately 5.49 acres of land more or less as described herein.

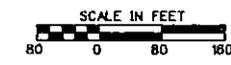
DISTRICT	COUNTY	ROUTE	SECTION	SHEET
6-0	MONTGOMERY	9802	TE4 R/W	73 OF 74
UPPER MERION TWP.				
REVISION NUMBER	REVISIONS	DATE	BY	
6	REVISED TRAIL HEAD	02/10	JEB	

LEGEND
 REQUIRED RIGHT-OF-WAY



PRIVATE PROPERTY LINES ARE PLOTTED FROM THE DEED OR RECORD, RECOVERED SUBDIVISION OR LOT PLANS, EXISTING TOPOGRAPHICAL FEATURES AND LIMITED FIELD DATA. PRIVATE PROPERTY LINES WERE NOT SURVEYED BY THE PROFESSIONAL LAND SURVEYOR RESPONSIBLE FOR THE PROJECT.

THIS PROPERTY PLOT PLAN IS NOT TO BE SUBSTITUTED FOR A BOUNDARY SURVEY.



RIGHT-OF-WAY CLAIM INFORMATION			
COMMONWEALTH OF PENNSYLVANIA-DEPARTMENT OF TRANSPORTATION			
STATE RTE. 9802 SEC. NO. TE4 R/W UPPER MERION TWP. MONTGOMERY COUNTY			
PARCEL NO. 17 SHEET NO. 42 & 43 CLAIM NO.			
PROPERTY OWNER(S) PHILADELPHIA ELECTRIC COMPANY			
GRANTOR(S) ELECTRIC REALTY CO.			
DEED BOOK	1104	AREAS	ACRE
PAGE	470	DEED	9.380
DATE OF DEED	4/2/30	CALCULATED	-
DATE OF RECORD	5/6/30	ADVERSES	-
CONSIDERATION	449,889.02	LEGAL R/W	-
TAX STAMPS	-	EFFECTIVE	-
		TOTAL REQ'D R/W	1.865
		TOTAL RESIDUE	7.515
		RESIDUE LT	7.515
		RESIDUE RT	-
		REQUIRED AREA	ACRE
		RIGHT OF WAY	1.865
		CHANNEL	-
		SLOPE	-
		TEMP CONSTR. EASEMENT	1.189
		VERIFICATION DATE	-
		DRAWN BY	JEB
		SCALE AS SHOWN	-

**INFORMATION REQUIRED TO EVALUATE PROPOSED
TRANSMISSION LINE RIGHTS-OF-WAY SECONDARY USES
PECO ENERGY COMPANY AND ITS SUBSIDIARIES**

PECO Energy Company (PECO Energy) considers proposed secondary uses of transmission line rights-of-way in accordance with its electric construction standards S-7072, Secondary Uses for Rights-of-Way Along Electric Transmission Lines* and S-7074, General Conditions Regulating Approved Secondary Uses for Transmission Line Rights-of-Way of PECO Energy Company and its Subsidiaries respectively. In order to properly evaluate these proposed secondary uses, PECO Energy requires that certain information be submitted to its Real Estate Department as follows:

1.0 PRELIMINARY PLANS

PECO Energy will accept for review and comment a preliminary sketch or concept plan prepared in advance of formal drawings for the purpose of determining the feasibility of a particular right-of-way use. This plan shall indicate the proposed use and general location in relation to PECO Energy's facilities. Six (6) copies of this preliminary report shall be submitted to PECO Energy Real Estate Department, 2301 Market Street, Philadelphia, PA 19101.

2.0 FINAL DRAWINGS - Submission of the final drawings shall be required before PECO Energy will consider granting final approval of the project and before any work may begin on PECO Energy property. Six (6) copies of the final drawings containing the following information shall be submitted for approval to the PECO Energy Real Estate Department.

- 2.1 Location of all PECO Energy transmission and distribution structures, including identification numbers, poles, guys manholes, and all underground facilities.
- 2.2 Grade elevations at the base of all PECO Energy facilities.
- 2.3 Proposed road and parking lot details including location, type of construction, grade elevations, drainage plans, and the location of any cuts, sidewalks or protective barriers.
- 2.4 The location and height of all proposed street lights.
- 2.5 Where regarding is necessary, include both existing and final grades on the plans.
- 2.6 Where plantings are proposed, the location, number and species shall be specified.
- 2.7 The location, size, and, depth of all proposed underground facilities such as water and sewer lines shall be specified.

**INFORMATION REQUIRED TO EVALUATE PROPOSED
TRANSMISSION LINE RIGHTS-OF-WAY SECONDARY USES
PECO ENERGY COMPANY AND ITS SUBSIDIARIES
ELECTRIC CONSTRUCTION STANDARDS**

Revised 6/95

2.8 All plans shall be drawn to a suitable scale and elevations shall be referenced to U.S Coast & Geodetic datum or other datum acceptable to PECO Energy.

3.0 SAFETY - All plans and drawings, preliminary and final, involving work in the vicinity or PECO Energy electric lines must include the following:

CONTACT WITH POWER LINES CAN RESULT IN DEATH OR SERIOUS BURNS, TREAT ALL OVERHEAD POWER LINES AS ENERGIZED AND POTENTIALLY DANGEROUS. All contractors and subcontractors must obtain copies of PECO Energy Electric Construction Standard S-7070, "Conditions for Working In the Vicinity of Electric Transmission Lines of PECO Energy and its Subsidiaries" and comply with its provisions.

4.0 REFERENCES

4.1 PECO Energy Company Construction Standards

4.1.1 S-7070: "Conditions for Working in the Vicinity of Electric Transmission Lines of PECO Energy and Its Subsidiaries"

4.1.2 S-7072: "Secondary Uses for Rights-of-Way Along Electric Transmission Lines"

4.1.3 S-7074: "General Conditions Regulating Approved Secondary Uses for Transmission Line Rights-of-Way of PECO Energy Company and Its Subsidiaries"

**INFORMATION REQUIRED TO EVALUATE PROPOSED
TRANSMISSION LINE RIGHTS-OF-WAY SECONDARY USES
PECO ENERGY COMPANY AND ITS SUBSIDIARIES
ELECTRIC CONSTRUCTION STANDARDS**

Revised 6/95

EXHIBIT "D"

MEMORANDUM OF LEASE

J. Halderman **Exelon®**

Legal Department
2301 Market Street, 523-1
PO Box 8699
Philadelphia, PA 19101-8699

Business Services
Company



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PA PUC

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Harrisburg, PA 17105