

CAPTION SHEET

CASE MANAGEMENT SYSTEM

- 1. REPORT DATE: 00/00/00
- 2. BUREAU: FUS
- 3. SECTION(S):
- 5. APPROVED BY: DIRECTOR: SUPERVISOR:
- 6. PERSON IN CHARGE:
- 8. DOCKET NO: A-110500 F0360
- 4. PUBLIC MEETING DATE: 00/00/00
- 7. DATE FILED: 06/30/05
- 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: GENERAL SERVICES, PA DEPARTMENT OF

RESPONDENT/APPLICANT: PPL ELECTRIC UTILITIES CORP

COMP/APP COUNTY:

UTILITY CODE: 110500

ALLEGATION OR SUBJECT

APPLICATION OF PPL ELECTRIC UTILITIES CORPORATION FOR APPROVAL OF THE TRANSFER BY SALE TO THE PENNSYLVANIA DEPARTMENT OF GENERAL SERVICES OF PROPERTY LOCATED IN THE CITY OF ALLENTOWN, LEHIGH COUNTY, PENNSYLVANIA.

DOCUMENT FOLDER

DOCKETED
JUL 06 2005



FEDERAL EXPRESS

June 30, 2005

A-110500FO360

James J. McNulty, Esquire
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

RECEIVED

JUN 30 2005

DOCUMENT PA PUBLIC UTILITY COMMISSION
FOLDER SECRETARY'S BUREAU

Dear Mr. McNulty:

Enclosed for filing, pursuant to 66 Pa. C. S. § 1102, are an original and three (3) copies of PPL Electric Utilities Corporation's Application for the approval of the transfer by sale of certain property to the Pennsylvania Department of General Services. The property is located in the City of Allentown, Lehigh County, Pennsylvania.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on June 30, 2005, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

I have enclosed a check for \$350 to cover the filing fee.

Very truly yours,

Paul E. Russell

Enclosures

Mr. H. Edwin Rodrock

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of PPL Electric :
Utilities Corporation for Approval of the :
Transfer by Sale to the Pennsylvania :
Department of General Services of :
Property Located in the City of :
Allentown, Lehigh County, :
Pennsylvania. :

Application
Docket No.

A-110500F0360

DOCUMENT
FOLDER

RECEIVED

JUN 30 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

APPLICATION OF
PPL ELECTRIC UTILITIES CORPORATION

PPL Electric Utilities Corporation (hereafter "PPL Electric"), by its attorney, hereby makes application pursuant to 66 Pa. C.S. § 1102(a)(3) for the approval of a transfer by sale of certain property, and in support thereof states:

1. Applicant is PPL Electric Utilities Corporation, Two North Ninth Street, Allentown, Pennsylvania 18101, a public utility incorporated in Pennsylvania for the purpose of supplying light, heat and power to the public by means of electricity in all or portions of twenty-nine counties in eastern-central Pennsylvania.

2. The name and address of PPL Electric's attorney is Paul E. Russell, Two North Ninth Street, Allentown, Pennsylvania 18101.

DOCKETED

JUL 06 2005

3. The Pennsylvania Department of General Services (hereafter "DGS"), an administrative department of the Commonwealth of Pennsylvania having an address at 505 North Office Building, Harrisburg, Pennsylvania, is not affiliated with PPL Electric.

4. PPL Electric agreed to sell and DGS agreed to purchase the property for \$134,000. Attachment 1, which is attached hereto and made a part hereof, contains the Agreement of Sale and a description of the property.

5. The original cost and present day value of the property are as follows:

Original Cost	\$135,000
Present Day Value	\$200,000

6. The sales price is the result of arms-length negotiations, as part of an overall transaction wherein DGS acquired a building to house Pennsylvania Department of Transportation employees located in Allentown, Pennsylvania.

7. PPL Electric's engineering and operations representatives have reviewed the proposed sale of the property and its relation to PPL Electric's operations. PPL Electric is satisfied that the sale will have no effect on the adequacy, continuity, safety of service, and other relevant factors concerning electrical supply after the proposed sale.

8. Attachment 2, which is attached hereto and made a part hereof, contains PPL Electric's responses to the Commission's interrogatories concerning applications filed pursuant to 66 Pa. C.S. § 1102.

WHEREFORE, in view of the foregoing, PPL Electric respectfully requests that the Pennsylvania Public Utility Commission approve the above-captioned application for transfer of property by sale.

Respectfully submitted,

PPL Electric Utilities Corporation

A handwritten signature in black ink, appearing to read "Paul E. Russell", written over a horizontal line.

Paul E. Russell
Its Attorney

Dated: June 30, 2005
at Allentown, Pennsylvania

ATTACHMENT 1

AGREEMENT OF SALE

THIS IS AN AGREEMENT ("Agreement") dated June 2, 2005, by and between PPL Electric Utilities Corporation, (formerly Pennsylvania Power & Light Co.) a Pennsylvania corporation with a mailing address at 2 North 9th Street, Allentown, PA 18101-1179 (hereinafter referred to as "Seller"), and the Commonwealth of Pennsylvania acting by and through the Department of General Services, with a mailing address at 505 North Office Building, Harrisburg, PA 17125 (hereinafter referred to as "Buyer").

The Buyer, an administrative department of the Commonwealth of Pennsylvania, is entering into this Agreement pursuant to authority granted at 71 P.S. §§632(f) and 1571 which authorize the Buyer to acquire, out of funds appropriated or otherwise made available, real property for all projects whenever, in the judgment of the Governor, the purchase of such property is necessary; and Act 199 of 2004, which authorizes the Buyer to utilize the proceeds from the sale of certain real property for the acquisition and renovation of facilities for the use of the Pennsylvania Department of Transportation.

1. Sale of Property. Seller hereby agrees to sell and convey to Buyer, who hereby agrees to purchase, all that certain parcel of ground situate at 1016 West Linden Street, Allentown, Lehigh County, Pennsylvania, identified as PIN No. 549790000607 1, formerly known as tax parcel G09SE4D-9-8, being more particularly described at Exhibit A, which is attached to and incorporated into this Agreement, (the "Premises") together with (i) all improvements thereto or thereon; and(ii) all appurtenant easements, including but not limited to easements for ingress, egress, and utilities: (all of the foregoing collectively called the "Property").

2. Purchase Price. The Purchase Price for the Property is One Hundred Thirty-Five Thousand Dollars (\$135,000.00), which shall be paid to Seller by Buyer at Closing in immediately available funds. Seller agrees Buyer may pay the Purchase Price to a title insurance company, which will in turn pay the Purchase Price to Seller at Closing, less any deductions authorized under this Agreement.

3. Title.

(a) At Closing, title to the Property shall be fee simple and shall be: (i) good and marketable and free and clear of all tenancies, liens, encumbrances and title objections, other than those acceptable to Buyer as provided below; and (ii) insurable as such, at regular rates, by any reputable title insurance company selected by Buyer.

(b) Within ten (10) days after the date hereof, and provided that this Agreement has not been earlier terminated, Buyer shall apply for an ALTA-B (1970) commitment (the "Title Commitment") for title insurance issued by such title company as Buyer may designate ("Title Company"). Seller agrees to cooperate with Buyer and Title Company in connection therewith, including (without limitation) delivering to Buyer and Title Company copies of any deeds, surveys and title policies as are in Seller's possession. Within thirty (30) days after Buyer

receives the Title Commitment and copies of all exceptions set forth therein, Buyer shall deliver a copy of the Title Commitment to Seller, together with a notice to Seller of the existence of any exceptions which are unsatisfactory to Buyer (such exceptions being called "Title Defects").

(c) If Buyer notifies Seller of the existence of any Title Defects, Seller shall have ten (10) days within which to notify Buyer whether it intends to cure such Title Defects, and the failure to notify Buyer within such ten (10) day period shall be conclusively deemed to be an agreement by Seller to cure the Title Defects.

(d) If Seller notifies Buyer of its intention not to cure any Title Defects, Buyer shall have ten (10) days thereafter to notify Seller of its decision whether to take such title as Seller may give, without abatement of the Purchase Price, or of terminating this Agreement, and in the latter event, this Agreement shall terminate, and the rights and liabilities of the parties likewise shall terminate.

(e) If Seller agrees to cure any Title Defects and such Title Defects remain uncured at Closing, or if additional Title Defects exist at the time of Closing, then Buyer shall either (i) take such title as Seller may give, with an application and payment at Closing of that portion of the Purchase Price necessary to discharge any Title Defects which constitute monetary liens in an ascertainable amount or (ii) be reimbursed by Seller, upon demand, for all reasonable out-of-pocket expenditures made by Buyer in connection with its proposed acquisition, renovation and operation of the Property, which sum shall not exceed One Thousand Three Hundred Sixty-Four and 00/100 dollars (\$1,364.00) (including, by way of illustration only, architectural, financing, engineering and legal fees), and upon such reimbursement by Seller, this Agreement shall terminate, and the rights and liabilities of the parties likewise shall terminate.

(f) Seller shall not voluntarily transfer or encumber the Property or any part thereof during the term of this Agreement.

4. Closing. Closing shall be held at the offices of the Title Company on or before 5 p.m. on the sixtieth (60th) day after the execution of this Agreement by all signatories (the "Closing Date") or on such other date and at such other place and time as the parties may agree. The aforesaid time of Closing and all other times referred to herein are to be the essence of this Agreement unless extended by mutual consent in writing.

(a) At Closing, Seller shall deliver to Buyer:

(1) A special warranty deed (the "Deed") with full warranties against grantor's acts with respect to the Property, duly executed and acknowledged by Seller and in proper form for recording.

(2) The originals or, if originals are not available, copies of all Certificates of Occupancy, licenses, permits, authorizations and approvals required by law or issued by governmental authorities having jurisdiction over the Property, if there are any such documents.

(3) An assignment to Buyer, if Buyer shall desire to assume any such item, of all of the interest of Seller in the lease agreement dated April 30, 2003 between Seller and the Allentown Parking Authority (the "Lease"), together with the original or, if the original is not available, a copy of the Lease. Such assignment shall include a surviving warranty by Seller that the Lease is in full force and effect and that neither party thereto is in default thereunder. Except for the Lease, the Property is not subject to any agreement which is not cancelable at will and without penalty or cost.

(4) Such affidavits as Title Company shall reasonably require.

(5) A "good standing" certificate from the Pennsylvania Department of State stating that Seller is properly formed and presently subsisting as a corporation in the Commonwealth of Pennsylvania.

(6) Possession of the Property in the condition required by this Agreement and delivery of the keys therefor.

(7) A valid assignment of any and all original warranties and guaranties from any manufacturers or installers of any furniture, fixtures or equipment installed at the Property, of all permits, plans and specifications, utility deposits, utility agreements (if Buyer elects to assume such agreements), any rights to use of the site plans, zoning and annexation approvals and amendments thereto, and all related documents reasonably requested by Buyer, and any and all guaranties or warranties which Seller may have received in connection with any work or services performed or equipment installed in the construction of the Property.

(8) Any other documents required by this Agreement to be delivered by Seller.

(b) At Closing, Buyer shall deliver to Seller:

(1) The Purchase Price, less any deductions authorized under this Agreement;

(2) Such affidavits as Title Company shall reasonably require; and

(3) Any other documents required by this Agreement to be delivered by Buyer.

5. Representations and Warranties of Seller. Seller represents and warrants to Buyer that:

(a) The present zoning classification of the Premises is B-2 (Central Business District); to the best of Seller's knowledge, the construction, operation and use of the Property do not violate any zoning, subdivision, building or similar law, ordinance, order or regulation or any certificate of occupancy to which the Property is subject. To the best of Seller's knowledge, all occupancy and use certificates which are required for the current use and occupancy of the Property are in full force and effect and current Certificates of Occupancy from all state, county or local authorities having jurisdiction will be delivered by Seller to Buyer at or prior to Closing.

(b) Seller has received no notice from any governmental authority having jurisdiction over the Property requiring or calling attention to the need for any work, repairs, construction, alterations or installations on or in connection with the Property because of uncorrected violations of any applicable building, safety or fire ordinances.

(c) Seller has not received any written notice or recommendation of any insurance company in regard to the Property with which Seller has not complied.

(d) To the best of Seller's knowledge, all public and private utilities and franchises (including but not limited to telephone lines) required for the operation of the Property are adequate and available to the Property, are not subject to any moratoria and either enter the Property through dedicated public streets adjoining the Property or, if such utilities pass through adjoining private land, they do so in accordance with valid public or private easements, which will inure to the benefit of Buyer.

(e) There is no claim, action, suit or proceeding pending or, to the knowledge of Seller, threatened against, by or otherwise affecting Seller or the Property or any portion thereof or relating to or arising out of the ownership, management or operation of the Property in any court or before or by any federal, state, county, township or municipal department, commission, board, bureau or agency or other government instrumentality, including any proceeding instituted by Seller to enjoin any increase or to compel the reduction of the assessed valuation of any portion of the Property, whether or not fully covered by insurance which, if adversely determined, would have a material, adverse impact upon the Property or Buyer's intended use thereof.

(f) Attached hereto as Exhibit B is a complete copy of the Lease. All of Seller's obligations under the Lease required to be fulfilled prior to the Closing Date or arising from conditions existing prior thereto will be performed by Seller.

(g) All public improvements in, on and with respect to the Property are installed and have been fully paid for, and Seller has received no notice of any assessment for public improvements.

(h) To the best of Seller's knowledge, Seller and the Property are in compliance with all requirements of law and regulations in connection with: (i) the disposal, storage, treatment, processing or other handling of waste, pollutants or hazardous substances; and (ii) the emission or discharge of any effluent, contaminants, pollution, sewage or other materials, including, without limitation, the common law of nuisance and trespass and laws, regulations and orders of federal, state, local, foreign and other governmental bodies or agencies having jurisdiction over Seller or the use of the Property.

(i) To the best of Seller's knowledge, there are no storage tanks in, on, or under the Property.

(j) Except for the Lease, there are no rights of use or occupancy for any portion of the Property.

(k) Seller is not a "foreign person" within the meaning of Section 1445 of the United States Internal Revenue Code, as amended, or its regulations and shall deliver a certificate to that effect at Closing.

6. Apportionments.

(a) Transfer taxes shall be borne solely by Seller.

(b) There shall be no apportionment of real estate taxes. Seller shall pay any real property taxes payable for the tax year of each taxing authority during which Closing occurs.

(c) The following items are to be computed and apportioned between Buyer and Seller as of the Closing Date on a per diem and on a 365 day year basis:

(1) Water and sewer rents.

(2) Any amounts payable under any contracts for goods or services provided in respect of the Property; provided, that if Buyer receives a bill for any such amount after the Closing Date which bill covers a period prior to the Closing Date, Seller shall pay to Buyer upon demand that part of such amount properly allocable to the period prior to the Closing Date.

(3) All utility company charges, up to and including the Closing Date (including electricity, water and sewer) accrued and payable by Seller based upon the last bill therefor, and all utility deposits. If any such bill has not been received by the Closing Date, then such adjustment shall be based upon the next such bill received and such adjustment shall occur after the Closing Date. As to those deposits which are not transferable, Seller shall retain the right to the refund of such deposits. With respect to any utility adjustment, Seller shall endeavor to obtain meter (or other measuring device) readings of the utility consumption as of the Closing Date and, wherever possible, Seller shall pay directly to the utility company the amount determined to be due as of the Closing Date. The provisions of this subparagraph 6(c)(3) shall survive Closing.

7. Tender of Deed and Purchase Money. Formal tender of an executed Deed and purchase money is hereby waived.

8. Buyer's Default. Should Buyer violate or fail to fulfill or perform any of the terms and conditions of this Agreement, then and in that event, Buyer shall pay reimburse to Seller its out of pocket expenses incurred in connection with this Agreement and the transactions contemplated hereby in an amount not to exceed One Thousand Three Hundred Fifty and 00/100 Dollars (\$1,350.00) as liquidated damages for such breach; and upon such payment Seller and Buyer shall be relieved from all liability or obligations under this Agreement, and this Agreement shall become null, void, and of no further effect. The foregoing shall be Seller's sole remedy and any other remedies by contract or at law or in equity are prohibited.

9. Testing; Information and Documents.

(a) Seller hereby consents to permit such tests and inspections to be made upon the Property as shall be deemed necessary by Buyer, including, without limitation, surveys, engineering studies (including structural, mechanical and environmental) and land borings. Buyer agrees that any disturbance caused to the Property shall be promptly repaired by Buyer at Buyer's sole cost and that the land shall be restored to its former condition within a reasonable period of time following the making of any such tests and inspections. Buyer further agrees to be responsible for all costs of said testing and/or inspections. Any contractor or other third party retained by Buyer to perform any such tests, inspections or studies shall deliver to Seller a certificate of insurance evidencing insurance coverage reasonably acceptable to Seller as a condition of entry into the Premises.

(b) In addition, Seller shall, within seven (7) days after the date of this Agreement, and thereafter promptly upon request from Buyer, provide Buyer with copies of all service contracts, utility agreements, permits, licenses, insurance policies and such other documents regarding the operation of the Property as Buyer may reasonably request.

(c) If as a result of such inspections Buyer determines that any material adverse change has occurred to the Property from its condition at the time of the execution of this Agreement, Buyer may terminate this Agreement and this Agreement shall be null and void and neither party shall have further responsibility to the other hereunder.

10. Operations Pending Closing. During the term of this Agreement, Seller shall not, without Buyer's consent:

(a) enter into any lease or other possessory arrangement regarding the Property;

(b) enter into or extend any service or other contract regarding the Property for a term which will extend past the Closing Date; or

(c) take or omit to take any action in connection with the operation of the Property, except as otherwise herein provided, which is not reasonably designed to maintain and/or enhance the value or condition of the Property, or to comply with applicable laws and regulations.

11. Insurance; Casualty; Indemnification.

(a) Seller shall maintain in effect until the Closing Date insurance policies with respect to the Property in an amount equal to the full replacement cost thereof, and shall deliver certificates of such insurance (wherein the insurer agrees not to change coverage without at least ten (10) days' notice to Buyer and names Buyer as an additional insured) to Buyer within ten (10) days after the date hereof. In the event of damage to the Property by fire or any other casualty insured under such policies, Seller shall promptly notify Buyer and Buyer shall have the right and option to cancel and terminate this Agreement by giving notice to Seller within five (5) days after Seller's notifying Buyer of such damage. In such event, this Agreement shall be null and void and neither party shall have further liability to the other hereunder. In the event that Buyer does not elect to terminate this Agreement, Seller shall pay or assign to Buyer at closing all

monies received or receivable from the insurance companies insuring the Property and all claims against such insurance companies as a result of the losses covered by such policies and shall pay to Buyer (or shall credit against Buyer's obligation in respect of the Purchase Price) an amount equal to any applicable deductible or co-insurance obligation in connection with any such insurance.

(b) Seller shall indemnify, hold harmless and, at Buyer's election, defend Buyer against any and all suits, claims, actions, losses liabilities or expenses, including reasonable attorneys' fees and court costs, resulting from or relating to any damage to property or death of, or injury to, any person, arising from, or relating to, the ownership, use or occupancy of the Premises arising before Closing. Notwithstanding the foregoing, Seller shall have no obligations to indemnify Buyer if such damage, death or injury arises out of, or is caused by, the negligence or willful misconduct of Buyer, its employees or agents.

(c) In the event that Buyer elects to have Seller defend Buyer in accordance with Section 11(b), Buyer agrees that promptly after the receipt of notice of any claim or the commencement of any action or proceeding, as to which entitlement to indemnification is claimed hereunder, Buyer will give Seller written notice thereof and will cooperate with Seller in the defense thereof; provided that no delay in giving notice, nor any failure to provide cooperation hereunder shall relieve Seller of its obligations for indemnification hereunder except to the extent of actual prejudice suffered by Seller as a result thereof.

12. Conditions Precedent to Buyer's Obligation. The obligation of Buyer under this Agreement to purchase the Property from Seller is subject to the satisfaction of each of the following conditions (any one or more of which may be waived in whole or in part by Buyer at or prior to Closing):

(a) The representations of Seller set forth in this Agreement shall be true and correct as of the date of this Agreement and at the time of Closing and shall be made at Closing by Seller's delivery of a certificate to such effect signed by Seller.

(b) No material adverse change shall have occurred to the Property, including the slab, exterior walls and roof; and all systems appurtenant thereto, including without limitation, electrical, plumbing, heating, ventilation and air conditioning, shall be in good repair and working order.

(c) Seller shall have performed all of its other obligations under this Agreement.

(d) Closing shall have occurred (or will have occurred simultaneously with the closing pursuant to this Agreement) under an agreement of sale (the "VanSciver Agreement") dated of even date herewith between PPL Susquehanna, LLC, a Delaware limited liability company, an affiliate of Seller, and Buyer in respect of Buyer's purchase of a certain property located at 1002 West Hamilton Street, Allentown, Pennsylvania (the "VanSciver Building").

(e) Buyer shall have entered into one or more agreements with the Allentown Parking Authority for the purchase and/or lease of approximately 225 parking spaces in close proximity

to the VanSciver Building (less the number of parking spaces on the Property) on terms acceptable to Buyer.

If any of the conditions set forth above in this Paragraph 12 are not satisfied (or waived by Buyer) by the Closing Date, Buyer may, in addition to its exercise of any other remedy available to Buyer, terminate this Agreement, at Buyer's option, in which event this Agreement shall be deemed null and void and the parties shall have no further rights, duties or obligations to one another.

13. Conditions Precedent to Seller's Obligation. The obligation of Seller under this Agreement to sell the Premises to Buyer is subject to the satisfaction of the following conditions (any of which may be waived in whole or in part by Seller at or prior to Closing):

(a) The sale of the Premises shall have received such approvals from the Pennsylvania Public Utility Commission as may be required by law; provided that (i) if such approval shall not have been obtained by the Closing Date, then, with Buyer's consent, Seller may defer the Closing Date for up to nine (9) months during which it may obtain such approval.

(b) Closing shall have occurred under the VanSciver Agreement; provided that if such closing does not occur by reason of such seller's default in its obligations, then this condition shall be deemed deleted herefrom.

If either of the conditions set forth above in this Paragraph 13 are not satisfied, Seller may terminate this Agreement, at Seller's option, in which event this Agreement shall be deemed null and void and the parties shall have no further rights, duties or obligations to one another.

14. Survey. The cost for any land survey required pursuant to Paragraph 3(b) to clarify title and/or legal description of the Property shall be paid by Seller.

15. Condemnation. Any taking or condemnation for any public or quasi-public purpose or use by any competent authority in appropriate proceedings or by any right of eminent domain of all or any portion of the Property between the date hereof and Closing shall, at Buyer's election, cause a termination of this Agreement. Should Buyer elect not to terminate this Agreement then Buyer will be entitled to all proceeds of any such taking, provided that Buyer takes title hereunder and in that event Seller will take all actions necessary to assign its interest in such proceeds to Buyer.

16. Seller's Default.

(a) Notwithstanding anything contained in this Agreement to the contrary, in the event that Seller fails to close in accordance with the terms of this Agreement, the remedies of Buyer shall not be limited and Buyer shall be entitled to such remedies as Buyer may have at law or in equity, including specific performance.

(b) Seller shall indemnify, hold harmless and, at Buyer's election, defend Buyer against any and all losses, damages or deficiencies suffered by Buyer or any obligations, debts,

suits, claims, actions, liabilities or expenses, including reasonable attorneys' fees and court costs, resulting from or relating to any misrepresentation, breach of warranty or nonfulfillment of any obligation or agreement on the part of Seller contained in this Agreement or in any agreement, statement or certificate furnished or to be furnished to Buyer pursuant hereto or in connection with the transactions contemplated hereby.

17. Brokerage. Buyer and Seller each mutually represent to the other that neither of them has employed the services of a real estate broker or agent in the furtherance of this Agreement.

18. Notices. All notices hereunder shall be deemed given only if sent by registered or certified mail, return receipt requested, addressed to the Buyer or Seller at the addresses set forth in the preamble to this Agreement and, if to Buyer, with a copy to:

Warren Vogel, Esquire
Silverman Bernheim & Vogel
Two Penn Center
Suite 910
Philadelphia, PA 19102

And

Chief Counsel, DGS
603 North Office Building
Harrisburg, PA 17125

and, if to Seller,

Robert J. Farley
Manager-Real Estate Service
PPL
Two North Ninth Street-GENN5
Allentown, PA 18101

with a copy to:

Ronald J. Reybitz, Esquire
PPL
Two North Ninth Street-GENTW3
Allentown, PA 18101

19. Entire Agreement. This Agreement contains the entire agreement between Seller and Buyer; and there are no other terms, obligations, covenants, representations, statements, or conditions, oral or otherwise, of any kind whatsoever. None of the terms hereof shall be waived, modified or amended except by a writing signed by the person sought to be charged.

20. Survival. All representations, warranties and agreements of Seller contained herein shall survive Closing for a period of one year except for the representations and warranties contained in Sections 5(h) and (i) and the related obligations of indemnification which shall survive Closing without expiration.

21. Recordation. This Agreement shall not be recorded in the Office for the Recording of Deeds in and for Lehigh County or in any other place of public record.

22. Assignment and Binding Agreement. This Agreement may be assigned by the Buyer and this Agreement shall extend to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto.

[The Balance of this Page Is Left Blank Intentionally.]

Governing Law. The parties agree that this Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions).

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have hereunto set their hands and seals the day and year first above written.

Seller:
**PPL ELECTRIC UTILITIES
CORPORATION**

Witness *Amos E. Gaudenskyer*

By: *Robert J. Farley*
Robert J. Farley
Manager-Real Estate Services
Authorized Agent

Buyer:

Approved for form and legality:

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES**

William H. ...
Office of Chief Counsel (DGS) *WHL*

[Signature]
Secretary

Approved for form and legality:

APPROVED:
**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF TRANSPORTATION**

William J. ... *JHL*
Office of Chief Counsel (DOT)

Rena ...
fa Secretary *5-11-05*

Approved for form and legality:

Amph ...
Office of Attorney General

[Signature]
Office of General Counsel *5/16/05*

[Signatures continue on next page.]

Approved:

Randy Selig 6/1/05
Comptroller
Department of General Services

Approved:

[Signature]
GOVERNOR

Approved: LMP -2005-7
SAP # 39 000 16427
\$ 135,000.00

Richard C. Zoloy II 6/2/05
Comptroller, DOT

EXHIBIT A

Legal Description

AMWRE

349-374

ENTERED

APR 10 3 35 PM '81

RECORDER OF DEEDS
LEHIGH COUNTY, PA.

This Indenture,

Made the 8th day of April
in the year of our Lord one thousand nine hundred and eighty-one (1981)

Between PARK & SHOP, INC., a corporation of the Commonwealth of Pennsylvania, having its principal office in the City of Allentown, County of Lehigh, and Commonwealth of Pennsylvania, Party of the First Part,

A N D

REALTY TRANS TAX PAID	
STATE	1367.00
Allentown	1850.00

PENNSYLVANIA POWER & LIGHT COMPANY, a corporation of the Commonwealth of Pennsylvania, having its principal office in the City of Allentown, County of Lehigh, and Commonwealth as aforesaid, Party of the Second Part

Witnesseth, that the said party of the first part, for and in consideration of the sum of ONE HUNDRED THIRTY-FIVE THOUSAND (\$ 135,000.00) Dollars unto it well and truly paid by the said part of the second part, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, enfeoffed, released, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, enfeoff, release, convey and confirm, unto the said party of the second part, its ~~successors~~ assigns, forever:

All THAT CERTAIN lot or tract of land known as 1016 through 1024 Linden Street, and 31 through 35 North Howard Street, including vacated Edison Street, situated in the Seventh Ward of the City of Allentown, Lehigh County, Pennsylvania, more particularly described in accordance with a survey prepared by Martin H. Schuler Company, Engineers and Surveyors of Allentown, as follows:

BEGINNING at a point formed by the intersection of the Eastern property line of North Howard Street (20 feet wide) with the southern property line of Linden Street;

thence extending along the southern property line of Linden Street, north 70° 04' 40" east, 109.65 feet to a point;

thence extending along the western property line of Plum Street, south 20° 03' 00" east, 171.02 feet to a point;

thence extending along the northern side of a five-foot wide alley, south 69° 40' 00" west, 110.32 feet to a point;

thence extending along the eastern property line of North Howard Street, north 19° 50' 00" west, 171.81 feet to the place of BEGINNING

CONTAINING 18,852.41 square feet.

BEING THE SAME PREMISES which Park & Shop, Inc., a Pennsylvania corporation, by Deed dated August 31, 1962, and recorded in the Office for the recording of Deeds in and for Lehigh County, at Allentown, Lehigh County, Pennsylvania, in Deed Book Volume 1021, Page 589, granted and conveyed unto Naborhood Parks, Inc., a Pennsylvania corporation. The said Naborhood Parks, Inc., was subsequently merged into and became a part of Park & Shop, Inc., on May 18, 1965, the said Park & Shop, Inc. thereby receiving all right, title and interest to all of the assets of Naborhood Parks, Inc.

0 4 1 6 1 1
 COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF REVENUE
 REALTY TRANSFER TAX APR 10 '81
 675.00
 R.B. 11214

0 4 1 6 1 1
 COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF REVENUE
 REALTY TRANSFER TAX APR 10 '81
 675.00
 R.B. 11214

EXHIBIT
 A

Grid # 63039847003

Together with all and singular the build- s- improvements, ways, waters, water courses, rights, liberties, privileges, hereditaments and appurtenances whatsoever thereunto belonging, or in anywise appertaining, and the reversions and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, property, claim and demand whatsoever of the said party of the first part, its successors and assigns, in law, equity or otherwise, howsoever, of, in and to the same, and every part thereof.

To have and to hold the said lots or pieces of ground above described with message or tenement thereon erected, hereditaments and premises hereby granted or mentioned, and intended so to be, with the appurtenances, unto the said party of the second part, its successors and assigns, to and for the only proper use and behoof of the said party of the second part, its successors and assigns, forever

And the said party of the first part, for itself and its successors, does by these presents covenant, grant and agree to and with the said party of the second part, its successors and assigns, that it, the said party of the first part, and its successors, all and singular the hereditaments and premises herein above described and granted, or mentioned, and intended so to be, with the appurtenances, unto the said party of the second part, its successors and assigns, against it, the said party of the first part and its successors, and against all and every other person or persons whomsoever, lawfully claiming or to claim the same, or any part thereof,

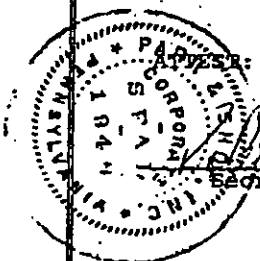
shall and will Warrant and forever Defend

The said Park & Shop, Inc., the said party of the first part, doth hereby constitute and appoint John Leh, II, to be its attorney, for it and in its name, and as and for its corporate act and deed, to acknowledge this Indenture before any person having authority by the laws of the Commonwealth of Pennsylvania to take such acknowledgment, to the intent that the same may be duly recorded.

This Deed is made under and by virtue of a resolution of the Board of Directors of the party of the first part, duly passed at a meeting thereof duly and legally held on the 15th day of April, 1980.

In Witness Whereof,

the said party of the first part, has caused these presents to be signed by its President or a Vice President, and its corporate seal to be hereunto affixed, duly attested by its Secretary or an Assistant Secretary, the day and year first above written.



Robert D. Miller
Secretary

PARK & SHOP, INC.

John Leh II
President

MAIL ROOM - Local Estates Dept

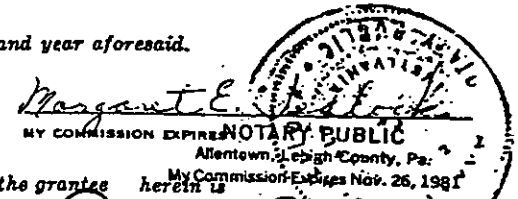
Commonwealth of Pennsylvania

County of LEHIGH

} ss.:
8th day of April,

I HEREBY CERTIFY that on this A.D. 1981, before me, the subscriber, a Notary Public in and for said Commonwealth and County, personally appeared John Leh, II the attorney named in the foregoing Indenture, and by virtue and in pursuance of the authority therein conferred upon him, acknowledged the said INDENTURE to be the act and deed of the said Park & Shop, Inc., a Pennsylvania corporation to the intent that the same may be duly recorded.

Witness my hand and notarial seal the day and year aforesaid.



Margaret E. [Name]
NOTARY PUBLIC
Allentown, Lehigh County, Pa.
My Commission Expires Nov. 26, 1981

I Heretby Certify that the precise address of the grantee herein is

Robert J. [Name]
2 Unit 2nd floor
all Bldg. B. 18101

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PAGE 299

DEED

PARK & SHOP, INC.

Norfolk Parkes Inc.

TO

MAIL

PENNSYLVANIA POWER & LIGHT COMPANY

Apr 10-3:35

Dated April 8, 1981

*1016 To 1024 Linden St
31-35 N. Howard St*

Commonwealth of Pennsylvania

County of LEHIGH

Recorded on this 10TH day of APRIL A.D. 19 81

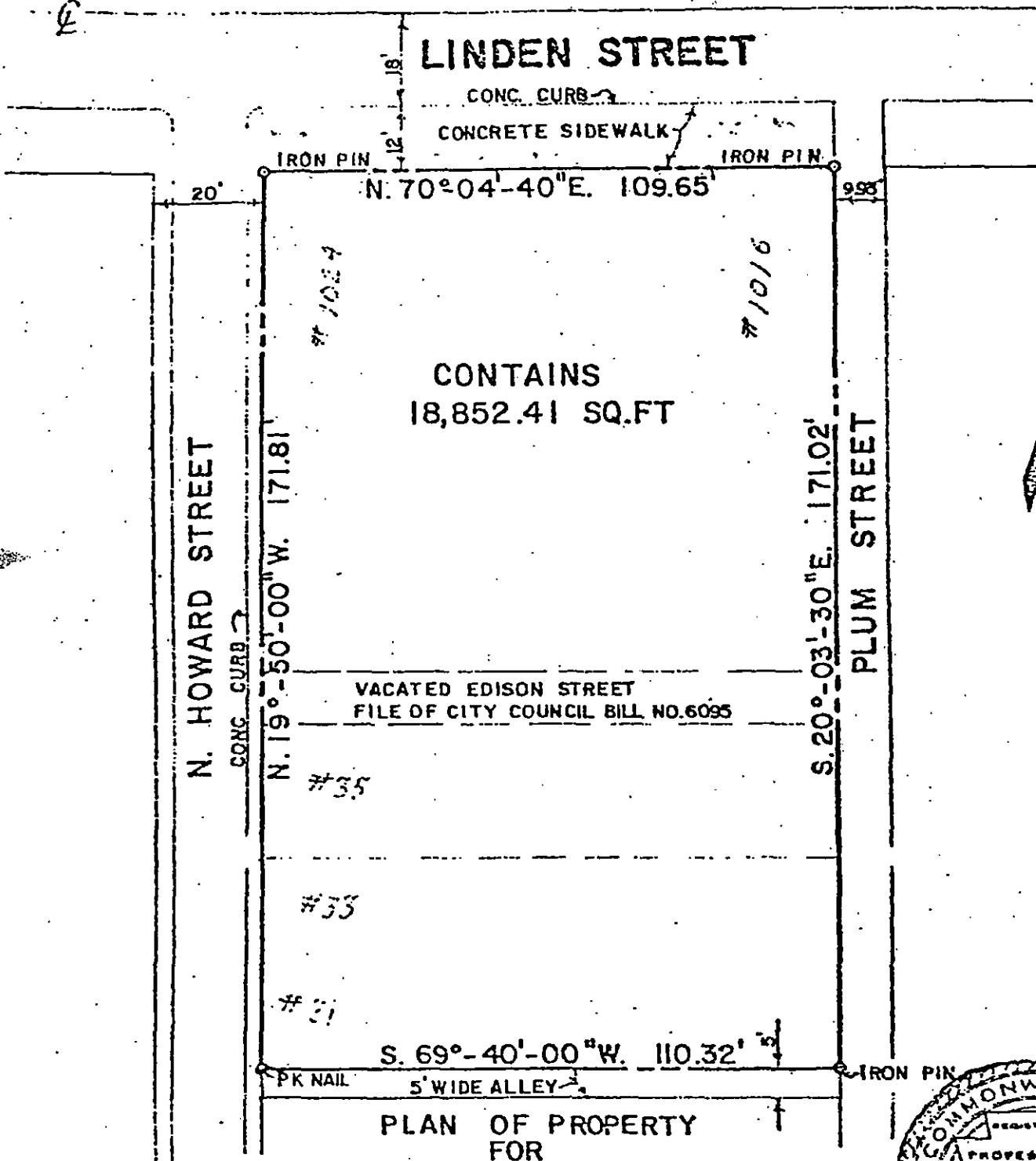
in the Recorder's Office of said County

in DEED Book , Vol. 1292 , Page 299

Given under my hand and seal of the said office the date above written.

[Signature]
RECORDER

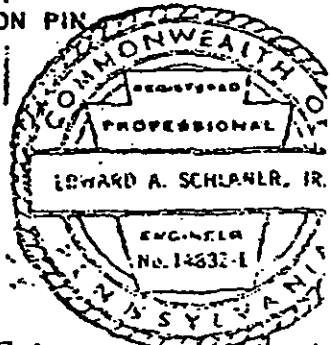
REGISTRY BUREAU
MAY - 1 1981
CITY OF
ALLENTOWN



PLAN OF PROPERTY
FOR
PARK & SHOP INC.

7th WARD CITY OF ALLENTOWN
LEHIGH COUNTY PENNSYLVANIA
MAY 9, 1980

SCALE: 1" = 30'



Edward A. Schuler, Jr.

EXHIBIT B

Lease

LEASE

THIS LEASE made this 30th day of April, 2003, by and between PPL ELECTRIC UTILITIES CORPORATION, Two North Ninth Street, Allentown, PA 18101-1179, party of the first part, hereinafter called "Lessor," and ALLENTOWN PARKING AUTHORITY, 1005 Hamilton Street, Allentown, PA 18101, party of the second part, hereinafter called "Lessee."

WHEREAS, Lessee desires to administer the use of Lessor's premises, being a parking lot located at 1016 Linden Street, Allentown, PA, known as the "C Lot".

WITNESSETH, that Lessor hereby grants to Lessee, the right to use and maintain the said parking lot under the following terms and conditions:

1. Lessor grants to Lessee the right to lease parking spaces in the said lot to third parties on a month-to-month basis at a monthly rental to be agreed upon by the parties. After Lessee's direct out-of-pocket expenses have been paid (such as snow removal, monthly insurance, general maintenance including removal of trash and debris and grass and weed cutting), Lessee shall remit to Lessor one-half (1/2) of the net proceeds and an itemized statement of the rental income and any expenses incurred on or before the 15th of each month. Should the expenses exceed the rental income, Lessor shall not be responsible to reimburse Lessee. Payment to Lessor shall be sent to PPL Real Estate Services at the address listed in number 11 below.
2. Lessee shall have the exclusive right to market and sub-lease said premises for the sole purpose of the parking of automobiles, and not for any repair or servicing of vehicles.
3. Lessee shall take all necessary precautions to protect and to avoid damage to or interference to the property of Lessor
4. If necessary, this Lease shall be subject to filing/approval by Lessor with the Pennsylvania Public Utility Commission.
5. Lessee may not sublease or transfer any portion of this lease, except as sub-leasing individual parking spaces to tenants; however, Lessor may, at its option, assign this lease.
6. This license shall commence on May 1, 2003 and shall continue on a month to month basis, terminable by either party upon thirty (30) days notice.

- 7. Upon termination or cancellation of this agreement for any reason, Lessee shall promptly vacate the premises to Lessor in its present condition, normal wear and tear accepted.
- 8. Lessee shall release, quitclaim, discharge, indemnify, defend and hold harmless Lessor, its officers, directors, employees, agents, successors and assigns from and against any and all loss, liability, including environmental, damages, demands, claims, suits, fines, penalties or causes of action whatsoever, caused by, resulting from, or in any way related to the presence of Lessee, its contractors or assigns on Lessor's property, including resolving any environmental problems, without expense to Lessor, to the satisfaction of all appropriate local, state and federal governmental entities.
- 9. Lessee shall maintain insurance coverage in substantial compliance with the following types and coverages of insurance and shall furnish Lessor with an insurance certificate as proof of such coverage.

<u>Type</u>	<u>Minimum Insurance Coverage</u>
a) Workers Compensation	Statutory
b) Employer's Liability	\$100,000
c) Commercial General Liability	\$1,000,000
Bodily Injury & Property Damage	Combined Single Limit
d) Comprehensive Vehicle Damage	\$1,000,000
	Combined Single Limit

- 10. Lessee agrees to not store or allow to be stored any hazardous material, or park vehicles that contain highly flammable or explosive cargoes on the leased property.
- 11. Notices shall be deemed served if mailed to the parties at the following addresses:

PPL Electric Utilities Corporation
 Real Estate Services
 Two North Ninth Street, GENN3
 Allentown, PA 18101

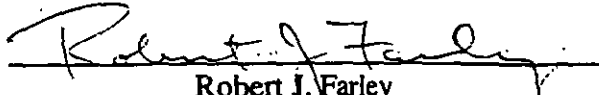
Allentown Parking Authority
 1005 Hamilton Street
 Allentown, PA 18101

12. Lessee shall be prohibited from adding any improvements to the property without prior written consent of Lessor, which consent shall not be unreasonably withheld.

WITNESS:

PPL ELECTRIC UTILITIES CORPORATION

By:



Robert J. Farley
Manager-Real Estate Services

WITNESS:

ALLENTOWN PARKING AUTHORITY

By:



Linda Kauffman
Director

g:\stenolac\kvb\lease - parking lots.doc
05/02/03 4:11 PM

ATTACHMENT 2

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of PPL Electric :
Utilities Corporation for Approval of the :
Transfer by Sale to the Pennsylvania : Application
Department of General Services of : Docket No. _____
Property Located in the City of :
Allentown, Lehigh County, :
Pennsylvania. :

**RESPONSES OF
PPL ELECTRIC UTILITIES CORPORATION
TO INTERROGATORIES PROPOUNDED BY THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Question:

1. Provide an accurate legal description and location identification of the property and the interest therein to be sold, leased or transferred.

Response:

1. See Attachment 1 to the above-captioned Application of PPL Electric Utilities Corporation (hereafter "PPL Electric").

Question:

2. Provide, where applicable, an inventory identifying the buildings, structures, fixtures and other improvements, including appurtenant removable

building equipment, which are considered to be part of the property for sale, lease or transfer.

Response:

2. See Attachment 1 to the above-captioned Application of PPL Electric.

Question:

3. State whether or not the sale, lease or transfer of the property will affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way. Explain.

Response:

3. The sale will benefit the Commonwealth of Pennsylvania by providing a centralized parking facility for Department of Transportation employees who are located in Allentown, Pennsylvania.

Question:

4. State the reason for the sale, lease or transfer of property.

Response:

4. See response to Question 3, above.

Question:

5. State the alternatives that PPL Electric has considered to the prospective sale, lease or transfer.

Response:

5. PPL Electric did not consider any alternatives to the proposed sale because the sale is necessary to permit the Department of General Services ("DGS"), an administrative department of the Commonwealth of Pennsylvania, to own and operate an employee parking facility in downtown Allentown.

Question:

6. State whether or not the sale, lease or transfer of this property will result in an interruption or curtailment of existing services to the public. Explain.

Response:

6. The proposed sale will not result in an interruption or curtailment of existing services to the public.

Question:

7. State whether or not the sale, lease or transfer of this property will result in either a staff reduction or a termination of some portion of PPL Electric's operation. Explain.

Response:

7. The sale involves a minor portion of PPL Electric's property and will not cause a staff reduction or a termination of any of PPL Electric's operations.

Question:

8. State whether or not the sale, lease or transfer of this property will result in a physical relocation of the main office, branch office or service office of PPL Electric.

Response:

8. The sale will not result in relocation of any PPL Electric offices.

Question:

9. State whether or not the sale of this property will require the acquisition of replacement property. If replacement is required, state the cost and description of the property to be acquired.

Response:

9. The sale of this property will not require the acquisition of replacement property.

Question:

10. State whether or not PPL Electric anticipates or has reason to believe that it will be necessary to seek a rate increase in order to withstand the financial impact of the transaction that is the subject of these interrogatories. Explain.

Response:

10. PPL Electric does not anticipate a need to seek increased rates due to the sale of this property.

Question:

11. State whether or not the property has been part of a rate case that has appeared before the PUC. If it has been, identify the case by Commission docket number and date.

Response:

11. The property to be transferred has been included in PPL Electric's most recently concluded base rate case at Docket No. R-00049255, and in prior base rate cases.

Question:

12. State whether or not the property is the subject of a state or federal proceeding. If it is, identify the proceeding and explain.

Response:

12. The property is not the subject of any state or federal proceedings.

Question:

13. State whether the property is to be sold at a price above or below its fair market value as determined by at least two appraisals and a third review appraisal with the three appraisals being performed by qualified independent real estate appraisers; if the property is stock, indicate the book value and current market value of the shares involved.

Response:

13. The property is to be sold at a price determined, through arms-length negotiations, as part of an overall transaction wherein DGS acquired a building to house Pennsylvania Department of Transportation employees located in Allentown, Pennsylvania.

Question:

14. State the net profit or loss to be realized by PPL Electric from the sale, lease or transfer of this property after the following factors have been taken into consideration:

- a. date and cost of acquisition,
- b. cost of improvements,

- c. allowance for depreciation,
- d. brokerage fees and commissions,
- e. tax consequences of the sale,
- f. recording fees, transfer taxes, and similar expenses *incidental to conveying such property*,
- g. penalty costs and other charges for prepayment of any pre-existing recorded mortgage encumbering such property and
- h. net damages or benefits accruing to the remaining PPL Electric property.

Response:

14. Considering the listed factors, PPL Electric will realize a net loss from the sale of \$1,000 which is the difference between the original cost of the property and its sale price.

Question:

15. State the uses to which proceeds of this sale will be applied.

Response:

15. Proceeds from the sale will be applied to general corporate purposes.

Question:

16. State the accounting entries that will be made in the sale, lease or transfer of the property.

Response:

16. The retirement of the property sold will be recorded as follows:

Account 108 - Accumulated Provision for Depreciation of Electric Utility Plant and Account 253 - Deferred Credit - Sale of Property will be debited and Account 101-Electric Plant in Service will be credited for the sale of the property.

The loss from the sale of property will be recorded as follows:

Account 421 - Loss on Disposition of Property will be debited and Account 253 - Deferred Credit - Sale of Property will be credited.

Question:

17. State the effect that the sale will have on PPL Electric's short-range or long-range plans for expanding or upgrading any of the services that PPL Electric is now offering to the public.

Response:

17. The sale will not affect PPL Electric's short or long-range plans for expanding or upgrading any services now offered to the public.

Question:

18. Where an affiliated interest of a public utility is involved in the property transfer, explain fully the relationship between the affiliate and the jurisdictional utility.

Response:

18. No affiliated interests are involved in the sale.

Question:

19. State what portion of the original cost of the property being transferred represents material cost, and what portion represents installation cost.

Response:

19. The property being transferred represents real estate.

Question:

20. State when the property was installed and/or constructed.

Response:

20. The parcel of land was acquired in 1981.

