

Prepared by:
PECO Energy Company
2301 Market Street, N3-3
Philadelphia, PA 19103
(215) 841- 5395

Return to:
PECO Energy Company
2301 Market Street, N3-3
Philadelphia, PA 19103
(215) 841- 5395

Tax Parcel: 58-00-10114-00-7

EASEMENT AGREEMENT

THIS AGREEMENT OF EASEMENT (this "Agreement") made as of as of June 26, 2014 and effective as of the December 1, 2011, by and between PECO ENERGY COMPANY, a Pennsylvania corporation ("Grantor") and UPPER MERION TOWNSHIP, a body politic and corporate of the Commonwealth of Pennsylvania ("Grantee") (collectively the "Parties").

BACKGROUND

A. Grantor is the owner of certain parcels of ground located on the eastern side of South Gulph Road (SR 3039) in Upper Merion Township, Montgomery County, Pennsylvania, more particularly shown on Exhibit "A" attached hereto (the "Premises"). The Premises is used by Grantor for its corporate purposes currently being the transmission and distribution of electricity, gas, and communications as well as by third parties for the transmission and distribution of petroleum products and telecommunications.

B. Grantee desires to establish recreational facilities on the Premises and to restrict certain development activities on the Premises as hereinafter set forth.

C. The Premises consists of level topography with open meadows and low shrub growth. Portions of the Premises contain electrical transmission line towers and other facilities of Grantor and a petroleum products pipeline, as shown on the plan attached hereto at Exhibit "A".

D. The Premises possesses significant open space, recreation and public access value due to its location within the highly urbanized and densely-developed Greater Philadelphia region, and exhibits important conservation and public access values that are of great importance to Grantor, Grantee, and the people of the Commonwealth of Pennsylvania.

NOW, THEREFORE, WITNESSETH, in consideration of the sum of NINE HUNDRED AND THIRTY-FIVE THOUSAND DOLLARS (\$935,000) which represents FORTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$42,500) per acre for twenty-two (22) acres, and the covenants, promises and agreements herein, and intending to be legally bound, the parties agree as follows:

1. Grantor, insofar as it has the power, title and authority so to do, hereby grants unto Grantee the perpetual, nonexclusive right, liberty and privilege to use the Premises for active and passive recreation (including the establishment of athletic fields), parking lots, a bicycle-pedestrian trail, and open space (collectively called the "Grantee's Improvements") as shown highlighted in red on Exhibit "A" (the "Easement Area") attached hereto, and UNDER and SUBJECT, to the conditions, easements and restrictions as appear of record or to which a survey or personal inspection might otherwise reveal; ALSO UNDER and SUBJECT to the express conditions hereinafter set forth, the faithful performance of which constitutes an essential part of the consideration hereof.

2. Grantor, insofar as it has the power, title and authority so to do, and in addition to any and all rights granted by this Agreement, hereby conveys unto Grantee the right to enter into a Recreational Trail Easement Agreement, subject to the same conditions as this Agreement, with the County of Montgomery, or any government agency selected by the Grantee for such consideration as the Grantee may determine, for the Recreational Trail Easement Area as shown on Exhibit "A" attached hereto.

3. No buildings shall be constructed, maintained, or used in the Easement Area except for buildings that Grantor, may require for or in support of the distribution and transmission of electricity, gas and communications. Grantee shall have the right to enforce this restriction by any lawful means including, without limitation, an action in equity.

4. (a) Grantee agrees to comply with all requirements of any of the constituted public authorities and with the terms of any state or federal statute or local ordinance or regulation applicable to Grantee's use of the Easement Area (collectively, "Laws"), and save Grantor harmless from penalties, fines, costs (including reasonable attorneys' fees) or damages resulting from Grantee's failure to do so.

(b) Grantor reserves the full, free, and uninterrupted right, liberty and privilege to erect, construct, install, use, operate, maintain, repair, renew, add to, relocate, and replace Grantor's Facilities, including, but not limited to substation apparatus and equipment, transformers, equipment enclosures, foundations, berms, switches, regulators, protective devices, poles, towers, structures, wires, cables, antennas, fiber optics, crossarms, ducts, duct banks, conduits, pipes, gas service pipes, gas mains, manholes, valves, anchors, anchor guys, guy wires, fences, driveways, water service pipes, and other equipment and appurtenances necessary for the

transmission and distribution of electricity, the modular generation and storage of electricity, and the transmission and distribution of gas, communications, and information ("Grantor's Facilities"). The Easement Area is part of a major right of way used or which may be used or expanded upon for the transmission and distribution of electricity, gas and telecommunications. If Grantee's Improvements interfere with Grantor's Facilities, Grantee agrees to relocate Grantee's Facilities at its sole cost and expense, within a reasonable period following notice from Grantor.

(c) With the exception of the Recreational Trail License Area, Grantor shall have the right at all times to permit third parties to use the Premises to construct and maintain facilities including, but not limited to the installation and maintenance of petroleum, gas, water and sewer pipelines and communications. Nothing in this Agreement shall require Grantor to relocate any existing third party facilities.

5. (a) Grantee shall, construct, use, maintain, repair, renew, remove and replace Grantee's Improvements at its sole cost and expense, in a good and workmanlike manner and in conformity with all Laws, doing as little damage as possible to the Premises and Easement Area.

(b) Grantee shall, upon completion of any and all work, (1) restore the Premises and Easement Area to a condition at least equal to that existing prior to such work including, but not limited to properly filling, tamping, seeding and re-seeding the surface, refilling following any subsequent settlement due to any excavation made for Grantee's Improvements and re-grading in order to maintain the drainage pattern existing prior to the construction of Grantee's Improvements; any drainage problems created by Grantee shall be corrected at its sole cost and expense without additional use of Grantor's Premises, (2) remove all material and debris and re-establish Grantor's right-of-way roads or trails to their original good condition and (3) repair and put into good condition or replace if necessary, at its sole cost and expense, and to the satisfaction of Grantor, any and all property and improvements of Grantor damaged by the construction or installation of the Improvements including, but not limited to, fences and shrubbery. Any such repairs or replacement required for Grantor's Facilities shall be performed by Grantor at Grantee's sole cost and expense.

(c) Grantee is responsible for all maintenance of whatsoever kind or nature required for the Grantee's Improvements including, but not limited to, repairs to the Grantee's Improvements and snow removal from any roadways or sidewalks.

6. Grantee shall exercise particular care in laying, constructing, installing, using, maintaining, repairing, renewing, removing or replacing Grantee's Improvements to avoid interference, contact with or damage to Grantor's Facilities. Grantee will not cause or permit any material, boom, crane or similar mechanical equipment, nor any part thereof, to come within: (a) thirty-five (35) feet (10.7 meters) of a 500 kV conductor; (b) twenty-five (25) feet (7.7 meters) of a 230 kV conductor; (c) twenty (20)

feet (6.1 meters) of a 133 kV conductor; (d) fifteen (15) feet (4.6 meters) of a 69 kV conductor and (e) twelve (12) feet (3.7 meters) of any electric conductor less than 69 kV without Grantor's prior approval as hereinafter provided in Section 14. Grantee shall not permit equipment to operate within five (5) feet of any tower foundations, poles or anchor guys supporting said towers or poles. Grantee's Improvements shall be constructed at least twenty-five (25) feet away from any tower leg or structure and at least ten (10) feet from any wood poles or anchors supporting Grantor's Facilities. No excavation shall be made closer than twenty-five (25) feet to Grantor's transmission towers or structures without specific written approval by Grantor.

7. Grantee shall adhere at all times to current occupational safety and health regulations (OSHA) and Pennsylvania Department of Labor and Industry Regulations, or regulations of any other agency having jurisdiction, regarding the safe operation of cranes, booms and hoists or other equipment in the vicinity of energized conductors. If Grantee uncovers or damages any electric transmission line grounding leads or counterpoise wire or damages any of Grantor's Facilities Grantee shall immediately notify Grantor's Transmission & Substations Work Dispatcher as provided in Section 16 and any damaged Grantor's Facilities shall be repaired or replaced by Grantor at Grantee's sole cost and expense. Grantee and its contractors shall not touch, handle or attempt to repair any exposed and/or severed grounding leads or counterpoise wire or other Grantor's Facilities. Grantee is responsible to inform equipment operators of the nature and location of underground facilities in the Easement Area.

8. (a) If Grantee requests Grantor's approval to operate equipment closer to conductors than permitted in Section 4, and provided Grantor can accommodate such request, Grantor's Facilities must be de-energized and grounded prior to the start of any construction operation which shall require any part of such equipment to be positioned closer to the conductors or Grantor's Facilities than provided in Section 6. Grantee shall not permit any equipment or material to contact a de-energized conductor. Grantee must notify Grantor's Transmission & Substations Work Dispatcher, as provided in Section 16, at least seven (7) months prior to any work requiring Grantor's Facilities to be de-energized. If such request can be accommodated a schedule shall be developed by Grantor to allow for Grantee's construction, if feasible. Grantee shall reimburse Grantor for any costs including, but not limited to, additional generating costs as determined by Grantor as a result of Grantor de-energizing its Facilities. If an emergency occurs during the period Grantor's Facilities are de-energized and Grantor's Facilities are required to maintain its system operation, Grantee must make Grantor's Facilities available for use within one (1) hour of notification.

(b) Notwithstanding anything herein to the contrary, Grantor is under no obligation whatsoever to de-energize or relocate any of its Grantor's Facilities to accommodate Grantee's Improvements including their installation, maintenance, removal or replacement.

9. Grantee shall use special care not to disturb or undermine Grantor's Facilities in any manner whatsoever. Grantee shall not interfere with or block Grantor's access to Grantor's Facilities or the Premises at any time and when necessary shall properly plank excavations to facilitate Grantor's access with men, equipment and vehicles. If roadways or curbing are to be installed, Grantee shall, if required by Grantor, provide depressed curbs with ramps at least sixteen (16) feet in width with no greater than a 15% grade and capable of supporting vehicles which distribute 38,000 pounds per axle.

10. Grantee shall not use explosives for the construction, installation, maintenance, renewal, removal or replacement of Grantee's Improvements.

11. Grantee assumes all risk of loss, injury or damage to Grantee's Improvements or personal property and all risk of injury or death to its employees, contractors, workmen, or any other person or persons from any causes whatever, including but not limited to claims for injuries to employees of the Grantor Parties, Grantee or their contractors or subcontractors. To the fullest extent permitted by applicable law, Grantee shall at all times hereafter indemnify, defend and save harmless Grantor, its officers, agents and employees ("Grantor Parties"), from and against any and all claims, actions, liability, damages, costs and expenses (including attorney's fees) in connection with loss of life, personal injury, or damage to property caused to any person in or about the Premises and the Easement Area (including but not limited to claims for injuries to employees of Grantor, Grantee or their contractors or subcontractors) or arising out of the occupancy or use of the Easement Area by Grantee or occasioned wholly or in part by the act or omission of Grantee, its agents, employees or invitees, regardless of the concurrent negligence of Grantor Parties, unless attributable to the sole negligence of the Grantor Parties.

12. (a) In addition to the indemnifications contained in Paragraph 11, but not in limitation thereof, Grantee agrees to carry and maintain the following policies of insurance with companies acceptable to Grantor:

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 Grantor for injuries to employees of Grantee or to employees of Grantee'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 Grantor for injuries to employees of Grantee or to employees of Grantee's contractors or subcontractors), and property damage, covering all owned, leased, rented or non-owned vehicles, which shall include automobile contractual liability coverage.

iv. Grantee 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, provided that Grantee 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) The insurance required above shall name the Grantor, 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 Grantor 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 Grantor. Thereafter, duplicate policies or certificates of insurance shall be delivered to Grantor 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 Grantor 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 Grantee.

(c) Insurance coverage provided by Grantee or its contractors or subcontractors under this Agreement shall not include any of the following: any self-insured retention or deductible amount greater than Ten Thousand Dollars (\$10,000) unless approved in writing by Grantor; any endorsement limiting coverage available to Grantor which is otherwise required by this Agreement; and any policy or endorsement language that (1) negates coverage to Grantor for Grantor's own negligence, (2) limits the duty to defend Grantor under the policy, (3) provides coverage to Grantor only if Grantee is negligent, (4) permits the recovery of defense costs from any additional insured, or (5) limits the scope of coverage for liability assumed under a contract.

13. If any lien is filed against the Premises by any contractor of Grantee for work done on the Premises, Grantee shall cause same to be discharged or satisfied

within fifteen (15) days of service or upon notice of same, whichever shall be sooner. Grantee shall indemnify, defend and hold harmless Grantor against all costs and expenses (including, without limitation reasonable attorneys' fees arising out of any such liens.

14. Prior to performing any work in the Easement Area, as permitted hereunder, Grantee shall submit to Grantor's Real Estate & Facilities Division, six (6) copies of detailed plans or drawings showing all proposed improvements. Grantor shall review the plans to determine (i) whether the plans are in compliance with Grantor's "Electric Construction Standard" S-7070, S-7073 and S-7074, a copy of which is attached hereto and made a part hereof as Exhibit "B", or any revision thereof or successor standard, indicating the scope of work to be performed and (ii) that the proposed improvements do not interfere with Grantor's existing or planned future use of Grantor's Facilities. Grantor reserves the right to decline to review drawings submitted without the required information. If Grantor's approval is given, Grantee shall notify Grantor upon completion of any work done in order that a final inspection can be made by Grantor to insure compliance therewith. Subsequently, but not later than three (3) months after completion, Grantee shall submit to Grantor for written approval three (3) copies of the "as built" plans or drawings indicating the installation and/or construction of the Improvements within the Easement Area.

15. If it should be deemed necessary by Grantor to take precautionary measures such as, but not limited to, relocating Grantor's Facilities, supplying safety inspectors to insure that any work performed is done in a safe and proper manner, de-energizing conductors, and erecting barricades due to the installation, construction, maintenance, renewal, removal, repair, or replacement of the Improvements, then Grantee shall pay for any such measures taken by Grantor on a cost plus overhead basis within thirty (30) days of submission of a bill therefor from Grantor. It is understood and agreed that this shall, in no way, relieve Grantee from any liability in connection with the rights herein granted.

16. At least two (2) months prior to the commencement of any construction or other work on the Easement Area or Grantee's Improvements (or seven (7) months if it shall be necessary to de-energize Grantor's Facilities) Grantee shall contact Grantor's Work Dispatcher, Transmission & Substations, 1040 Swedesford Road, Berwyn, Pennsylvania, 19312 (Telephone No. 610-648-7920 or 7921) to make arrangements with Grantor's representatives to review Grantee's previously approved plans or drawings to determine what precautionary measures, if any, are required. Grantee shall again contact Grantor's Transmission & Substations Work Dispatcher at least five (5) days prior to beginning any work in the Easement Area as notice that work is to commence and to confirm previously made precautionary measures and other arrangements. **PRIOR APPROVAL OF GRANTEE'S PLANS OR DRAWINGS BY GRANTOR DOES NOT CONSTITUTE NOTICE TO OR APPROVAL BY GRANTOR FOR GRANTEE TO COMMENCE WORK ON THE EASEMENT AREA. GRANTEE**

AGREES THAT ABSOLUTELY NO WORK SHALL BEGIN ON THE EASEMENT AREA, INITIALLY OR AT ANY FUTURE TIME, UNLESS GRANTEE HAS MADE PROPER ARRANGEMENTS AND GIVEN THE REQUIRED NOTICE AS AFORESAID.

17. (a) Grantee shall pay all real property taxes and other charges and assessments levied upon or assessed against Grantor or the Premises caused by the construction or presence of Grantee's Improvements and shall save Grantor harmless from any such taxes, charges and assessments at its sole cost and expense.

(b) Grantee covenants and agrees that no charge or assessment shall be made or imposed upon Grantor or the Premises for the cost of installing and constructing Grantee's Improvements and shall save Grantor harmless from any such charge or assessment at Grantee's sole cost and expense.

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

19. Grantee shall not assign this Agreement without the prior written consent of Grantor.

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

Grantor:

PECO Energy Company
2301 Market Street
Philadelphia, PA 19103
Attn: Director, Real Estate & Facilities

Grantee:

Upper Merion Township
175 West Valley Forge Road
King of Prussia, PA 19406
Attn: Township Manager

21. Grantor shall have all benefits of the Act of Assembly of February 2, 1966, No. 586 S1 et seq., 68 P.S. 477-1 et seq. limiting liability of landowners to make land and water areas available to the public for recreational purposes.

22. (a) Grantee shall not cause or permit, as a result of any act or omission on the part of Grantee, the placement or presence of any flammable or other forms of explosives, radioactive materials, petroleum and petroleum products, hazardous wastes or toxic substances, or related materials, asbestos or any material containing asbestos, or any other substance or materials as defined by any federal, state or local environmental law, ordinance, rule, or regulation now existing or hereinafter enacted ("Hazardous Materials") upon the Premises or Grantor's adjoining property.

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

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

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

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

24. (a) The waiver by Grantor of any breach of any covenant, obligation or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach of any covenant, obligation or condition.

(b) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(c) This Agreement constitutes the entire agreement between the parties and may not be amended, altered or modified except by written instrument executed by the parties hereto.

(d) 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.

(e) The covenants, agreements and conditions herein contained shall inure to and bind the respective successors and, to the extent permitted, assigns of the parties hereto.

[EXECUTED BY THE PARTIES ON THE FOLLOWING PAGE]

EXECUTED the day and year first above written.

PECO ENERGY COMPANY

ATTEST:


Assistant Corporate Secretary

BY:


Director, Real Estate & Facilities

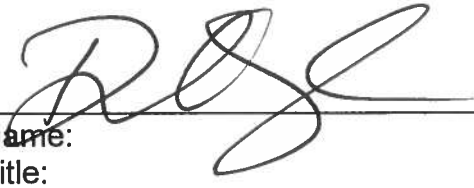


UPPER MERION TOWNSHIP

WITNESS:



BY:


Name:
Title:

COMMONWEALTH OF PENNSYLVANIA:
: SS.
COUNTY OF PHILADELPHIA :

On this, the 17th day of July 2014, before me, a Notary Public, the undersigned officer, personally appeared M. A. Williams, who acknowledged himself to be Director, Real Estate & Facilities of PECO ENERGY COMPANY, a Pennsylvania corporation and that he as such Director, Real Estate & Facilities, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Director, Real Estate & Facilities.

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

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Chanane P. Williams, Notary Public
City of Philadelphia, Philadelphia County
My Commission Expires March 16, 2017
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

Chanane P. Williams

Notary Public



COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF MONTGOMERY :

On this the 10th day of July 2014, before me, a Notary Public, the undersigned officer, personally appeared David G. Kraynik known to me (or satisfactorily proven) to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained.

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

Lisa A. Kittrell

Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Lisa A. Kittrell, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires July 2, 2017
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

File No.

NPS/ns