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**E-File**

May 31, 2017

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor North  
P.O. Box 3265  
Harrisburg, PA 17120-3265

**Re: PPL Electric Utilities Corporation Agreement;  
City of Lancaster  
Lancaster County, Pennsylvania**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is an Agreement between PPL Electric and the City of Lancaster located in Lancaster County, Pennsylvania. This agreement is being filed pursuant to 66 Pa. C.S.A. § 507.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on May 31, 2017, which is the date it was filed electronically using the Commission's E-filing system.

If you have any questions please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kim Klock" with a stylized flourish at the end.

Kimberly A. Klock

Enclosure

## AGREEMENT OF SALE

**THIS AGREEMENT of SALE** (“Agreement”) is made this 23<sup>rd</sup> day of May, 2017 (the “Execution Date”), by and between PPL Electric Utilities Corporation, a Pennsylvania corporation having an address of 2 N.9<sup>th</sup> Street, Allentown, Lehigh County, Pennsylvania (hereinafter “Seller”) and the City of Lancaster, having an address of 120 North Duke Street, Lancaster, PA (hereinafter “Buyer”).

### **RECITALS:**

**WHEREAS**, Seller owns a parcels of land located in Lancaster Township, Lancaster County, Pennsylvania, and being more fully described in the deeds recorded in the Recorder of Deeds Office in and for Lancaster County as follows: deed book M, volume 33, page 188, recorded on February 14<sup>th</sup>, 1938 (collectively, the “PPL Property”); and

**WHEREAS**, Buyer is desirous of purchasing an approximately 1.26 acre portion of the PPL Property from Seller, as shown on the drawing attached as Exhibit “A” and incorporated by reference herein (“Property”), and subject to all applicable subdivision approvals, Seller is desirous of selling the Property to Buyer, under the terms and conditions set forth herein; and

**WHEREAS**, Buyer desires to use the property for municipal sewer authority purposes (“Intended Use”).

**NOW THEREFORE**, in consideration of the promises, covenants and agreements hereinafter contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. The forgoing recitals are hereby incorporated by reference, and any defined term contained therein shall have the same meaning throughout the Agreement.

2. The purchase price shall be Sixty-Thousand Dollars (\$60,000.00), which shall be paid to the Seller by the Buyer at Closing.

3. At Closing, Seller shall convey good and marketable fee simple title to the Property (subject to Paragraph 21 hereof), free and clear of all liens and encumbrances except for easements of record which Buyer does not object, as hereinafter provided; being such title as will be insured at regular rates by a reputable title insurance company, licensed in the Commonwealth of Pennsylvania. Buyer shall examine the title to the Property, inspect the Property and take any other action the Buyer deems is necessary to determine the condition of title to the Property. Buyer shall provide Seller with written notification of any objections to the title within sixty (60) days of the full execution of this Agreement. If matters to which Buyer objects would, in Buyer’s reasonable opinion, significantly impair Buyer’s Intended Use of the Property and are not remedied by Seller prior to Closing (or Seller does not commit to remedy such objection, within such sixty (60) day period, prior to Closing), or if Seller is unwilling to remedy the objections and Buyer does not waive its objections, then at Buyer’s election, Buyer may (i) terminate its obligation hereunder to purchase the Property and this Agreement shall be null and void, and there shall be no further liability between Seller and Buyer with respect to the subject matter of this Agreement, or (ii) Buyer may waive such title objections and proceed with the purchase of the Property in accordance with the terms hereof.

4. Buyer shall have a period of sixty (60) days (the "Feasibility Period") from the date of the full execution of this Agreement to determine, in Buyer's sole discretion, the economic and engineering feasibility of developing the Property for the Buyer's Intended Use, including but not limited to all matters relating to zoning, subdivision and land development approvals, vehicular access, availability and cost of utilities, and project costs and profitability. Buyer shall have the right from the date of the full execution of this Agreement to enter onto the Property for the purpose of performing engineering, topographic, environmental, subsurface and any other test or inspection of the Property, all as Buyer may determine is necessary or appropriate. Buyer agrees to indemnify and hold Seller, and the Property, free and harmless from any costs or liability incurred by reason of any such investigation or investigations, and, should the Closing herein described be canceled for any reason, to repair any damage caused to the Property by reason of any such investigation or investigations by Buyer and to restore the Property to its current condition. In the event that, in the sole discretion of Buyer, the development of the Property for the Buyer's Intended Use is not feasible, Buyer shall give written notice to Seller prior to the expiration of the Feasibility Period and return the Property to its original condition. In such event this Agreement shall terminate, and the parties shall have no further obligations hereunder.

5. Buyer agrees to pay all costs and fees associated with, and pursue any and all required subdivision and land development approvals and associated local, state, and/or federal permits and approvals needed to subdivide the Property from the Residue Property (hereinafter defined), and for Buyer's Intended Use of the Property, including but not limited to any required Pennsylvania Department of Transportation permits and approvals and any and all environmental permits (collectively "Permits and Approvals"). Buyer obtaining all such Permits and Approvals shall be a Buyer condition of Closing and in the event the Buyer makes the determination, at any time, that it will not be able to obtain any such Permits or Approvals, Buyer shall be permitted to terminate this Agreement, and neither party shall have any further obligations hereunder. Any conditions imposed upon such Permits and Approvals must be acceptable to Buyer, in its sole discretion.

6. Buyer agrees to pay all costs associated with any site improvements on the Property or on the Residue Property, and any off-site improvements that are a result of the subdivision and/or land development of the Property by Buyer and any relocation of existing structures, improvements, and systems needed to subdivide the Property from the Residue Property or as required as part of the Permits and Approvals identified in Paragraph 2 above, including costs associated with satisfying any and all conditions attached to any of the Permits and Approvals and/or Buyer's development and use of the Property.

7. Seller's Conditions

a. Seller's obligation to proceed to Closing is conditioned on there being no material and/or adverse impact on the Seller's Residue Property, which shall be determined in the Seller's sole discretion, arising out of the Buyer's efforts to secure the Permits and Approvals for the subdivision of the PPL Property. An impact on the Residue Property shall include, but not be limited to, any requirement that the Seller obtain additional permits and approvals from any governmental body, any requirement that improvements be made to the Residue Property, any violation of local, state, or federal ordinances, regulations, and/or statutes arising out of Buyer's subdivision of the Property, and/or any other matter which would require the Seller to perform work or expend funds on the Residue Property. In the event that Seller agrees to proceed to Closing despite the fact that Buyer's subdivision of the PPL Property has an impact on the Residue Property, Buyer agrees that it shall be responsible for any and all costs and expenses associated with any changes, improvements, and alterations required for Seller's Residue Property and due as a result of the subdivision and/or land development of the Property (or Buyer shall agree to perform such work, all at its cost and expense). If at any time prior to Closing Seller determines, in its sole discretion, that Buyer's subdivision of the PPL Property will have an impact on the

Residue Property similar to those examples provided for above, Seller has the right to terminate this Agreement by providing written notice to Buyer, and upon providing said notice the Agreement shall become null and void. Notwithstanding anything contained in this Agreement to the contrary and provided that Buyer fully complies with the requirements of Paragraph 8 and obtains Seller's consent to such actions, plans, comments, letters etc. throughout the subdivision and land development process, it is agreed that Seller shall not have the right to terminate this Agreement unless and until further actions occur (for example, additional revisions to the plans, additional comments are made, conditions are imposed, etc.) that will cause an impact on the Residue Property.

b. The deed from Seller to Buyer shall include restrictive covenants in favor of Seller granting the Seller the right to enforce the provisions of paragraph 7 of this Agreement

8. Buyer shall remove vehicles, storage facilities, or any object that belongs to the Buyer on the Residue Property within 120 days of the execution of this agreement.

9. Buyer shall 15 days in advance of the initial submission to the Township or other governmental reviewing agency, and 5 days in advance of any subsequent submission provide to Seller a copy of any and all subdivision and land development plans, including but not limited to any highway occupancy permit plans, E&S plans, and any other plan required as part of the subdivision and land development approval process (collectively the "Plan") and Seller shall provide Buyer with comments, if any, to the initial submission within 5 days and any subsequent submissions within 2 days (and if Seller does not provide any such comments, it shall be deemed to have consented to such submission). Buyer shall also provide to Seller copies of any engineer review letters relating to its Plan, any other review or comment letters relating to Buyer's Plan, and all of Buyer's responses thereto and Seller shall provide Buyer with comments, if any, to such submissions within 5 days and any subsequent submissions within 2 days. Buyer shall notify Seller of any conditions of the approval being proposed that may affect, or have a potential impact upon, Seller's remaining 1.26 acre tract ("Residue Property") and Seller shall provide Buyer with any comments, if any, to such submission within 5 days and any subsequent submissions within 2 days. Buyer shall endeavor to provide Seller with a copy of the draft resolution of approval of Buyer's subdivision and land development plan so that Seller may determine whether Buyer's approval will have an impact on the Residue Property and Seller shall provide Buyer with comments, if any, to such submissions within 5 days and any subsequent submissions within 2 days.

10. Subject to Buyer's inspection rights provided for above, the Property is being transferred subject to all currently existing rights, title and interests in and to any and all electrical service, distribution and or transmission, or communication facilities, of whatever nature or kind, located on the Property (and if such interests exist, the deed to Buyer shall reserve an easement in favor of Seller). Subject to Buyer's inspection rights provided for above, the Property is also being sold subject to all exceptions, reservations, encumbrances and easements of record and visible upon the Property. Subject to the foregoing and as otherwise set forth herein, the Property is to be conveyed free and clear of all liens and the title of the Property shall be good and marketable and such as will be insured by any reputable title insurance company at the regular rates.

11. Subject to the Buyer's inspection rights, the Property is being sold as is/whereas. In no event shall Seller be required to make any repairs, modifications, or corrections to the Property, or Residue Property, as part of this transaction.

12. Closing shall be on or before sixty (60) days of Buyer receiving all final and unappealable Permits and Approvals needed for it Intended Use of the Property, including, without

limitation, in connection with the Plan, which Permits and Approvals shall be obtained no later than two (2) years from the date of this Agreement (at which point the Buyer shall be permitted to terminate this Agreement, and neither party shall have any further obligations). Buyer shall notify Seller once all such necessary permits and approvals have been obtained.

13. Possession is to be given at the time of settlement free of any third party rights and by delivery of a special warranty deed.

14. Taxes shall be apportioned pro rata as of date of settlement, which apportionment shall be based upon the actual fiscal years of the taxing authorities for which the subject taxes are levied.

15. It is understood and agreed that all transfer taxes imposed by any governmental body shall be paid by Buyer.

16. In the event the Seller is unable to give a good and marketable title and such as will be insured by any reputable title insurance company, as above set forth, Buyer shall have the option of taking such title as the Seller can give without abatement of price, or of being repaid all monies paid on account by Buyer; and in the latter event there shall be no further liability or obligation by either of the parties hereunder and this Agreement shall become null and void.

17. Should the Buyer violate or fail to fulfill and perform any of the terms or conditions of this Agreement, then, and in that case, all sums paid by the Buyer on account of the purchase price or consideration herein may be retained by the Seller as liquidated damages for such breach which shall be the exclusive remedy of the Seller. Should the Seller violate or fail to fulfill and perform any of the terms or conditions of this Agreement, then, and in that case, the Buyer shall have the right to terminate this Agreement and the deposit shall be returned or pursue any other remedy available to the Buyer, specifically including, without limitation, specific performance.

18. Risk of loss shall remain on Seller until final settlement hereunder. In the event of a condemnation or taking of all or a portion of the Property, Buyer shall have the right to terminate this Agreement or proceed with Closing without a reduction in purchase price, but with Seller assigning to Buyer all rights in such condemnation.

19. Seller and Buyer hereby represent that they have not utilized the services of any broker in connection with the sale and purchase of this Property.

20. Seller agrees to execute and/or deliver to Buyer at closing any and all reasonable documentation required by Buyer's title insurance company or required by law.

21. Deed preparation and acknowledgment are to be paid by Seller.

22. Final closing shall be held at a time and location agreed upon by the parties.

23. It is expressly understood and agreed between the Seller and Buyer herein that Seller shall have one (1) year from the date of Closing to deliver to Buyer a release or releases of the Property from any mortgage or mortgages of Seller to which it is subject. Buyer and Seller shall enter into a separate obligating Seller to comply with this Paragraph 22, and indemnifying Buyer from any liability incurred from Seller's breach this Paragraph 22 and/or separate agreement.

24. In the Deed from Seller to Buyer, Buyer agrees to release, quitclaim, discharge, indemnify, defend and hold harmless Seller, its officers, directors, employees, agents, successors and

assigns from and against any and all loss, liability, damages, demands, claims, suits, fines, penalties or causes of action whatsoever, including but not limited to environmental and third party claims, caused by, arising out of, resulting from, or in any way related to any environmental issues related to the Property.

25. This Agreement shall not be recorded in any office of public record and any attempt to do so shall constitute a breach of this Agreement.

26. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Facsimile or email copies of this Agreement may be executed by the parties and such facsimile copies or email shall have the same legal force and effect executed original copies would have.

27. This Agreement shall insure to the benefit of, and be binding upon, the parties hereto and their respective heirs, personal representatives, successors and assigns.

28. This Agreement constitutes the entire agreement between the parties hereto and shall supersede all prior negotiations, understandings and agreements of any nature whatsoever with respect to the subject matter hereof. No amendment, waiver or discharge of any provision of this Agreement shall be effective against either party unless that party shall have consented thereto in writing.

29. Seller and Buyer acknowledge and agree that times contained in this Agreement shall be of the essence.

30. In the event that any section or provision of this Agreement is determined to be unconstitutional, unenforceable or invalid, such section or provision shall be stricken from, and construed for all purposes not to constitute a part of, this Agreement, and the remaining portion of this Agreement shall continue in full force and effect and shall for all purposes, constitute this entire Agreement.

31. Both parties hereto acknowledge that they have had the benefit of independent counsel with regard to this Agreement, and that this Agreement has been prepared as a result of the joint efforts of both parties and their respective counsel. Accordingly, both parties agree that the provisions of this Agreement shall not be construed or interpreted for or against any party hereto based upon authorship or incidents of negotiations.

32. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. In the event litigation is required by either party to enforce the terms of this Agreement, the prevailing party of such action shall, in addition to all other relief granted or awarded by the court, be entitled to judgment for attorneys' fees incurred by reason of such action and all costs of suit and those incurred in preparation thereof at both the trial and appellate levels. Seller and Buyer agree that the Court of Common Pleas of Lehigh County, Pennsylvania shall be the venue for any court action filed related to this agreement, and waive the right, claim, power, or motion under the doctrine of Forum Non Conveniens or otherwise, to transfer any such action to any other court.

33. No provision of this Agreement shall be deemed to merge in any deed delivered pursuant to this Agreement, and all the provisions of this Agreement shall survive the delivery of any such deed.

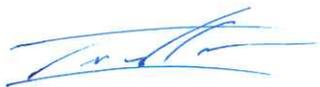
34. Seller represents that it has no knowledge of any existing environmental conditions on the Property. Prior to settlement, Buyer shall have the opportunity to inspect the Property and conduct such environmental and other tests Buyer deems necessary, at Buyer's sole cost, risk, and expense.

35. Seller's obligation to perform under this Agreement and proceed to Closing is conditioned on Seller receiving a Certificate of Public Convenience ("Certificate") from the Pennsylvania Public Utility Commission ("PUC"). If Seller does not obtain the Certificate from the PUC prior to Closing, Seller has the right upon written notice to terminate this Agreement, and this Agreement shall immediately become null and void and the parties shall be relieved of all obligations hereunder

36. All notices provided for in this Agreement shall be directed by registered or certified mail to the parties at the addresses set forth above, or at such other addresses as the parties shall designate to each other, in writing. All notices shall be deemed delivered upon receipt.

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

**WITNESS:**

  
\_\_\_\_\_

**SELLER:**

PPL Electric Utilities Corporation

  
\_\_\_\_\_

Colleen Kester

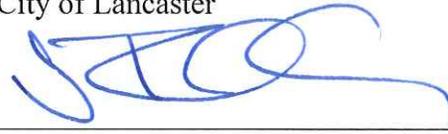
Manager – Transmission Siting, Right-of-Way, Permitting,  
Real Estate

**WITNESS:**

  
\_\_\_\_\_

**BUYER:**

City of Lancaster

  
\_\_\_\_\_

Name:

Title:

