

**Status Of 500 + Subdividable Acres For Sale In
South Annville Township, Lebanon County, Pennsylvania**

1. Location of the Property

The Property is situated approximately 1 mile west of Lebanon Valley College and approximately 7 miles east of Hershey on the south side of State Road 422 in South Annville Township (“SAT”), Lebanon County, Pennsylvania. The recently created 4-way signalized intersection of realigned Killinger Road/Clear Spring Road (the “Realigned Intersection”) bifurcates the 500 + acres. In addition, the eastern portion of this property will be accessible from Mt. Pleasant Road. The site has approximately 1.5 miles of frontage on State Road 422, the primary east-west travel corridor through South Central Pennsylvania.

A. Property Still Available

Approximately 95 +/- acres zoned in part General Commercial and in part Industrial in SAT are still available for purchase. The Property is subdividable to suit the specific needs of each purchaser.

B. Property Under Construction

Approximately 423 acres zoned Industrial and 10 acres zoned Commercial in SAT, as well as an adjacent 60 acres zoned Residential in North Londonderry Township, have been sold.

The Hershey Company (“THC”) has completed construction on the west side of the site and has made further improvements to Killinger Road in connection with its project, which consists of an 800,000 +/- s/f agile fulfillment center (expandable to 1.1 million s/f). Rutter’s has opened on the southeast corner of the Realigned Intersection, and a commercial business (911 Rapid Response) has opened on the east side of the site. In addition, NP South Annville, LLC is close to completing its development of its 1.4 million +/- s/f distribution center on the west side of the Realigned Intersection, and DHL Supply Chain USA has started development of three buildings totaling 2.8 million s/f on the east side of the Realigned Intersection. Lebanon Federal Credit Union has just broken ground as well on the west side of the Realigned Intersection. An additional 23 +/- acres on the south side of SR422 in adjacent North Londonderry Township (“NLT”) is under contract for retail uses.

2. Current Zoning of the Remaining Property

Approximately 95 +/- acres of the remaining property is zoned in part General Commercial and in part Industrial in SAT. Re-zoning of portions of the remaining property to all Industrial or all Commercial should be possible. Once a specific use is identified, we can discuss with the Township.

3. **Physical Description of the Property**

The topography of the Property is mostly flat with slight to moderate slopes in certain areas. There are no known wetland issues on the Property that would prohibit further subdivision and development and only a small portion of the Property (less than a two acre area along Killinger Creek) is designated as flood plain by FEMA. A boundary survey and other information pertaining to the Property is available for view at www.EasternLandPA.com, under Parcel 1.

4. **Subdivision of the Property**

The Property is subdividable as a matter of right. There are two options for subdividing the Property. The first option is to submit only a subdivision plan to subdivide the desired acreage and to create a new lot. This first option can typically be accomplished within approximately three (3) to four (4) months of submittal. The second option is to file a joint subdivision and land development plan. This second option can typically be accomplished within approximately eight (8) to twelve (12) months of submittal, depending on the complexity of the project and the completeness of the plan submittals. Having pre-submittal meetings will help facilitate processing, as will using consultants with experience in Lebanon County. The owner has subdivided the Property using both of these options in the past.

5. **Project Permitting and Approval**

The permitting and approval process is unique in Lebanon County. Unlike most other counties in Pennsylvania, permits and approvals are processed by professional staff at the Lebanon County Planning Department, as opposed to a Planning Commission, so the process moves much more quickly in Lebanon County. The Lebanon County Planning Department's "generic" project approval timeline is generally ten (10) to twelve (12) months. In practice, if plan submittals are complete and prepared pursuant to the County's procedure, the timeframe to obtain all approvals based on the owner's experience is typically closer to eight (8) to ten (10) months of submittal (with many aspects of the approval process taking far less time as indicated on the County's Gantt chart). Having pre-submittal planning meetings and using consultants with experience in Lebanon County will facilitate and help expedite the permitting and approval process.

6. **Public Utilities**

Public sewer, water, electric and gas are available. EL&RC constructed a new pump station to service the Property, and EL&RC currently owns 466 EDUs of capacity in the sewage collection system. Additional capacity is available from the sewer authority. Water, electric and gas are also available. The utility providers are:

Utility	Provider	Line Sizing Main Lateral	Gravity or Force/ Pressure	Capacity Reservation Park Site
Sewer	South Annville Sewer Authority 1000 Clearview Lane Lebanon, PA 17042 Contact Person: Jeffrey D. Steckbeck, P.E. 717-272-7110	10" forcemains; 8" header piping and laterals on site; There is also a private force main extending down Killinger Road from the Hershey facility.	Both	466 EDUs owned and reserved; requires extension agreement with the utility provider.
Water	PA American Water 2699 Stafford Avenue Scranton, PA 18505 Contact Person: Robert Banzaca 717-602-4051	10" water main runs along the north side of State Road 422 and fronts the entirety of the property. A water main will also start to be extended down Killinger Road.	Pressure	Requires extension agreement with the utility provider.
Natural Gas	UGI Gas Division 262 Conestoga Street Lancaster, PA 17603 Contact Person: Samantha Kopp 610-736-5972	6" medium pressure gas main runs along the north side of State Road 422 and fronts the entirety of the property. A 6" medium pressure gas main also runs on the west side of Mt. Pleasant Road.	Pressure	Requires extension agreement with the utility provider.
Electricity	Met-Ed/First Energy Corp. 2800 Pottsville Pike Reading, PA 19612 Contact Person: Renee Nied 330-606-2602	69 kV to 13.2 kV distribution substations; 3 phase distribution poles with 13.2 kV service are on the north and south sides of State Road 422; 69 kV service might be able by extension to certain portions of the site.	N/A	Requires extension agreement with the utility provider.

7. **Sewer Planning Module Status**

A sewer planning module will not be required for most projects that connect to the sewer system in South Annville Township. Instead, only a sewer planning module exemption form will be required since the Seller already owns 466 EDUs of capacity pursuant to the applicable Act 537 Plan. A sewer planning module exemption is a one-page form document that can be processed through the Sewer Authority, the Township and the County within 30 to 60 days of submittal, and it can be done concurrently with the subdivision and land development plans. The County currently charges \$100 per EDU to process a sewer planning module exemption.

With respect to the Property on the west side of realigned Killinger Road, there is the possibility of connecting to the adjacent sewer facilities in North Londonderry Township. Although both South Annville Township and North Londonderry Township have given their verbal approval, a written inter-municipality agreement and an ACT 537 Amendment will be required for any purchaser desiring to connect to the sewer facilities in North Londonderry Township. It is estimated that the ACT 537 Amendment will take approximately 6 to 9 months to process, and that can be done concurrently with the processing of other permits and approvals.

8. **NPDES Permit**

The NPDES permit is site specific and is issued by the Lebanon County Conservation District (and, where applicable, the South Central Office of the Pennsylvania Department of Environmental Protection (“PaDEP”)). The Land and Water Resources Manager at the Lebanon County Conservation District is Karl Kerchner, 717-277-5275. An NPDES permit can be processed concurrently with a land development plan and typically takes no more than six (6) months to obtain. Having pre-submittal meetings with the Lebanon County Conservation District (and, where applicable, the South Central Office of PaDEP) will normally reduce the processing time of the permit application, as will using consultants with experience in Lebanon County.

9. **Road Improvements and Highway Access**

In 2017, construction was completed on a new four-way, signalized intersection on State Road 422 to provide better ingress and egress for the Property. The new intersection was created by realigning two municipal roads -- Clear Spring Road on the north side of State Road 422 and Killinger Road on the south side of State Road 422. The new intersection is fully operational.

As of March 2019, the new realigned Killinger/Clear Spring Road and SR 422 intersection was generating approximately 17,000 trips per day but the number of trips are expected to increase dramatically on account of recent sales and the residential development along Killinger Road and the surrounding areas.

PennDOT, Lebanon County and SAT have also given tentative approval to relocate a third municipal road (Mt. Pleasant Road) to create a new three-way, signalized intersection to enhance access to the eastern-most portion of the Property. A new corner lot can be created on the southeast corner of relocated Mt. Pleasant Road and the small stormwater basin can be

shifted east towards old Mt. Pleasant Road. A commercial business, 911 Rapid Response, is located on the southwest corner of the future intersection.

The Property has access to I-81, U.S. Route 22, and I-83 which run through the Lebanon Valley and connect to other major roadways serving the Northeast and Mid-Atlantic states. Based on information from the Lebanon Valley Economic Development Corporation (“LVEDC”), more than 30 motor freight lines in the Northeast traverse the Lebanon Valley area. These lines also provide local switching facilities, multiple sidings, and drop shipment distribution and deliveries.

In addition, the intersection of State Road 934 and Clear Spring Road is scheduled to be improved with a roundabout, and PennDOT has awarded grant money to assist with the improvements.

10. **Public Transportation**

EL&RC and various prospective purchasers have been working with Lebanon Transit Authority to establish new bus routes to service this site. At this time, the plan is to construct approximately six (6) new bus stops on site.

11. **Number of New Jobs**

It is anticipated that 1,500 new jobs will be created at this site from the recent sales of the Property.

12. **Adjacent Residential Development**

Regional homebuilders have commenced construction on over 1000 units in SAT and in NLT. The new residential units are expected to consist of a mix of 55+ residences, medium and high-density units, and single family homes. Construction is on-going.

13. **Traffic Impact Study**

A Regional Traffic Study was commissioned by the owner of the Property (and others) and was completed by ELA Traffic Group, Inc. (“ELA”). The contact person at ELA is Mark L. Henise, Transportation Manager, 717-626-7271. The Regional Traffic Study split the development of the Property into two equal phases, and the Regional Traffic Study took into account the first phase of development. Traffic Impact Studies have also been conducted more recently by purchasers of property.

In addition, the owner has other traffic studies prepared in connection with other area projects, as well as updated turning movement data as of March 2019 for the intersection at State Road 422 and Killinger/Clear Spring Roads. The updated turning movement data was collected by Tri-State Traffic Data for ELA.

14. **Susquehanna River Basin Commission**

For manufacturing operations that consume large volumes of water, a consumptive use permit may be required by the Susquehanna River Basin Commission (“SRBC”). Generally, the “approval by rule” permitting process will be applicable to this site which is normally a 60 day review/approval process. The current consumptive use mitigation fee is \$0.33 per 1000 gallons consumed. The point of contact at the SRBC is Todd Eaby, Manager of Project Review, 717-238-0423.

15. **FEMA Flood Plain Verification**

The only area of the Property designated as Flood Plain by FEMA is a small area (estimated to comprise less than two acres in total area) along Killinger Creek which forms the western boundary of part of the Property.

16. **Proximity to Area Attractions**

The Property is centrally located to area services and attractions, including Lebanon Valley College, the Milton S. Hershey Medical Center, Hershey Park, and Flight Path Sports Park. See List of Area Attractions at www.EasternLandPA.com, under links to Parcel 1.

17. **Local Technical, Vocational and Training Institutions**

Lebanon Valley has three educational institutions in close proximity to the Property that serve the area’s growing workforce. Lebanon Valley College, Harrisburg Area Community College, and the Lebanon County Career and Technology Center each offer customizable training programs for particular industry sectors. In addition, various other universities, colleges and vocational schools are located within 10 to 50 miles of the Property, including: Penn State Harrisburg, Elizabethtown College, Franklin and Marshall College, Dickinson College, Harrisburg University of Science and Technology, Central Penn College, Millersville University, Penn State Berks, York College of Pennsylvania, Thaddeus Stevens College of Technology, ITT Technical Institute, and Berks Technical Institute.

18. **The Harrisburg Metropolitan Statistical Area**

The Property is part of the Harrisburg Metropolitan Statistical Area (“MSA”). The Harrisburg MSA is considered a strong secondary market. The Harrisburg MSA has had a stable economy for more than 25 years, and a track record of economic growth at a rate of 1% to 2% per year, with no downturn.

19. **Market Advantages**

The location of this Property has a number of market advantages for companies. The Property is situated in close proximity to air and package delivery services at Harrisburg International Airport, and 4 parcel hubs are located within 10 to 20 miles (UPS, USPS, and two

FedEx Ground). The Property is also in close proximity to the Norfolk Southern Rail System, including the intermodal yard at Rutherford, Pennsylvania.

In addition, according to statistics from the Lebanon Valley Economic Development Corporation, within a 500 mile radius there is:

- approximately 45% of the U.S. population;
- approximately 45% of all U.S. manufacturers;
- approximately 40% of the domestic traded service industries; and
- four of the nine major U.S. markets.

20. **Owner of the Property**

The Property is owned by MFS, Inc. d/b/a Eastern Land & Resources Company (“EL&RC”), a Lebanon County, Pennsylvania company. The business of EL&RC as it relates to this Property is overseen by Tom Zagami. Tom is an AV Preeminent rated lawyer licensed and practicing in Pennsylvania, Maryland and Washington, D.C., and he has represented the ownership group of EL&RC for nearly 30 years. Tom can be reached on his cell phone at 301-906-6859, or on his office phone at 410-339-6741, or via email at tzagami@pklaw.com or tzagami@ZagamiLawOffice.com.