City of Philadelphia

(Bill No. 190717)

AN ORDINANCE

Continuing the Philadelphia Hospitality Improvement Levy District (the "District"), a business improvement district encompassing certain existing and future hotel properties within the boundaries of the City of Philadelphia (the "City"), and continuing the Philadelphia Hospitality Improvement Levy District Corporation ("PHiL DC") to serve as the neighborhood improvement district management association for the District; approving a new plan for the District, including a list of proposed programs and services related to the development and promotion of the hotel and tourism industry in the City and County of Philadelphia and their estimated cost; providing for special assessment fees to be levied on eligible hotel property owners within the District to fund such programs and services; authorizing the Director of Commerce, on behalf of the City, to execute an agreement with PHiL DC relating to the District; and reauthorizing PHiL DC to assess eligible property owners within the District and collect or cause to be collected special assessment fees to be used in accordance with the approved plan; all in accordance with the provisions of the Community and Economic Improvement Act, and under certain terms and conditions.

WHEREAS, Bill No. 170468 (signed September 26, 2017) established a business improvement district encompassing the City of Philadelphia, known as the Philadelphia Hospitality Improvement Levy District (the "District"); designated the Philadelphia Hospitality Improvement Levy District Corporation, a nonprofit corporation incorporated under the laws of the Commonwealth of Pennsylvania ("PHiL DC"), as the neighborhood improvement district management association (the "NIDMA") for the District; and approved a final plan for programs and services within the District and designated PHiL DC to impose special assessment fees and administer programs and services within the District in order "to promote and enhance more attractive and safer commercial, industrial, residential and mixed-use neighborhoods; economic growth; increased employment opportunities; and improved commercial, industrial, business districts and business climates"; and

WHEREAS, On December 31, 2022, the District will automatically terminate unless it is continued by ordinance; and

WHEREAS, The Council of the City of Philadelphia ("Council") is authorized by the Community and Economic Improvement Act, Act of December 21, 1998, P.L. 1307, No. 174 (53 P.S. §18101 *et seq.*), as heretofore amended, including by Act of May 24, 2016, No. 32 and the Act of May 24, 2016, No. 28 and as the same may be further amended, restated, or supplemented from time to time (as so amended, the "Act"), to continue, by ordinance, business improvement districts beyond the date of termination be reenacting the municipal enabling ordinance creating the original business improvement district, following a review of the business improvement district and the NIDMA programs and services provided within the District; and

WHEREAS, The purpose of this Ordinance is to continue a business improvement district encompassing certain hotels and properties that will contain hotels in the future, within the boundaries of the District until December 31, 2039 and to ensure that all actions required by the Act to continue such a district have been taken before the enactment of this Ordinance, and the Plan adopted pursuant to Bill No. 170468 is superseded and replaced by this Plan upon adoption of this ordinance and the start of the next fiscal year of the BID; and

WHEREAS, Special assessment fees will continue to be imposed on hotels within the District by the NIDMA to fund (i) supplemental programs, services and improvements related to the development and promotion of the hotel and tourism industry in the City and (ii) administrative expenses of the District; and

WHEREAS, Special assessment fees imposed and collected upon such properties shall be equitably apportioned among the hotels based upon a percentage of gross short-term guest sleeping room rental revenue as determined by PHiL DC's board of directors in accordance with PHiL DC's bylaws attached as Exhibit "A-4" to the plan set forth in Exhibit "A" attached hereto and the final plan approved under Section 4 of this Ordinance; and

WHEREAS, All procedures required by the Act for continuing the District have been followed; in particular, more than forty-five (45) days have elapsed from the last public hearing required by the Act, and the Clerk of Council has not received objections filed by owners of one-third or more of the benefited properties or affected property owners whose property valuation as assessed for taxable purposes amounts to one-third or more of the total property valuation within the boundaries of the District; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

1. In accordance with the provisions of the Community and Economic Improvement Act, Act of December 21, 1998, P.L. 1307, No. 174 (53 P.S. §18101 *et seq.*), as heretofore amended, including by Act of May 24, 2016, No. 32 and the Act of May 24, 2016, No. 28 and as the same may be further amended, restated, or supplemented from time to time (as so amended, the "Act"), a business improvement district is hereby continued encompassing all hotel properties, defined as properties on which a for-profit business is operating, or will be operating during the life of the District, within the boundaries of the City that furnishes fifty (50) or more rooms for rent on a nightly basis, as set forth in the plan attached hereto. The district is known as the Philadelphia Hospitality Improvement Levy District (the "District").

2. Philadelphia Hospitality Improvement Levy District Corporation, a nonprofit corporation incorporated under the laws of the Commonwealth of Pennsylvania ("PHiL DC"), is hereby continued as the neighborhood improvement district management association (the "NIDMA") for the District.

3. PHiL DC shall have any and all powers authorized for a NIDMA under the Act, including the power to levy, collect and enforce special assessment fees on eligible property owners for the purpose of funding (i) programs, services and improvements related to the

development and promotion of the hotel and tourism industry in the City and County of Philadelphia and (ii) administration expenses of the District pursuant to the Act.

4. Council hereby approves as the final plan for the District the plan set forth in Exhibit "A" attached hereto. PHiL DC is hereby authorized to impose and collect special assessment fees on all properties within the District on which hotels with fifty or more rooms operate in accordance with the provisions of the final plan and the provisions of the Act.

5. Upon adoption of this final plan, and the start of the next fiscal year of the District, the plan adopted pursuant to Bill No. 170468 is superseded and replaced by this plan.

6. The Director of Commerce, on behalf of the City, is hereby authorized to enter into an agreement with PHiL DC, in a form approved by the City Solicitor, which agreement shall include the following provisions:

(a) A detailed description of the respective duties and responsibilities of the City and of PHiL DC with respect to the District as set forth in the final plan approved under Section 4;

(b) A requirement that the City will maintain within the District the same level of municipal programs and services that were provided within the District before its establishment;

(c) A "sunset provision" under which the agreement will terminate on December 31, 2039 and may not be renewed unless the District is continued beyond that date in accordance with the sunset provisions of Section 13 of this Ordinance;

(d) The NIDMA's agreement to be responsible for the calculation, imposition and collection of all special assessment fees levied within the District and the City's agreement to impose and enforce liens for nonpayment of such special assessment fees as set forth in the Act; provided that the agreement may include a provision wherein the City may designate PHiL DC (or its designee) as agent for the City to perform the City's responsibility to impose and enforce liens for nonpayment of special assessment fees on behalf of the City and under its authority;

(e) Any special assessment fees levied by PHiL DC shall be the sole responsibility of the affected property owner, and the City shall not be liable for any special assessment fees due;

(f) The NIDMA shall agree that it shall not seek to impose liens, or ask the City to impose liens, resulting from the nonpayment of special assessment fees that would exceed in priority liens related to any City claims or judgments, whether based on "municipal claims" (as such term is defined in the Municipal Claims and Tax Lien Act, 53 P.S. §7101 through §7505) or otherwise resulting from non-payment of ad valorem real estate taxes, and PHiL DC shall agree further that no lien that is filed shall take priority over any City liens; and

(g) PHiL DC shall have no right to file a lien against any City property interest in connection with any unpaid special assessment fees.

7. The District shall terminate on December 31, 2039 in accordance with the provisions of the final plan approved under Section 4. The District may be continued beyond that date only if Council enacts a new ordinance following a review of the District and the programs and services provided by PHiL DC within the District.

8. The Chief Clerk shall keep on file the plan referred to as Exhibit "A" in Section 4 of this Ordinance, and all accompanying documents referenced in Exhibit "A," and shall make them available for inspection by the public during regular office hours.

EXHIBIT A

NID Plan

PRELIMINARY PLAN FOR THE
PHILADELPHIA HOSPITALITY IMPROVEMENT LEVY DISTRICT (PHiL District)

INTRODUCTION

This Preliminary Plan represents the work of Philadelphia hotel property owners and hotel operators within the proposed Service Area; the incorporators of the proposed Neighborhood Improvement District Management Association (the "NIDMA"), the Philadelphia Hospitality Improvement Levy (PHiL) District Corporation ("PHiL DC"); and board members of the Greater Philadelphia Hotel Association; all of whom have been involved in the development of this Plan, and who now request that the Philadelphia Hospitality Improvement Levy (PHiL) District (PHiL District), as proposed by this Plan, be continued by the City Council of Philadelphia.

PHiL DC was established as a nonprofit corporation under the Community and Economic Improvement Act, Act of December 21, 1998, P.L. 1307, No. 174 (53 P.S. §18101 *et. seq.)* (the "Act"), to manage the PHiL District.

Bill No. 170468, signed September 26, 2017, established a business improvement district in the City of Philadelphia, known as the Philadelphia Hospitality Improvement Levy District and designated PHIL DC as the NIDMA for the District and approved a final plan for improvements within the District. The Plan adopted pursuant to Bill No. 170468 is superseded and replaced by this Plan upon adoption of this ordinance and the start of the next fiscal year of the BID.

In accordance with the requirements of the Act, the petitioners hereby propose the Preliminary Plan for the PHiL District which includes: the boundaries of and a map of the District and its proposed Service Area (Exhibit A-1); a list of properties to be included in the District and subject to District assessment (Exhibit A-2); the proposed programs and services to be provided by the PHiL DC during the life of the PHiL District; a proposed budget for the twenty fiscal years of PHiL District operations for which assessments are proposed, expected to commence January 1, 2020 (Exhibit A-3); and a detailed description of revenue sources for financing all proposed programs and services. In addition, attached to this Preliminary Plan are bylaws for the PHiL District management association, PHiL DC (Exhibit A-4).

1. NAME

The name of the neighborhood improvement district is the Philadelphia Hospitality Improvement Levy District (PHiL District).

2. PHiL DISTRICT BOUNDARY AND SERVICE AREA

A map of the District and its Service Area is attached as Exhibit A-1. It includes all of the City of Philadelphia (the "City"). The PHiL District includes all hotel properties, defined as properties on which a for-profit business is operating, or is anticipated to be operating during the life of the District Plan, within the boundaries of the City of Philadelphia that furnishes fifty (50) rooms or more for rent on a nightly basis to the public.

A list of properties within the District and proposed to be assessed was compiled with the assistance of the City of Philadelphia and reviewed and accepted by the PHiL DC, and is attached as Exhibit A-2. This list, including the properties listed as "Potential Hotels," shall be definitive as to whether a property is within the PHiL District. While the Service Area does contain certain non-hotel properties and certain hotel properties with less than fifty (50) rooms, those properties will not be assessed. The properties on the list of "Potential Hotels" shall also not be assessed until they begin to operate as a hotel as defined in the previous paragraph.

3. PHiL DISTRICT MANAGEMENT

PHiL DC, a Pennsylvania registered nonprofit corporation, is designated as the NIDMA in accordance with the ordinance incorporating this Plan and the Act. As such, PHiL DC is authorized to exercise all powers granted by the Act, the ordinance authorizing the continuance of the PHiL District, the bylaws of PHiL DC and those general powers, rights and obligations granted to or placed upon Pennsylvania nonprofit corporations. PHiL DC is governed by a board of directors. The PHiL DC board is comprised of fifteen (15) voting members and five (5) ex-officio members. Appointments to and vacancies on the PHiL DC board of non-permanent seats shall be filled by the Greater Philadelphia Hotel Association (GPHA).

Voting member seats shall be allocated as follows:

- Four (4) members representing convention hotel properties. The Downtown Marriott, Loews, and Sheraton hotel properties shall have a permanent seat on the PHiL DC board. The remaining convention hotel property representative shall represent any other convention hotel property as determined by the GPHA.
- Six (6) members representing Center City (non-convention) hotel properties.
- One (1) member representing Waterfront/University City hotel properties.
- One (1) member representing City Avenue/Northeast Philadelphia hotel properties.
- Two (2) members representing Navy Yard/Airport hotel properties.
- One (1) member representing the Commerce Director of the City of Philadelphia.

Ex-officio non-voting member seats shall be allocated as follows:

- One (1) seat for the GPHA Executive Director.
- One (1) Seat shall be for a representative of the Pennsylvania Convention Center Authority.
- One (1) seat for a representative of the Philadelphia Convention and Visitors Bureau.
- One (1) seat for a representative of Visit Philadelphia.
- One (1) seat for a representative of the Council of the City of Philadelphia.
- One (1) seat for a representative of the Philadelphia Opportunities Industrialization Center, Inc.

4. PROGRAM DESCRIPTION

PHiL DC will undertake two sets of activities. Each activity, Programs and Services and Personnel and Administration, will be implemented with the oversight and participation of committees established by the board of PHiL DC to provide guidance for the proposed work and input as to how these activities will be implemented in the PHiL District.

The costs of programs are based on opportunities to bid on events due to lack of City financial resources, on the competitive set of other destinations similar to Philadelphia, and previous PHiL Fund and administration budgets. Over a two-year period (2015-2016), Philadelphia hotel businesses lost potential room night sales from at least four lost events due to lack of financial resources, and missed at least six other opportunities to bring a citywide event to Philadelphia. Combined these events would have generated more than 202,000 room night stays and represent a total loss of at least $27.8 million in hotel room revenue. Total funds needed to compete for the 10 events were $7.7 million. Based on this information, the PHiL District projects it will need at least $6.6 million in PHiL funds annually to remain competitive in maintaining and attracting new city-wide meetings, conventions, and sporting and marquee events to increase room night sales for hotel properties paying the assessment.

A. Programs and Services

PHiL Fund

The Programs and Services budget will be dedicated to expanding existing efforts to attract overnight visitors to Philadelphia. The Programs and Services budget will provide financial incentives to maintain and attract new meetings, conventions, and sporting and other events that have a significant impact on hotel room demand in Philadelphia. This includes providing incentives to attract marquee events that previously could not be pursued due to insufficient funding. The PHiL District will continue to fund new and multi-year incentives to attract events which are designed to increase room night stays at assessed hotel properties.

The PHiL Fund will be used to:

1. Pursue city-wide conventions and events, marquee events and conferences, and sporting and cultural events.
2. Pursue such events that create a large demand for hotel room nights and thus bring a significant economic impact to the City.
3. Compensate pursued events for expenses they would incur if the event were held in Philadelphia. Authorized expenses for pursued events include, but are not limited to, costs for facility rental, transportation, and event services.
4. Revenues may be used for marketing and sales programs designed to increase overnight visitation and room night sales at assessed hotel properties.

B. Personnel and Administration

PHiL DC personnel will:

1. Communicate with PHiL District stakeholders and facilitate communication among stakeholders and the PHiL DC board.
2. Operate the PHiL District and PHiL DC in a transparent manner.
3. Create opportunities for stakeholders to participate in the governance and operations of the PHiL DC.
4. Implement the enabling ordinance and exercise the powers granted the PHiL District and PHiL DC under state statute, including the making and collection of the assessment.
5. Advocate and coordinate actions with public agencies and elected officials.
6. Implement or facilitate the implementation of Programs and Services portion of this Plan.
7. Represent, coordinate and advocate for the PHiL District with public, private and

nonprofit sectors whose actions impact the economic well-being of PHiL District hotel property owners and hotel businesses.

Specific funding and scoring guidelines were adopted by the PHiL DC board within three months of adoption of the authorizing ordinance. Prior to allocating funding, the PHiL DC board shall be required to calculate the estimated measurable return on investment (ROI) for all non-administrative expenditures of assessment funds. ROI shall be based on estimated room night sales for programming or event expenditures. Actual ROI results shall be calculated following the conclusion of the program or event to confirm initial estimates for record-keeping. For multi-year programs, actual ROI will be calculated annually.

5. SOURCE OF FUNDS

It is anticipated that all of the activities identified in this Plan will be paid for via the assessment placed on eligible hotel properties within the PHiL District, as set by PHIL DC. The annual assessment rate shall be up to three-quarters of one percent (0.75%) of gross short-term guest sleeping room rental revenue, as detailed in Section 8 below, but in no event shall it exceed an amount in a fiscal year that produces more than the budgeted amount for such fiscal year.

6. BUDGET

The PHiL District budget for 2020 is expected to be approximately $6.6 million, based on the cost of programs detailed in Section 4 and the assessment rate presented below. The cost of programs and services is the amount needed to make Philadelphia competitive with other cities by enticing meetings, conventions, sporting events and marquee events to Philadelphia and marketing such events. The estimated budget for 2020 was calculated using hotel property performance data from STR, a source for premium global data benchmarking, analytics and marketplace insights.

To estimate the total revenue a 0.75% assessment would generate, the following calculations and assumptions were made:

Expected Revenue Generated from PHiL District Assessment	
	2020
Philadelphia Hotels	$967,368,755
Less Properties with less than 50 rooms	$19,899,078
Total Projected Hotel Revenue	$947,469,677
Less Exemptions (7%)	$66,322,877
Total Net Revenue	$881,146,800
Revenue From Assessment (0.75%)	**$6,608,601**

In years 2020 through 2039, revenues are to be divided among the two core budget categories identified in the Act, with Programs and Services receiving 90% of the budget and Personnel and Administration receiving 10% of the budget. The PHiL DC Board shall have the authority to adjust

budget allocations between the categories by no more than five percent (5%) of the total budget per year.

The table below sets forth the estimated budget for each year of the PHiL District's twenty (20) years during the term of this plan. A five percent (5%) annual increase in the total budget is shown below, to account for annual inflationary increases in the costs of programs and services.

Year	Programs & Services	Administration	Total
2020	$5,947,741	$660,860	$6,608,601
2021	$6,245,128	$693,903	$6,939,031
2022	$6,557,384	$728,598	$7,285,982
2023	$6,885,253	$765,028	$7,650,281
2024	$7,229,516	$803,280	$8,032,795
2025	$7,590,992	$843,444	$8,434,435
2026	$7,970,541	$885,616	$8,856,157
2027	$8,369,068	$929,896	$9,298,965
2028	$8,787,522	$976,391	$9,763,913
2029	$9,226,898	$1,025,211	$10,252,109
2030	$9,688,243	$1,076,471	$10,764,714
2031	$10,172,655	$1,130,295	$11,302,950
2032	$10,681,288	$1,186,810	$11,868,097
2033	$11,215,352	$1,246,150	$12,461,502
2034	$11,776,120	$1,308,458	$13,084,577
2035	$12,364,926	$1,373,881	$13,738,806
2036	$12,983,172	$1,442,575	$14,425,746
2037	$13,632,330	$1,514,703	$15,147,034
2038	$14,313,947	$1,590,439	$15,904,385
2039	$15,029,644	$1,669,960	$16,699,605
TOTAL	$196,667,718	$21,851,969	$218,519,687

7. FISCAL YEAR

As required by state law, each fiscal year for the PHiL District will begin on January 1, starting with January 1, 2020.

8. COST-SHARING FORMULA

A. PROPERTIES SUBJECT TO THE ASSESSMENT

All property owners of hotels, with fifty (50) or more rooms, within the PHiL District, as described in Section 2, operating as a hotel shall be subject to the PHiL District

assessment. No property owner that does not meet this criteria shall be assessed. Owners of properties anticipated to be operating as hotels under such criteria during the life of the District Plan, but not operating as hotels at the time of adoption of the Plan, shall only be assessed if and when operating as a hotel.

Any property owner subject to the assessment which ceases to be operated as a hotel shall be designated by the PHiL DC board as exempt from assessment, with such exemption to commence with the termination of hotel operations.

The assessment is levied upon and is a direct obligation of the property owner of the assessed hotel. However, the property owner of the assessed hotel may, at its discretion, pass the assessment on to guests. The amount of the assessment, if passed on to each guest, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each guest shall receive a receipt for payment from the hotel. The assessment shall be disclosed as the "Philadelphia Hospitality Improvement Levy (PHiL)."

Properties not assessed are not eligible for membership in the PHiL DC, except as indicated in the PHiL DC bylaws.

B. METHOD OF ASSESSMENT

The initial annual assessment rate, as set by PHiL DC, shall be three-quarters of one percent (0.75%) of gross short-term guest sleeping room rental revenue. The assessment shall not be collected on: (i) stays of more than thirty (30) consecutive days; (ii) complimentary rooms provided by the hotel business owner at no cost to the guest; or (iii) stays pursuant to contracts executed prior to July 1, 2017, including contracted stays for airline crews.

C. ROLLOVER FUNDS

Any and all unused assessment funds collected during a year may be rolled over to the subsequent year to be used for programs detailed in Section 4. All funds not expended for programs during the PHiL District's next twenty years of operation under this plan shall be refunded to the owners of assessed hotel properties on a pro rata basis based on assessments paid, unless additional budget years for the PHiL District are approved, in which case any remaining funds from the PHiL District shall remain available for use for the PHiL District in such subsequent budgeted years.

D. COLLECTIONS/PROPERTY LIENS

Each assessment authorized pursuant to this ordinance is collectable. PHiL DC will be responsible for making and collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each eligible hotel property located in the boundaries of the PHiL District.

The assessment shall be due on the 15th day of the month following the close of each

month. On the 16th day of the month following the close of each month for which the assessment has been calculated and continuing thereafter until the assessment is paid, PHiL DC has the authority to charge one and one-half percent (1.5%) interest per month on any unpaid assessment or unpaid portion of an assessment.

In addition to the assessment and any interest penalties, a penalty of $100 per lien shall be added to principal and interest to cover costs associated with the filing of the lien. All lien satisfactions must be paid in cash or with certified funds.

9. TIME FOR COMPLETION OF ALL PROPOSED PROGRAMS AND SERVICES

All programs and services identified in this plan will commence during the first year of this plan and continue on an ongoing basis until December 31, 2039. Per the PHiL DC bylaws, the PHiL DC board shall prepare and present for member comment an annual activity plan at the Annual Meeting.

10. TERMINATION OF THE PHiL DISTRICT

Assessed hotel property owners intend to submit a request for termination of the PHiL District to the City Council of Philadelphia should any of the following events occur:

- City Council levies new taxes, fees, assessments, or charges on hotels in excess of the current charges;
- Hotel members of PHiL DC vote to approve termination of the PHiL District;
- Existing hotel tax revenue allocations are diverted away from the hospitality industry.

11. OFFICES OF PHiL DC

The offices of PHiL DC are located at 1617 John F. Kennedy Boulevard, Suite 810, Philadelphia, PA 19103. The offices may be relocated at the pleasure of the PHiL DC board in accordance with the organization's bylaws and upon notification of the Clerk of the City of Philadelphia.

12. SPECIFIC DUTIES AND RESPONSIBILITIES OF THE CITY AND PHiL DC WITH RESPECT TO THE PHiL DISTRICT

A. The City will be responsible for maintaining the same level of municipal programs and services within the PHiL District during its duration as a neighborhood improvement district as before its establishment as a neighborhood improvement district.

B. PHiL DC will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each hotel property located in the boundaries of the PHiL District. The City will be responsible for applying liens on properties for non-payment of property assessment fees as set forth in the Act at 53 P.S. §18107(a)(10).

C. PHiL DC shall fulfill all the duties and responsibilities of a NIDMA as set forth in the Act. In its capacity as the NIDMA, PHiL DC shall annually submit an audit of all income and expenditures to the Department of Community and Economic Development, the Clerk of City Council and the City Commerce Department within 120 days after the end of each fiscal year, and submit a report, including financial and programmatic information and a summary of audit findings, to the Clerk of City Council, the City Commerce Department and to all assessed hotel property owners located in the PHiL District as required by the Act.

13. AGREEMENT WITH THE CITY

A written agreement will be signed by the City and PHiL DC containing the following provisions:

A. The respective duties of the City and PHiL DC with respect to the PHiL District as set forth in part 12 above;

B. The City's agreement to maintain within the PHiL District the same level of municipal programs and services that were provided within the PHiL District before its establishment;

C. A "sunset provision" under which the agreement will expire in approximately twenty years on December 31, 2039, and not be renewed unless the PHiL District is continued beyond that date pursuant to enactment of an ordinance continuing the PHiL District; and

D. The City's agreement to file any necessary liens for nonpayment of property assessments as set forth in the Act at 53 P.S. §18107 (a)(10).

14. PROCEDURE FOR DEFEAT OF PHiL DISTRICT CONTINUATION

The negative vote of affected property owners representing ownership of at least one-third of the affected properties within the PHiL District or the negative vote of affected property owners within the PHiL District whose property valuation, as assessed for taxable purposes, amounts to one-third of the total property valuation of affected property owners, shall be required to defeat the continuation and extension of the PHiL District. In order to do so, affected property owners must file objections with the Clerk of City Council within forty-five (45) days of the public hearing of the final plan.

15. BYLAWS OF PHiL DC

The bylaws of PHiL DC are attached as Exhibit A-4, as well as posted at PHiL DC's official website and available on request at the PHiL DC offices currently located at 1617 John F. Kennedy Boulevard, Suite 810, Philadelphia, PA 19103.

EXHIBIT A-1 Philadelphia Hospitality Improvement Levy District and Service Area Map

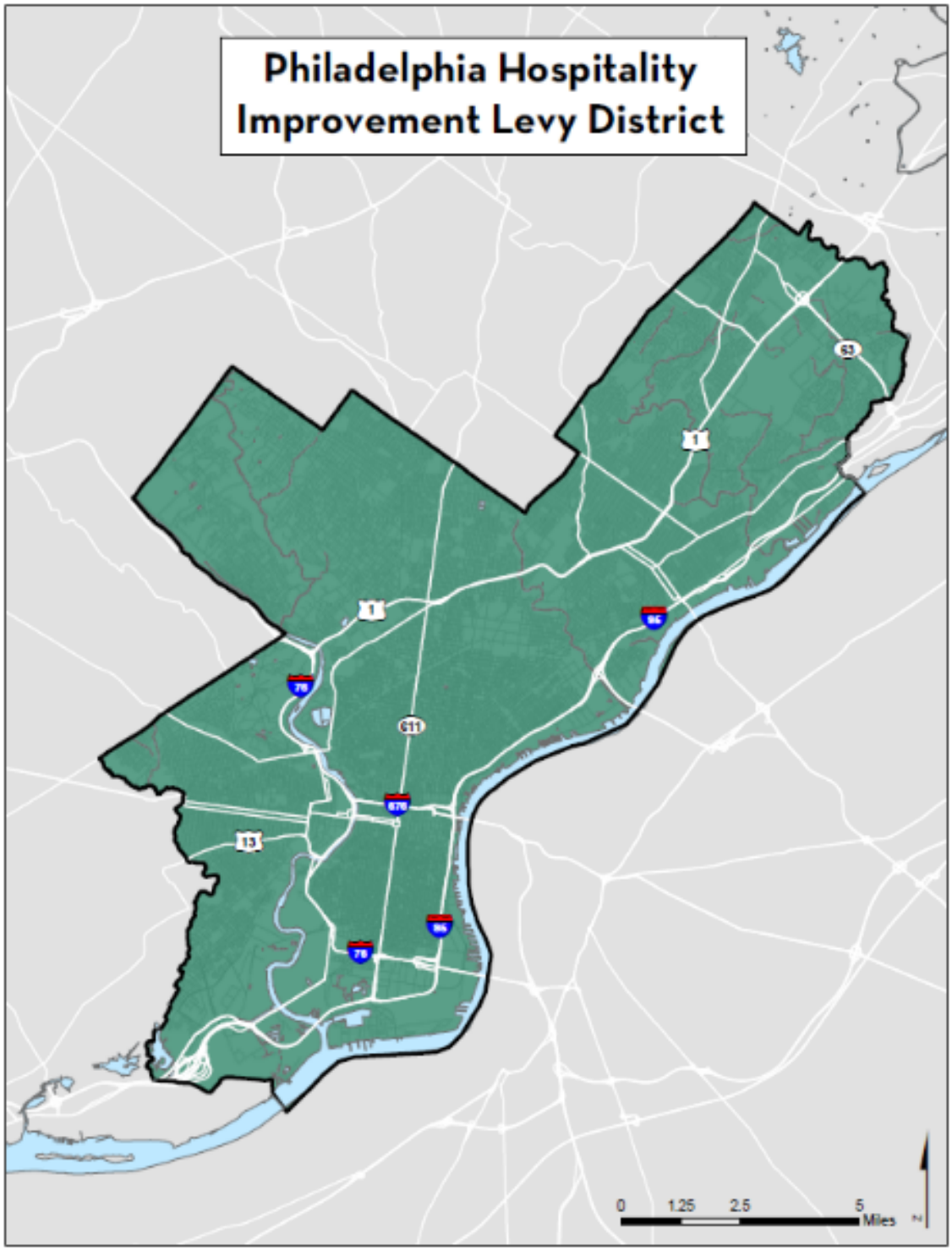

EXHIBIT A-2 List of Hotel Properties to be Assessed

Hotel Name	Street Address	City & State	Zip Code	Rooms
Existing Hotels				
AKA Extended Stay University City	2929 Walnut Street	Philadelphia, PA	19104	103
AKA Rittenhouse Square	135 S. 18th Street	Philadelphia, PA	19103	78
Aloft Hotel at the Convention Center	101 N. Broad Street	Philadelphia, PA	19107	179
Aloft Hotel Philadelphia Airport	4301 Island Ave	Philadelphia, PA	19153	136
Best Western Plus Phila Convention Center Hotel	1225 Vine Street	Philadelphia, PA	19107	107
Cambria Hotel	219 S. Broad Street	Philadelphia, PA	19107	223
Club Quarters Hotel, Philadelphia	1628 Chestnut St	Philadelphia, PA	19103	275
Courtyard Philadelphia Airport	8900 Bartram Avenue	Philadelphia, PA	19153	152
Courtyard Philadelphia City Avenue	4100 Presidential Blvd	Philadelphia, PA	19131	333
Courtyard Philadelphia South @ The Navy Yard	1001 Intrepid Ave	Philadelphia, PA	19112	172
Curio Collection The Logan Philadelphia	1 Logan Square	Philadelphia, PA	19103	391
Days Inn Philadelphia	4200 E Roosevelt Blvd	Philadelphia, PA	19124	116
Days Inn Philadelphia Convention Center	1227 Race St	Philadelphia, PA	19107	60
DoubleTree Philadelphia Airport	4509 Island Avenue	Philadelphia, PA	19153	331
DoubleTree Philadelphia Center City	237 South Broad Street	Philadelphia, PA	19107	481
Embassy Suites Philadelphia Airport	9000 Bartram Avenue	Philadelphia, PA	19153	263
Embassy Suites Philadelphia Center City	1776 Ben Franklin Pkwy	Philadelphia, PA	19103	288
Extended Stay America Phila Airport Bartram Ave	8880 Bartram Ave	Philadelphia, PA	19153	83
Extended Stay America Phila Airport Tinicum Blvd	9000 Tinicum Blvd	Philadelphia, PA	19153	145
Fairfield Inn Philadelphia Airport	8800 Bartram Avenue	Philadelphia, PA	19153	109
Fairfield Inn & Suites Phila Downtown Center City	261 S 13th St	Philadelphia, PA	19107	212
Four Points by Sheraton Philadelphia Airport	4101A Island Ave	Philadelphia, PA	19153	177
Four Points by Sheraton Philadelphia City Center	1201 Race Street	Philadelphia, PA	19107	92
Four Points by Sheraton Philadelphia Northeast	9461 Roosevelt Blvd	Philadelphia, PA	19114	190
Four Seasons Hotel	1 N 19th St	Philadelphia, PA	19103	217
Hampton Inn Philadelphia Convention Center	1301 Race Street	Philadelphia, PA	19107	250
Hampton Inn Philadelphia International Airport	8600 Bartram Ave	Philadelphia, PA	19153	151
Hawthorn Suites by Wyndham Philadelphia	7890 Penrose Avenue	Philadelphia, PA	19153	102
Hilton Garden Inn Philadelphia Center City	1100 Arch Street	Philadelphia, PA	19107	279
Hilton Philadelphia @ Penn's Landing	201 S. Columbus Blvd	Philadelphia, PA	19106	350
Hilton Philadelphia City Avenue	4200 City Ave	Philadelphia, PA	19131	207
Hilton The Inn @ Penn	3600 Sansom Street	Philadelphia, PA	19104	245
Holiday Inn Express Philadelphia Midtown	1305 Walnut Street	Philadelphia, PA	19107	168
Holiday Inn Express Philadelphia Penn's Landing	100 N. Columbus Blvd	Philadelphia, PA	19106	184
Holiday Inn Philadelphia Stadium	900 Packer Avenue	Philadelphia, PA	19148	238
Home2 Suites Philadelphia Convention Center	1200 Arch Street	Philadelphia, PA	19107	248
Homewood Suites Philadelphia City Avenue	4200 City Ave	Philadelphia, PA	19131	122
Homewood Suites Philadelphia University City	4109 Walnut Street	Philadelphia, PA	19104	136
Hub Motel	7605 E Roosevelt Blvd	Philadelphia, PA	19152	70
Hyatt @ The Bellevue	200 S. Broad Street	Philadelphia, PA	19102	172

Kimpton Hotel Monaco Philadelphia	433 Chestnut Street	Philadelphia, PA	19106	268
Kimpton Hotel Palomar Philadelphia	117 S 17th St	Philadelphia, PA	19103	230
Le Meridien Philadelphia	1421 Arch Street	Philadelphia, PA	19102	202
Loews Philadelphia	1200 Market Street	Philadelphia, PA	19107	581
Marriott Old City	One Dock Street	Philadelphia, PA	19106	364
Marriott Philadelphia Airport	One Arrivals Road	Philadelphia, PA	19153	419
Marriott Philadelphia Downtown	1201 Market Street	Philadelphia, PA	19107	1408
Microtel Inn & Suites by Wyndham Phila Airport	8840 Tinicum Blvd	Philadelphia, PA	19153	132
Motel 6 Philadelphia Northeast	11580 E Roosevelt Blvd	Philadelphia, PA	19116	98
North American Motor Inns	4444 City Ave	Philadelphia, PA	19131	89
Penn`s View Hotel	14 North Front Street	Philadelphia, PA	19106	51
Penrose Hotel	2033 Penrose Ave	Philadelphia, PA	19145	240
Pod Philly	31 S 19th St	Philadelphia, PA	19103	252
Renaissance Philadelphia Downtown Hotel	401 Chestnut Street	Philadelphia, PA	19106	150
Residence Inn Philadelphia Airport	3701 Island Ave	Philadelphia, PA	19153	121
Residence Inn Philadelphia Center City	One East Penn Square	Philadelphia, PA	19107	291
Ritz-Carlton Philadelphia	Ten Avenue of the Arts	Philadelphia, PA	19102	301
Roosevelt Motor Inn	7600 Roosevelt Blvd,	Philadelphia, PA	19152	107
ROOST East Market	1199 Ludlow St	Philadelphia, PA	19107	60
Sheraton Hotel Philadelphia Downtown	201 N 17th Street	Philadelphia, PA	19103	757
Sheraton Hotel Philadelphia University City	36th and Chestnut Streets	Philadelphia, PA	19104	332
Sheraton Hotel Suites Philadelphia Airport	4101B Island Ave	Philadelphia, PA	19153	250
Sofitel Philadelphia	120 South 17th Street	Philadelphia, PA	19103	306
Sonesta Philadelphia	1800 Market Street	Philadelphia, PA	19103	439
The Inn @ The League	1450 Sansom Street	Philadelphia, PA	19102	84
The Notary Hotel, Autograph Collection	21 North Juniper Street	Philadelphia, PA	19107	499
The Rittenhouse Hotel	210 W Rittenhouse Square	Philadelphia, PA	19103	118
The Study @ University City	20 South 33rd Street	Philadelphia, PA	19104	212
The Warwick Hotel Rittenhouse Square	220 South 17th Street	Philadelphia, PA	19103	301
Westin Philadelphia	99 South 17th Street	Philadelphia, PA	19103	294
Windsor Suites	1700 Ben Franklin Pkwy	Philadelphia, PA	19103	195
Wyndham Philadelphia Historic District	400 Arch Street	Philadelphia, PA	19106	364

Potential Hotels

AC Hotels by Marriott Philadelphia Downtown	230 N 13th St	Philadelphia, PA	19107	156
Ascend Hotel Collection	917 Arch St	Philadelphia, PA	19107	82
Canopy by Hilton Philadelphia City Center	21 S 12th St	Philadelphia, PA	19107	236
Comfort Inn Arch St	932 Arch St	Philadelphia, PA	19107	220
Element Philadelphia	1441 Chestnut St	Philadelphia, PA	19102	460
Family Court Building project	1801 Vine Street	Philadelphia, PA	19103	199
Home2 Suites by Hilton Philadelphia Bensalem	12123 Knights Rd	Philadelphia, PA	19146	109
Homewood Suites by Hilton Philadelphia Airport	3601 Island Ave	Philadelphia, PA	19153	150
Hyatt Centric Hotel	1602 Chancellor Street	Philadelphia, PA	19103	309

Hyatt Place Philadelphia Airport	4521 Island Avenue	Philadelphia, PA	19153	150
Hyde Hotel by SBE Entertainment Group	S. Broad St & Pine St	Philadelphia, PA	19146	76
Landmark Property Group project	917 Arch Street	Philadelphia, PA	19107	118
Landmark Property Group project	932-934 Arch Street	Philadelphia, PA	19107	165
MOXY Philadelphia North	N Broad St & Master St	Philadelphia, PA	19121	140
Parker-Spruce Economy Hotel	261 S. 13th Street	Philadelphia, PA	19107	121
Philly Live Hotel & Casino	900 Packer Ave	Philadelphia, PA	19148	200
Quality Hotel Philadelphia	4155 Lancaster Ave	Philadelphia, PA	19104	110
Roland Kassis project	1220 Frankford Avenue	Philadelphia, PA	19125	114
SLS LUX Hotel & Residences Philadelphia	301 S Broad St	Philadelphia, PA	19107	101
The Revival	127 N 15th St	Philadelphia, PA	19107	64
Tru by Hilton Philadelphia Airport	88th St & Tinicum Blvd	Philadelphia, PA	19153	85
Unnamed Hotel Vine St	1801 Vine St	Philadelphia, PA	19103	220
W Philadelphia	1441 Chestnut St	Philadelphia, PA	19102	295

EXHIBIT A-3 Annual Budget

Year	Programs & Services	Administration	Total
2020	$5,947,741	$660,860	$6,608,601
2021	$6,245,128	$693,903	$6,939,031
2022	$6,557,384	$728,598	$7,285,982
2023	$6,885,253	$765,028	$7,650,281
2024	$7,229,516	$803,280	$8,032,795
2025	$7,590,992	$843,444	$8,434,435
2026	$7,970,541	$885,616	$8,856,157
2027	$8,369,068	$929,896	$9,298,965
2028	$8,787,522	$976,391	$9,763,913
2029	$9,226,898	$1,025,211	$10,252,109
2030	$9,688,243	$1,076,471	$10,764,714
2031	$10,172,655	$1,130,295	$11,302,950
2032	$10,681,288	$1,186,810	$11,868,097
2033	$11,215,352	$1,246,150	$12,461,502
2034	$11,776,120	$1,308,458	$13,084,577
2035	$12,364,926	$1,373,881	$13,738,806
2036	$12,983,172	$1,442,575	$14,425,746
2037	$13,632,330	$1,514,703	$15,147,034
2038	$14,313,947	$1,590,439	$15,904,385
2039	$15,029,644	$1,669,960	$16,699,605
TOTAL	$196,667,718	$21,851,969	$218,519,687

EXHIBIT A-4 Bylaws of PHiL DC

PHILADELPHIA HOSPITALITY IMPROVEMENT LEVY BUSINESS IMPROVEMENT DISTRICT CORPORATION BYLAWS

ARTICLE I

NAME, SEAL and PURPOSE

Section 1.1
Name
The name of the Corporation is the Philadelphia Hospitality Improvement Levy Business Improvement District Corporation (Corporation). The Corporation will conduct business as the Philadelphia Hospitality Investment Levy or PHiL.

Section 1.2
State of Incorporation
The Corporation has been incorporated under the laws of the Commonwealth of Pennsylvania.

Section 1.3
Seal
The corporate seal of the Corporation shall have inscribed thereon the name of the Corporation, the year of its organization, the words “Corporate Seal” and the name of the Commonwealth of Pennsylvania. The seal may be used by any person authorized by the Board of Directors of the Corporation or by these Bylaws by causing the seal of a facsimile thereof to be impressed or affixed, or in any manner reproduced.

Section 1.4
Definition
The word “hotel” when used herein shall include any hotel, motel, motor hotel, inn, condominium, Bed & Breakfast or other temporary lodging establishment in existence or under construction doing business in the City and County of Philadelphia having fifty (50) or more sleeping rooms.

Section 1.5
Purpose
The purpose of this Corporation shall be to promote the common interests of, and improve business conditions for, Philadelphia hotels through the development and operation of the Philadelphia Hospitality Improvement Levy District (PHiL District) and other programs and initiatives.

ARTICLE II
OFFICES AND FISCAL YEAR

Section 2.1
Registered Office
The registered office of the Corporation in the Commonwealth of Pennsylvania shall be located at 1617 John F. Kennedy Boulevard, Suite 810, Philadelphia, PA 19103 until otherwise established by a vote of a majority of the Board of Directors then in office, and a statement of such change is filed in the Pennsylvania Department of State.

Section 2.2
Other Offices
The Corporation may also have offices at such other places within or without the Commonwealth of Pennsylvania as the Board of Directors may from time to time designate or the business of the Corporation requires.

Section 2.3
Fiscal Year
The fiscal year of the Corporation shall begin on the 1st day of January in each year.

Article III
MEMBERSHIP

Section 3.1
Classes of Membership
In accordance with the Purpose in Article I, the goal of the Corporation is to represent the interests of hotels in the PHiL. Therefore, there shall be one class of membership in the Corporation. Members will carry a defined voice and vote in matters before the Corporation.

Section 3.2
Hotel Members
A Hotel Member shall be any hotel assessed by the PHiL, which has been duly admitted to membership. Each Hotel Member shall designate in writing its Executive Head or General Manager to serve as its Hotel Member Representative and represent such Hotel Member at meetings of members of the Corporation. All Hotel members must submit, upon demand by the Board, evidence of compliance with the PHiL assessment. The appropriate Hotel Member whose Hotel Member Representative seat is vacant, as soon as practicable, shall fill vacancies in the position of Hotel Member in writing. Each Hotel Member shall be represented at meetings. If unable to attend, the Hotel Member Representative may designate, in writing, any person actively involved in said hotel at a senior management level to act on behalf of the Hotel Member and vote on behalf of the Hotel Member.

Section 3.3
Expulsion and Suspension of Membership

Any member may be suspended or expelled from this Corporation for cause other than non-payment of PHiL assessments by the affirmative vote of two-thirds of the whole membership of the Board of Directors, provided that the affected member shall have been given a copy of the charges and at least fifteen (15) days opportunity to answer them in writing prior to such suspension or expulsion. An appeal may be taken at the next meeting of members by any member expelled from the Corporation, and a majority of the votes cast by members present and entitled to vote at such meeting of members shall be required to sustain such expulsion.

ARTICLE IV
MEETINGS OF MEMBERS

Section 4.1
Annual Meeting
The annual meeting of the Corporation shall be held during the first quarter of the fiscal year unless the Board of Directors shall determine otherwise. Such annual meeting shall be a general meeting; open for the transaction of any business within the powers of the Corporation without special notice of said business. The annual meeting may be held in conjunction with the annual meeting of the Board of Directors.

Section 4.2
General Meetings
In addition to the annual meeting, general meetings may be called at and by the discretion of the President and the Board of Directors.

Section 4.3
Special Meetings
The President or a majority of the Board of Directors, or one-third of the members may call special meetings of the members of the Corporation at any time, either by vote or in writing. No business other than that stated in the notice of the meeting shall be transacted at any special meeting of the members. Most of the decisions on rewarding grants will be made via electronic voting.

Section 4.4
Notice of Meetings
Not less than ten (10) days no more than thirty (30) days written notice of any general meeting and of every special meeting of the members of the Corporation shall be given to each member in accordance with the mailing address as it appears in the Corporation's records. In the event of a special meeting, such notice shall state the object or objects thereof. Written notice shall be deemed to be given when handed personally to a member, or when deposited in the United States Mail or sent by an overnight delivery service, postage prepaid, addressed to such member at the address furnished by him or her to the Corporation, or distributed to such member by email at the email address furnished by him or her to the Corporation.

ARTICLE V
GOVERNANCE

Section 5.1
Board of Directors

The Board of Directors shall be comprised of fifteen (15) voting members and four (4) ex-officio non-voting members. Each voting member of the Board shall have one vote. All non-permanent directors shall be designated by PHiL Hotel Members. All permanent directors shall be designated by the Hotel Member they represent. The voting member seats shall be allocated as follows:

- Four (4) directors representing convention lodging properties. The Downtown Marriott, Loews, Downtown Sheraton, and W/Element lodging properties shall have a permanent seat on the Board.
- Six (6) directors representing Center City (non-convention) lodging properties.
- One (1) director representing Waterfront/University City lodging properties.
- One (1) director representing City Avenue/Northeast Philadelphia lodging properties.
- Two (2) directors representing Navy Yard/Airport lodging properties.
- One (1) director representing the Commerce Director of the City of Philadelphia.

Ex-officio non-voting members shall be designated by the entity they represent. Ex-officio non-voting member seats shall be allocated as follows:

- One (1) seat shall be for the GPHA Executive Director.
- One (1) Seat shall be for a representative of the Pennsylvania Convention Center Authority
- One (1) seat shall be for a representative of the Philadelphia Convention and Visitors Bureau.
- One (1) seat shall be for a representative of the Visit Philadelphia.
- One (1) seat for a representative of the Council of the City of Philadelphia.
- One (1) seat for a representative of the Philadelphia Opportunities Industrialization Center, Inc.

Section 5.2
Term of Office

Each Director shall serve for two calendar years and until he or she is replaced by a successor Director, so long as he or she remains the Hotel Member Representative of a Hotel Member and has been duly designated.

Section 5.3
Nominating Committee

Each year, the Board shall select an Ad Hoc nominating committee composed of PHiL Member Hotels to nominate Directors for election for the following term. The nominating committee has the primary function to propose a slate of directors from among the PHiL Member Hotels.

Section 5.4
Other Nominations
Any three Hotel Members, acting together, may submit additional nominations to the Secretary of the Corporation not later than thirty (30) days immediately preceding the date of the annual membership meeting. All late nominations shall be rejected.

Section 5.5
Submission of Nominations to Hotel Members
The Secretary of the Corporation shall submit to the Hotels Members the names of persons nominated by the nominating committee and the names of persons nominated pursuant to Section 8.2 (Other Nominations) not later than thirty (30) days immediately preceding the date of the annual membership meeting.

Section 5.6
Organization; Chair of the Board
The Executive Director of the PHiL shall serve as Chair of the Board of Directors, President, and CEO. At every meeting of the Board of Directors, the President/Chair of the Board, or a member of the Board of Directors designated by the President/Chair shall preside and the Secretary or in the Secretary's absence, any person appointed by the President/Chair shall act as Secretary.

Section 5.7
Meetings of the Board of Directors
(a) Meetings of the Board of Directors may be held at such place within the PHiL, as the Board of Directors may from time to time designate or as may be designated in the notice of the meeting.

(b) An annual meeting of the Board of Directors shall be held during the first quarter of the fiscal year unless the Board of Directors shall determine otherwise. Such annual meeting shall be for the election of officers, and for the transaction of such other business as may come before the Directors. The annual meeting of the Board of Directors may be held in conjunction with the annual meeting of the members.

(c) Regular meetings of the Board of Directors shall be held at such time and place as shall be designated from time to time by resolution of the Board of Directors. At such meetings, the Directors shall transact such business as may properly be brought before the meeting. The Secretary or the Secretary's designee shall give to each member of the Board not less than five days prior written notice of the annual meeting and each regular meeting of the Board, which notice may be given once at the beginning of each year or when regular meetings are scheduled.

(d) Special meetings of the Board of Directors shall be held whenever called by the President or by a majority of the Directors then in office. Notice of special meetings called by the President, stating the time and place of the meeting, shall be given to each Director by such means (including but not limited to hand delivery, with any courier charges prepaid, first class or express mail, postage prepaid, e-mail or by facsimile transmission) to be received by each member of the Board of Directors at such time as the President shall deem appropriate. Notice of special meetings called by a majority of the Board of Directors stating the time, place and subject matter of the meeting shall be given in writing and shall be mailed to each Director at least seven days prior to the date of such meeting. All Hotel Members shall also receive notification of Special meetings.

(e) Sixty six and two thirds percent of the Board members shall constitute a quorum for the transaction of business by the Board of Directors. Each Director shall be entitled to one vote. Except as otherwise specified in the Articles of these Bylaws, or provided by statute, the acts of a majority of the Directors present at the meeting at which a quorum is present shall be the acts of the Board of Directors. In the absence of a quorum, a majority of the Directors present and voting may adjourn the meeting from time to time until a quorum is present. The Directors shall act only as a Board and the individual Directors shall have no power as such.

(f) The Board will use Roberts Rules of Order, 10th edition in the conduct of business.

(g) In all instances where written notice is required or otherwise furnished, the Corporation may send such notice to a Director by email or first class U.S. Mail, to the Corporation.

(h) One or more persons may participate in a meeting of the Board by means of conference telephone or other electronic technology by means of conference telephone or other electronic technology by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at the meeting.

Article VI
Committees

Section 6.1
Ad Hoc Committees

There may be such Ad Hoc Committees established by the Board from time to time, as occasion demands. The President shall appoint all committees, but such appointment may be ratified or rejected by a majority vote of the Board.

ARTICLE VII
OFFICERS

Section 7.1
Number, Qualifications and Designation
The Officers of the Corporation shall be a President, a Treasurer and such number of Assistant Secretaries and Assistant Treasurers as the Board may from time to time designate. All Officers, except Assistant Secretaries and Assistant Treasurers, shall be Directors. The same person may hold any number of offices, but no Officer may act in more than one capacity where the action of two or more Officers is required.

Section 7.2
Election and Term of Office
The Officers of the Corporation shall be elected semi-annually as provided in Article VIII and each such officer shall hold office for two years and until his or her successor shall have been elected and qualified or until his or her earlier death, resignation or removal. Electronic voting is allowed.

Section 7.3
Resignations
Any Officer may resign at any time by giving written notice to the Board of Directors. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified and unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.4
Absence
Any member of the Board absent from a meeting shall communicate to the Corporation's office the reason(s) for such absence, and the Board members attending shall decide whether such absence is excusable (in their reasonable discretion). The Board shall attempt to be consistent with its decisions about excused absences. In the event there is in one (1) year more than two (2) unexcused absences from the Board meetings or grant application votes, that member shall be deemed to have tendered their resignation and that resignation shall be deemed accepted.

Section 7.5
Removal
Any officer of the Corporation may be removed, with or without cause, by the affirmative vote of two-thirds of the full Board of Directors whenever in the judgment of the Board such removal shall serve the best interests of the Corporation but such removal shall be without prejudice to the contract rights of any person so removed. The removal of an officer shall not affect such person's status as a member of the Board of Directors.

Section 7.6
Vacancies

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by an alternate when one is named. In cases when an alternate is not named, a majority vote of the Board and for the unexposed portion of the term.

Section 7.7
General Powers
All Officers of the Corporation, as between themselves and the Corporation, shall respectively have such authority and perform such duties in the management of the affairs of the Corporation as may be determined by resolutions or orders of the Board, or, in the absence of controlling provisions in resolutions or orders of the Board may be provided in these Bylaws.

Section 7.8
Offices
(a) President. As Chairman of the Board of Directors, the President shall preside at all meetings of the members of the Board of Directors and shall perform such other duties as may from time to time be requested by the Board of Directors. The President shall sign or countersign all contracts or other instruments of the Corporation after approval of the same by the Board; shall make reports at all Directors' meetings and to the Corporation; shall appoint all committees, both standing and special; shall be an ex-officio member of all committees and entitled to a vote thereon. The President shall perform all such other duties as are incident to the office or are properly requested of the President.

(b) Treasurer. The Treasurer shall (a) have or provide for the custody of the funds of the Corporation and keep full and accurate accounts of the finances of the Corporation; (b) collect and receive or provide for the collection and receipt of monies in any manner due to or received by the Corporation; (c) deposit all funds in his or her custody as Treasurer in such banks or other places of deposit as the Board may from time to time designate; (d) whenever so required by the Board, render an account showing his or her transactions as Treasurer and the Financial condition of the Corporation; (e) Chair the Finance Committee; (f) in general, discharge such other duties as may from time to time be assigned by the Board of Directors or the President.

(c) Assistant Secretaries. Each Assistant Secretary shall assist in recording all committee meeting minutes. One or more representatives of professional organizations retained by the Board will serve as Assistant Secretary, such as the Corporation's Legal Counsel and marketing consultant. The Assistant Secretaries have no vote on the Board.

(d) Assistant Treasurers. Each Assistant Treasurer shall assist the Treasurer in the conduct of his or her duties as prescribed by the Treasurer or the President. One representative of professional organizations retained by the Board will serve as an Assistant Treasurer, such as the Corporation's accounting firm. The Assistant Treasurer has no vote on the Board.

(e) Payment Authorization & Issuance. A check writing and payment policy shall be developed and approved by the PHiL Board of Directors.

ARTICLE VIII
ELECTION OF OFFICERS

Section 8.1
Nominating Committee
Each year, the Board shall select an Ad Hoc nominating committee composed of Directors to nominate Officers for election for the following year. The nominating committee shall be composed of no less than (5) Directors in good standing of the Corporation. The nominating committee has the primary function to propose a slate of officers from among the Board members nominated to be each of the following: President, Vice President, Secretary and Treasurer.

Section 8.2
Other Nominations
Any three Hotel Members, acting together, may submit additional nominations to the Secretary of the Corporation not later than thirty (30) days immediately preceding the date of the annual membership meeting. All late nominations shall be rejected.

Section 8.3
Submission of Nominations to Hotel Members
The Secretary of the Corporation shall submit to the Hotels Members the names of persons nominated by the nominating committee and the names of persons nominated pursuant to Section 8.2 (Other Nominations) not later than thirty (30) days immediately preceding the date of the annual membership meeting.

Section 8.4
Hotel Member Directors and Officers
All of the Officers shall be elected at the annual meeting of the Board of Directors. The affirmative vote of a majority of those present and entitled to vote at the annual meeting shall be required to elect each of the Officers. Such election may be by voice vote or electronic voting and need not be by ballot unless so directed by the Chairman or a majority of Directors present at such meeting.

ARTICLE IX
PERSONAL LIABILITY AND INDEMNIFICATION

Section 10.1
Personal Liability of Directors
A Director of this Corporation shall not be personally liable for monetary damages as such for any action taken or any failure to take any action unless (a) the Director has breached or failed to

perform the duties of his or her office under subchapter B of the Pennsylvania Non-profit Corporation Law of the Pennsylvania Directors' Liability Act (which, as amended from time to time, is hereafter called the "Non-profit Corporation Law") and (b) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. This section shall not, except as otherwise provided in Section 8332.2 of Title 42 of the Pennsylvania Consolidated Statutes, limit a Director's liability for monetary damages to the extent prohibited by Section of the Non-profit Corporation Law.

Section 10.2
Mandatory Indemnification

The Corporation shall, to the fullest extent permitted by applicable law, indemnify its members, directors and officers who were or are a party or are threatened to be made a party to whether civil, criminal, administrative or investigative (whether or not such action, suit or proceeding arises or arose by or in the right member, director or officer is or was a member, director or officer the Corporation or other entity) by reason of the fact that such member, director or officer is or was a member, director or officer of the Corporation or is or was serving at the request of the Corporation of another corporation, partnership, joint venture, trust or other enterprise (including service with respect to employee benefit plans), against expenses (including but not limited to attorneys' fees and costs), judgments, fines (including excise taxes assessed on a person with respect to any employee benefit plan) and amounts paid in settlement actually and reasonable incurred by such director or officer in connection with such action, suit or proceeding except as otherwise provided in Section 4 of this Article. Persons who were members, directors or officers of the Corporation prior to the date this Article X is approved by members of the Corporation, but who do not hold such office on or after such date, shall not be covered by this Article X. A director or officer of the Corporation entitled to indemnification under this section is hereafter called a "person covered by Section 10.2".

Section 10.3
Expenses

Expenses incurred by a person in defending a threatened, pending or completed civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt by the Corporation of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation, except otherwise provided in section 4 of Article X.

Section 10.4
Exceptions

No indemnification under Section 2 or advancement or reimbursement of expenses under Section 3 shall be provided to a person covered by Section 2; (a) if a final unappealable judgment or award establishes that such member, director or officer engaged in intentional misconduct or transaction from which the member, director of officer derived an improper personal benefit; (b) for expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines

and amounts paid in settlement) which have been paid directly to such person by an insurance carrier under a policy of officers' and directors' liability insurance maintained by the Corporation or other enterprise; and (c) for amounts paid in settlement of any threatened, pending or completed action, suit or proceeding without the written consent of the Corporation, which written consent shall not be unreasonably withheld. The Board of Directors of the Corporation is hereby authorized, at any time by resolution, to add to the above list of exceptions from the right of indemnification under Section 2 or advancement or reimbursement of expenses under Section 3, but any such additional exception shall not apply with respect to any ever, act or omission, which has occurred prior to the date that the Board of Directors in fact adopts such resolution. Any such additional exception may, at any time after its adoption, be amended, supplemented, waived or terminated by further resolution of the Board of Directors of the Corporation.

Section 10.5
Continuation of Rights
The indemnification and advancement or reimbursement of expenses provided by, or granted pursuant to, this Article X shall continue as to a person who has ceased to be a member, director or officer of the Corporation, and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 10.6
General Provisions
(a) The term "to the fullest extent permitted by applicable law", as used in this Article, shall mean the maximum extent permitted by public policy, common law or statute. Any person covered by Section 2 of Article X may, to the fullest extent permitted by applicable law, elect to have the right to indemnification or to advancement or reimbursement of expenses, interpreted, at such person's option, (1) on the basis of the applicable law on the date this Section was approved by the members, or (2) on the basis of the applicable law in effect at the time of the occurrence of the event or events giving rise to the action, suit or proceeding or (3) on the basis of the applicable law in effect at the time indemnification is sought.

(b) The right of a person covered by Section 2 of Article X to be indemnified or to receive an advancement or reimbursement of expensed pursuant to Section 3 of Article X; (1) may also be enforced as a contract right pursuant to which the person entitled thereto may bring suit as if the provisions hereof were set forth in a separate written contract between the Corporation and such person, (2) to the fullest extent permitted by applicable law, is intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof and (3) shall continue to exist after the rescission or restrictive modification (as determined by such person) of this Paragraph with respect to events, acts or omissions occurring before such rescission or restrictive modification is adopted.

If a request for indemnification or for the advancement or reimbursement of expenses pursuant hereto is not paid in full by the Corporation within thirty days after a written claim has been

received by the Corporation together with all supporting information reasonably requested by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim (plus interest at the prime rate announced from time to time by the Corporation's primary banker) and, if successful in whole or in part, the claimant shall be entitled also to be paid the expenses (including, but not limited to, attorney's fees and costs) of prosecuting such claim. Neither the failure of the Corporation (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or the advancement or reimbursement of expenses, shall be a defense to the action or create a presumption that the claimant is not so entitled.

(c) The indemnification and advancement or reimbursement of expenses provided by, or granted pursuant to, this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement or reimbursement of expenses may be entitled under any bylaw, agreement, vote of members or disinterested directors or otherwise.

(d) Nothing contained in this Article shall be construed to limit the rights and powers the Corporation possesses under applicable provisions of the Pennsylvania Corporation Not-for-profit Code (as amended from time to time), the Directors' Liability Act or otherwise, including, but not limited to, the powers to purchase and maintain insurance, create funds to secure or insure its indemnification obligations, and any other rights or powers the Corporation may otherwise have under applicable law.

(e) The provisions of this Article may, at any time (and whether before or after there is any basis for a claim pursuant hereto), be amended, supplemented, waived or terminated, in whole or in part, with respect to any person covered by Section 2 of Article X by a written agreement signed by the Corporation and such person.

(f) The Corporation shall have the right to appoint the attorney for a person covered by Section 2, provided such appointment is not unreasonable under the circumstances.

(g) The Corporation may, to the fullest extent permitted by applicable law, indemnify and advance or reimburse expenses for, persons in all situations other than that covered by this Article.

ARTICLE X
AMENDMENT OR REPEAL

Section 11.1
Amendment or Repeal by Members

These Bylaws may be amended or repealed, in whole or in part, by a vote of two-thirds of the Board of Directors of the Corporation at any regular or special meeting of the Board duly convened, provided that (a) at least 40% of the Directors are represented at such meeting; and

(b) at least two weeks prior to the meeting, notice is given setting forth the purpose of the meeting and the proposed amendment or alteration.

Section 11.2
Recording Amendments and Repeals
The text of all amendments and repeals to these Bylaws shall be attached to the Bylaws with a notation of the date of each such amendment or repeal.

ARTICLE XI
ADOPTION OF BYLAWS AND RECORD OF
AMENDMENTS AND REPEALS

Section 12.1
Adoption and Effective Date
These Bylaws have been adopted as the Bylaws of the Corporation this 15th day of February, 2018, and shall be effective as of said date.

Section 12.2
Amendments or Repeals

Section Involved	Date Amended or Repealed

CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on December 12, 2019. The Bill was Signed by the Mayor on December 30, 2019.

Michael A. Decker
Chief Clerk of the City Council