

EXHIBIT 1

PRELIMINARY PLAN FOR THE SOUTH PHILLY MARKET DISTRICT

INTRODUCTION – This preliminary plan represents the work of commercial property owners and business owners within the proposed Business Improvement District (BID); the incorporators of the proposed Neighborhood Improvement District Management Association (NIDMA) known as the South Philly Market District, Incorporated (SPMD, Inc.); and participants from both the Bella Vista Neighbors Association and Passyunk Square Civic Association; all of whom have been extensively involved in the development of this Plan, and who now request that the South Philly Market District (SPMD) as proposed by this Plan, be established by City Council.

As proposed, South Philly Market District, Incorporated is to be established as a Pennsylvania nonprofit corporation to manage the SPMD. In accordance with the requirements of the Community and Economic Improvement Act (53 P.S. § 18101 et. seq.), the petitioners hereby propose this Preliminary Plan for the SPMD which includes: the proposed NIDMA of the SPMD; a map of the SPMD Service Area (Exhibit 1-A); a list of properties to be included in the service area and subject to the SPMD special assessment fee (Exhibit 1-B); the proposed improvements, projects and/or programs to be operated by the NIDMA during the life of the SPMD; a proposed budget for the first five fiscal years of SPMD operations expected to commence January 1, 2020 (Exhibit 1-C); a detailed description of revenue sources for financing all proposed improvements, programs, and services; and the bylaws for the proposed SPMD, Incorporated (Exhibit 1-D).

SECTION ONE

NAME – The name of the neighborhood improvement district is the South Philly Market District (SPMD).

SECTION TWO

SERVICE AREA – The service area of the South Philly Market District, depicted in the map attached as Exhibit 1-A, includes the area bounded by all taxable commercial properties (properties used for any for-profit activity involving trade or commerce in general, including vacant commercial and industrial zoned parcels and residential properties comprised of at least one unit rented to tenants for profit) along both sides of South 9th Street from the south side of Fitzwater Street to the north side of Federal Street; along both sides of Christian Street from west side of South 7th Street to east side of South 10th Street; along both sides of Montrose Street from South 8th Street to South 10th Street; along both sides of Carpenter Street from South 8th Street to South 10th Street; along both sides of Washington Avenue from west side of South 8th Street to east side of South 11th Street; along both sides of Ellsworth Street from East Passyunk Avenue to South 10th Street; along both sides of East Passyunk Avenue from south side of Washington Avenue to north side of Federal Street; along both sides of South 10th Street from the south side of Christian Street to north side of Ellsworth Street; along both sides of South 8th Street between the south side of Christian Street and the north side of Carpenter Street and between the south side of Washington Avenue and the north side of Ellsworth Street; and along the west side of South 8th Street between the south side of Carpenter Street and the north side of Washington Avenue.

In addition to the streets and avenues mentioned above, the SPMD service area includes:

- The north side of Christian Street from the property located at 1031 Christian Street to the property located on the corner of Christian Street and South 10th Street;
- The south side of Christian Street from the property located at 1020 Christian Street to the property located on the corner of Christian Street and South 10th Street;
- The west side of South 8th Street from the property located at 824-26 South 8th Street to the property located on the corner of South 8th Street and Christian Street;

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- The east side of South 8th Street from the property located at 805 South 8th Street to the property located on the corner of South 8th Street and Christian Street; and
- The corner property located at 1101-09 South 11th Street which is adjacent to Washington Avenue.

The above description corresponds with the service area map, attached as Exhibit 1-A. A list of properties subject to the proposed special assessment fee, attached as Exhibit 1-B, was compiled from information provided by the City of Philadelphia's Office of Property Assessment. This list has been accepted by the incorporators of the SPMD, Inc. acting as an interim Board of the SPMD. This list shall be definitive as to whether a property is within the service area of the SPMD.

Single-unit residential properties used exclusively as owner-occupied residences will not be assessed. Similarly, the portion of any property that is owner-occupied and used as a residence will be exempted from assessment calculations under the formula used to calculate the special assessment fee for that property.

SECTION THREE

SPMD MANAGEMENT STRUCTURE – South Philly Market District, Inc., a Pennsylvania registered nonprofit corporation, is designated as the NIDMA in accordance with the ordinance incorporating this Plan and the Community and Economic Improvement Act (53 P.S. § 18106(a)). As such, SPMD, Inc. is authorized to exercise all powers granted by the Community and Economic Improvement Act (53 P.S. §§ 18107 through 18108), the ordinance authorizing the establishment of the SPMD, the bylaws of SPMD, Inc. and those general powers, rights, and obligations granted to or placed upon Pennsylvania nonprofit corporations.

SECTION FOUR

SERVICES DESCRIPTION – SPMD, Inc. will undertake the following two categories of activities as delineated below.

A. Programs and Services

1. Cleaning Services,
2. Parking Management Services,
3. Promotional Services,
4. Communication Services, and
5. Blight Removal, Lighting and Improvements.

B. Personnel and Administration

1. Executive Director,
2. Outreach and Accounts Support, and
3. Administration.

A. Programs and Services:

1. Cleaning Services – shall include but are not limited to the following:
 - The SPMD will employ cleaning staff or contract with an urban district cleaning services provider to secure a work crew for cleaning services. This immediate and on-going

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cleanliness program will be established to enhance the visitor's shopping experience throughout the service area. Cleanliness services will include:

- i. A supervised cleaning crew using dust pans and brooms to clean sidewalks and curb areas at least three days per week. All commercial property owners, businesses, curb stand licensees and operators will still be expected to do their part in cleaning the area around their property and/or place of business each day.
- ii. The cleaning crew will remove graffiti and work under the guidance of the Executive Director to coordinate the cleanup of heavily vandalized (graffiti marked) areas throughout the service area.
- iii. Maintain and empty existing and new public trash cans throughout the service area.

The above-mentioned cleaning activities will be ongoing throughout the life of the proposed SPMD. As part of managing this on-going activity, SPMD, Inc. with relevant committees and staff, will develop metrics to measure the utility of these activities.

2. Parking Management Services – shall include but are not limited to the following:

- Valet parking services for customers.
- Way-finding signage to direct vehicles to parking lots.
 - i. To help visitors find ample parking, a series of wayfinding signs will be installed throughout the service area. These signs will guide visitors to paid parking lots on Carpenter Street and Washington Avenue. As additional visitor parking areas are developed, extra way-finding signs may be installed to serve these areas.

3. Promotional Services – shall include but are not limited to the following:

- Retail Events (promotions designed to drive customer traffic into shops and increase foot traffic in order to “ring cash registers that day”).
 - i. A marketing committee will be established to make recommendations to the SPMD Board of Trustees regarding how to best structure, market, brand, and promote a series of retail events aimed at generating sales for businesses throughout the service area.
- District Marketing.
 - i. The same marketing committee established under “retail events” shown above will also be tasked with making recommendations to the SPMD Board of Trustees for the expenditure of promotional services funds allocated under this Plan for the purpose of marketing the entire SPMD.

SPMD, Inc. will develop metrics to measure the utility of these activities to encourage successful promotions and marketing efforts throughout the duration of this Plan.

4. Communication Services – shall include but are not limited to the following:

- Annual SPMD Services Report with progress measurement and feedback survey.
 - i. Distributed to business owners and property owners throughout the service area, this report will provide updates on SPMD services and economic progress within the service area. The report will also include a benchmarking survey to test public attitude towards accomplishing SPMD goals while also discovering emerging areas for improvement.
- Create educational opportunities for SPMD Members, residents, and others regarding issues affecting the service area via discussion groups, forums, panels, newsletters, and other outreach.

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5. Blight Removal, Lighting and Improvements –shall include but are not limited to the following:
 - Blight Removal.
 - i. The SPMD Board of Trustees will establish a committee to identify blighted properties or locations within the service area and provide recommendations on ways to resolve visual appeal concerns. The committee may also solicit proposals from affected property owners within the SPMD seeking blight removal assistance.
 - Lighting and Property Improvements.
 - i. The same committee established by the SPMD Board of Trustees under “blight removal” shown above will investigate opportunities to enhance street, storefront lighting, and overall appeal throughout the service area. The committee will make recommendations to the SPMD Board of Trustees concerning the expenditure of funds to provide for additional lighting.
 - ii. The same committee recognized under “blight removal” above will solicit proposals from affected property owners within the SPMD to receive grants (matching and otherwise) for storefront and curb stand improvement activities. Such proposals will be encouraged to include matching funds from either the affected property owner, business lessee within the affected property, or a recognized storefront/façade improvement program.

B. Personnel and Administration:

1. Executive Director -

- An Executive Director will coordinate business district services, provide for daily management of SPMD affairs, and expand SPMD, Inc. resources by building relationships with public agencies and partners.
 - i. Additional expectations and duties of the Executive Director include:
 - a. Improve capacity to communicate with SPMD stakeholders so as to inform staff and the Board of Trustees.
 - b. Operate the SPMD in a transparent manner.
 - c. Create opportunities for stakeholders to participate in the governance and operations of the SPMD.
 - d. Implement the enabling ordinance and exercise the powers granted to the SPMD, Inc. under state law.
 - e. Advocacy and coordinative actions with public agencies and elected officials.
 - f. Fund-raising for SPMD operations and secure to bring additional resources to the service area.
 - g. Implement or facilitate programs and services provided in this Plan.
 - h. Represent, coordinate, and advocate for the SPMD with public, private and nonprofit sectors whose actions impact the economic well-being of SPMD property owners and businesses.

2. Outreach and Accounts Support -

- An Accounts Manager will maintain SPMD property records, support outreach efforts, provide office assistance, provide for the distribution of bills concerning SPMD, Inc. special assessment fees, and other duties as may be determined by the Executive Director and/or SPMD Board of Trustees.

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3. Administration -

- Administration cost necessary for the operation of SPMD activities are included in this Plan. SPMD administration expenses include rent, board and general liability insurance, technology and equipment (computer hardware and software, telephones, printer/copier/scanner, router, camera), office supplies, bookkeeping and accounting/audit, telephone and internet service, security alarm, utilities, and legal expenses, professional development/travel, and billing expenses.
- Because SPMD, Inc. is to be established as a new nonprofit corporation to serve as the NIDMA, it is understood that there will be additional first-year administrative costs associated with acquiring equipment, computer software and office expenses related to the launch of the NIDMA. It is anticipated that these costs will be reduced in years two-through-five.

SECTION FIVE

BUDGET – The SPMD is expected to have a first-year budget of \$427,212 in Total Scheduled Expenses, as set forth in Exhibit 1-C and further explained in the “Line Item Descriptions” following the budget document, with budget amounts for subsequent fiscal years set forth in that document. Expenses are to be divided among two core budget categories identified in the Community and Economic Improvement Act (53 P.S. §18105(c)(2)(v)) which include Programs and Services as well as Personnel and Administration. Programs and Services will receive a first-year allocation of approximately \$231,552 with Personnel and Administration scheduled to receive a first-year allocation of approximately \$107,800. Additionally, \$7,500 will be allocated to cover the cost of first-year SPMD, Inc. startup expenses. Due to first-year expectations of yielding an eighty percent (80%) collection rate for special assessment fees levied on affected property owners within the SPMD service area, an allowance of \$80,360 for non-payment is included within the budget shown in Exhibit 1-C for year one, with this amount decreasing and then leveling off in subsequent years.

A. BUDGET INCREASE

Beginning in the third fiscal year of SPMD operation under this Plan, the budget document, Exhibit 1-C, reflects a three percent (3%) annual increase in the “Property Billing Amount” to offset anticipated increases in expenses. The SPMD Board of Trustees may choose to entertain no budget increase for any given fiscal year or to adopt an increase of less than three percent over the “Property Billing Amount” for the previous year shown as line item 1 in Exhibit 1-C if desired. In no event shall the SPMD Board of Trustees authorize any budget increase other than to the “Property Billing Amount” demonstrated as line item 1 on Exhibit 1-C and no increase to this item shall be made prior to the third fiscal year of SPMD operation set forth in this Plan.

SECTION SIX

SOURCE OF FUNDS – Both programs and services as well as administration and management expenditures will be paid for by the special assessment fee levied on affected property owners within the service area of the SPMD. Upon enactment of the ordinance establishing the SPMD, SPMD, Inc. will negotiate with the City of Philadelphia on awarding the SPMD a grant that would be the equivalent to the funds from the licensure of curb market stands within the SPMD to provide for cleanliness services covering the curb market. Additionally, the SPMD Board of Trustees is expected to have a strong grant seeking posture to fund activities that enable the SPMD to achieve its goals more rapidly and comprehensively. The SPMD Board of Trustees is also authorized

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to consider contract and entrepreneurial relationships that are of benefit to the organization as a whole as part of its work in implementing the services outlined in Section Four.

SECTION SEVEN

FISCAL YEAR – As required by state law, each fiscal year for the SPMD will begin on January 1, starting with January 1, 2020. Notwithstanding this, the SPMD Board of Trustees, shall be authorized to incur those expenses during the 2019 calendar year associated with incorporation of the SPMD, Inc., organizing the annual meeting to hold elections for membership on the Board of Trustees as delineated in the bylaws (Exhibit 1-D), paying staff and related office costs, including the purchase of equipment and renting of office space, and other tasks associated with the establishment of organizational capacity. With the exception of costs associated with incorporation or related legal expenses, none of the above costs shall be incurred by the SPMD prior to final approval of the ordinance authorizing the SPMD. If loans are used to cover costs incurred during 2019 from a lender authorized by law to make such loans, this money shall be repaid in its entirety during the 2020 fiscal year.

SECTION EIGHT

COST-SHARING FORMULA –

A. PROPERTIES SUBJECT TO THE ASSESSMENT

Upon approval of this Plan by the City Council, SPMD, Inc. shall have the authority to assess affected property owners within the service area a special assessment fee in accordance with the Community and Economic Improvement Act (53 P.S. § 18107(b) et. seq.) Under this Plan, all taxable real commercial properties (properties used for any for-profit activity involving trade or commerce in general, including vacant commercial and industrial zoned parcels and residential properties comprised of at least one unit rented to tenants for profit) within the service area as described in Section Two shall be subject to a special assessment fee levied by SPMD, Inc. For all affected properties legally comprised of at least one owner-occupied unit used as a residence, said properties will receive a reduction of the special assessment fee based on the proportion of the units within the property used as an owner-occupied residence. Neither vacancy nor non-use of a property qualifies a property for exemption from paying the SPMD special assessment fee under any circumstance.

Any property within the service area and on the list that is Exhibit 1-B that is not subject to the SPMD assessment, but which at a subsequent date converts to a usage that is subject to the SPMD assessment, shall become subject to the special assessment fee in the next SPMD fiscal year. Conversely, any property currently subject to the SPMD assessment which is converted to an exempt purpose may petition the SPMD Board of Trustees to be designated exempt with such exemption to commence with the next SPMD fiscal year.

B. METHOD OF ASSESSMENT

Affected property owners within the SPMD will be assessed a special assessment fee in accordance with the procedures outlined in the Community and Economic Improvement Act under 53 P.S. § 18107(b)(5)(i) and demonstrated within this section. For determining an affected property's special assessment fee and the total value of all affected properties within the SPMD, the most recent certified market values available from the City of Philadelphia's Office of Property Assessment (OPA) as of November 1 prior to the commencement of the fiscal year for billing beginning on January 1st will be used. However, for the first fiscal year, which

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commences on January 1, 2020, the most recent certified assessed values available when the ordinance creating the SPMD is introduced shall be used. All assessments on SPMD affected properties will be based on assessed market value without regard to any tax abatements that may be associated with a particular property.

Affected properties within the SPMD will be assigned an efficient ratio reflecting the share of units within each property that are not owner-occupied and used as a residence. For example, an affected property with three units which are all rented to tenants for profit will have a commercial efficiency ratio of 1.0 whereas another affected property with two units where one is owner-occupied as a residence and the other is rented as a storefront will have a commercial efficiency ratio of 0.5. Each affected property's efficiency ratio will be multiplied by its assessed market value to determine its commercial use assessed value.

Each affected property will be assessed by multiplying the ratio of its commercial use assessed value over the total commercial use assessed value of all affected properties in the SPMD by that portion of the district's annual budget attributed to assessments on affected properties (shown as the Property Billing Amount on line 1 in Exhibit 1-C).

The result for each property shall be designated the "Preliminary Special Assessment Fee," which shall be adjusted as provided herein.

If the Preliminary Special Assessment Fee for an affected property is less than three-hundred-and-sixty-five dollars (\$365), then the Final Special Assessment Fee for such property shall be three-hundred-and-sixty-five dollars (\$365). This methodology recognizes that regardless of an affected property's value, the services offered by the SPMD to such property can be reasonably valued at a daily rate of at least one dollar per day. Such properties shall be referred to as "One Dollar Per Day Properties." The total special assessment fees due from all such properties shall be referred to as "One Dollar Per Day Assessments."

If the Preliminary Special Assessment Fee for any affected property is equal to or more than three-hundred-and-sixty-five dollars (\$365), the Final Special Assessment Fee for such affected property shall be computed as follows:

1. Subtract the commercial use assessed values of all One Dollar Per Day Properties from the commercial use assessed values of all affected properties within the SPMD.
2. Divide the commercial use assessed value of the affected property by the result from step 1 above.
3. Multiply the result from step 2 by the Property Billing Amount less One Dollar Per Day Assessments. This is the affected property's Final Special Assessment Fee.

In the event that the method of assessment herein yields a Final Special Assessment Fee lower than three-hundred and sixty-five dollars (\$365) on an affected property, said affected property shall be assigned a Final Special Assessment Fee of three-hundred and sixty-five dollars (\$365). Any excess billing that results will be distributed pro rata so as to reduce the Final Special Assessment Fees among all of the affected properties with an assessment greater than three-hundred and sixty-five dollars (\$365).

The Property Billing Amount to be shared among all affected property owners within the SPMD for any given year shall be calculated as follows (using Year 1 [2020] in Exhibit 1-C as an example):

Total Scheduled Revenue	\$ 427,212
– Curb Stand Grant	\$ 25,410

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– Anticipated Revenue on Back Collections	\$ 0
= Property Billing Amount	\$ 401,802
<hr/>	
(\$427,212 – \$25,410 – \$0 = 401,802)	

Beginning in the second fiscal year of SPMD operation under this Plan, the amount of overdue collections anticipated to be received in that fiscal year (see line item 4 “Anticipated Revenue on Back Collections” in Exhibit 1-C) shall be deducted from the amount of “Total Scheduled Revenue” (see line item 7 in Exhibit 1-C) for the SPMD as part of the calculation to determine the “Property Billing Amount” used to share the cost of SPMD expenditures across all affected property owners.

To ensure compliance with state law as set forth in the Community and Economic Improvement Act at 53 P.S. §18107(b)(3), in no case shall the aggregate amount of all assessments on affected properties levied by the SPMD during any year exceed the combined cost of proposed programs and services and administration and personnel for that year (“Total Scheduled Expenses” – Exhibit 1-C).

Funds raised via fund raising, sponsorships, contracts, grants, and other non-assessment sources of income to the SPMD can increase the SPMD’s budget, but the financial effects of these contributions shall not affect the calculation of assessments. In accordance with the Community and Economic Improvement Act (53 P.S. § 18107(a)(9)), the SPMD Board of Trustees, at its discretion, solicit in-kind services or financial contribution from tax-exempt property owners within the SPMD in lieu of property assessment fees. This may include entering into voluntary multiyear agreements (VMAs) between SPMD, Inc. and tax-exempt property owners located within the SPMD for the provision of same.

C. COLLECTIONS/PROPERTY LIENS

Each special assessment fee authorized pursuant to this ordinance is collectable. To encourage timely payment, beginning with the 2020 fiscal year, affected property owners paying their SPMD special assessment fee in full by January 20, 2020 shall receive a discount of one percent (1%) of their billed amount due for that fiscal year.

On the first of each month, beginning with April 1 of the year in which the special assessment fee is due and continuing thereafter until the SPMD assessment is paid in full, the SPMD has the authority to charge 1.5% interest per month on any unpaid special assessment fee or portion thereof.

In addition to the special assessment fee and any interest due, the SPMD will charge \$100 per lien to be added to the principal and interest of any unpaid special assessment fee to cover the costs incurred to the SPMD associated with the filing of the lien along with the actual administrative cost of processing the lien with the City of Philadelphia if required. All lien satisfactions must be paid by check or with guaranteed funds.

SECTION NINE

FIVE YEAR SUNSET – All improvements, programs, and services identified within this Plan will commence during the first year of SPMD activity and continue on an ongoing basis throughout the life of the ordinance, until December 31, 2024. In accordance with the SPMD bylaws, the Board of Trustees shall prepare and present for member input an annual services plan at the Annual Meeting beginning in the second year of SPMD operations.

SECTION TEN

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OFFICES OF THE SOUTH PHILLY MARKET DISTRICT, INC – The offices of the SPMD, Inc. are temporarily located at 1315 Walnut Street, Suite 1006 Philadelphia, PA 19107. The offices may be relocated at the pleasure of SPMD, Inc.’s Board of Trustees in accordance with the organization’s bylaws (Exhibit 1-D) and upon notification of the Clerk of the City of Philadelphia.

SECTION ELEVEN

SPECIFIC DUTIES AND RESPONSIBILITIES OF THE CITY OF PHILADELPHIA AND THE SOUTH PHILLY MARKET DISTRICT, INC. WITH RESPECT TO THE SERVICE AREA – (I) The City will be responsible for maintaining the same level of municipal programs and services within the service area during its duration as a neighborhood improvement district as before its establishment as a neighborhood improvement district. The level of the municipal programs and services will be documented three (3) months in advance of the establishment of the SPMD to provide a baseline of services. The City will also be responsible for applying liens on properties for non-payment of special assessment fees as set forth in the Community and Economic Improvement Act at 53 P.S. §18107(a)(10). South Philly Market District, Inc. shall fulfill all the duties and responsibilities of a Neighborhood Improvement District Management Association (NIDMA) as set forth in the Community and Economic Improvement Act (53 P.S. §§18106 through 18109). In its capacity as the NIDMA, South Philly Market District, Inc. shall, within 120 days after the end of each fiscal year, 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, 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 affected property owners located in the service area (as required by 53 P.S. §18109). In addition, South Philly Market District, Inc. shall be responsible for collecting all special assessment fees levied within the service area.

SECTION TWELVE

AGREEMENT WITH THE CITY OF PHILADELPHIA – A written agreement will be signed by the City of Philadelphia and South Philly Market District, Inc. containing the following provisions:

- A. The respective duties of the City and South Philly Market District, Inc. with respect to the service area as set forth in Section 11 above;
- B. The City’s agreement to maintain within the service area the same level of municipal programs and services that were provided within the SPMD service area before its establishment;
- C. A “sunset provision” under which the agreement will expire in approximately five years on December 31, 2024 and not be renewed unless the SPMD is continued beyond that date pursuant to reenactment of the ordinance establishing the SPMD; and
- D. South Philly Market District, Inc.’s agreement to be responsible for the collection of all special assessment fees on affected property owners levied within the service area and the City’s agreement to file any necessary liens for nonpayment of property assessment fees as set forth in the Community and Economic Improvement Act at 53 P.S. §18107(a)(10).

SECTION THIRTEEN

OBJECTION OF FINAL PLAN FOR THE SPMD – To prohibit the establishment of the proposed SPMD, the written objections must be filed with the Clerk of City Council within forty-five (45) days after the

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presentation of the final plan before the City Council’s Rules Committee. All written objections must comply with the conditions set forth by Pennsylvania’s Community and Economic Improvement Act (53 P.S. §18105 et. seq.). To defeat the establishment of the proposed SPMD:

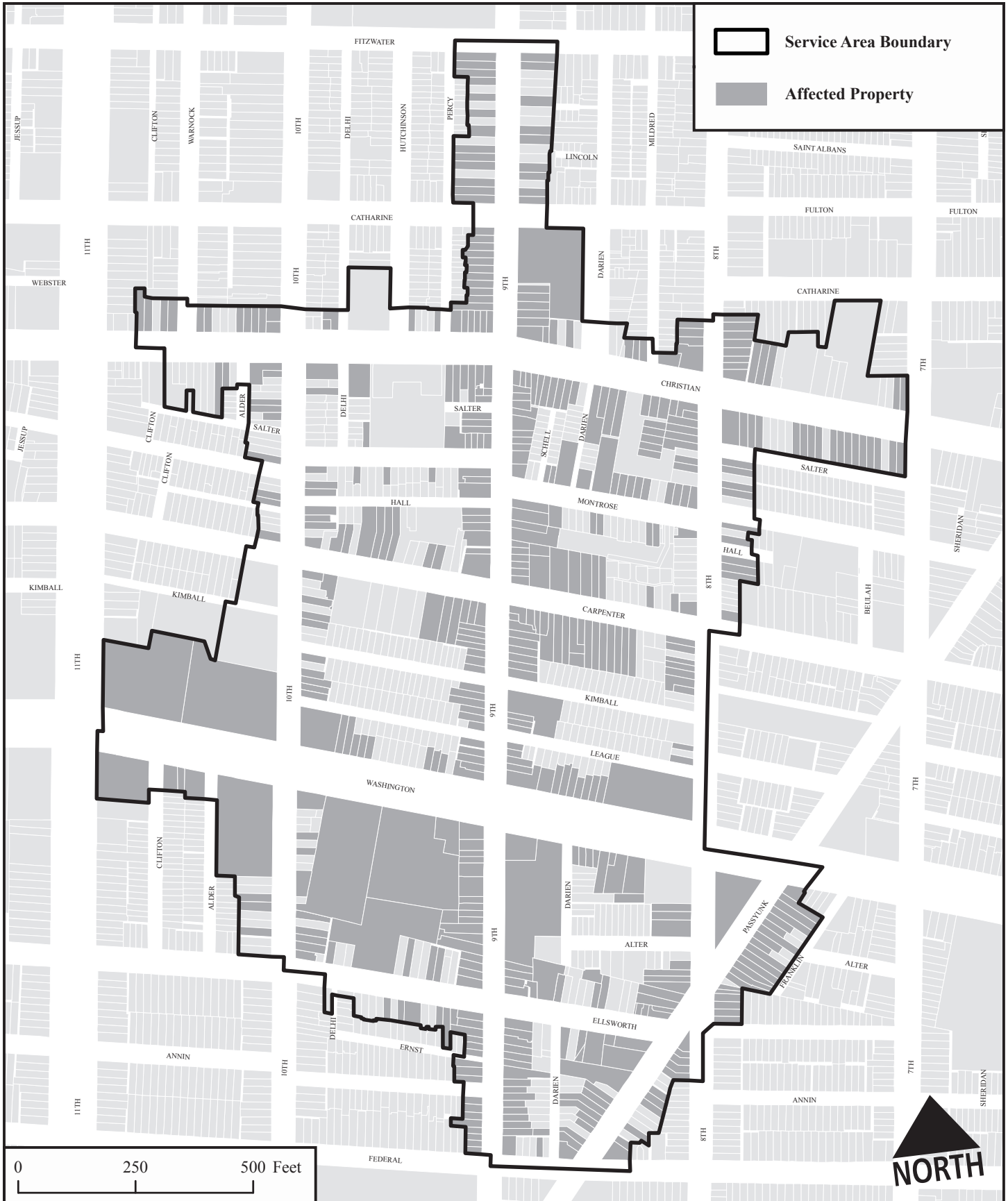
- 1) affected property owners representing the ownership of at least one-third of the properties owned by affected property owners within the SPMD service area proposed in the final plan must object; or
- 2) affected property owners within the SPMD service area, the value of whose properties, as assessed for taxable purposes, amounts to at least one-third of the total property valuation of property owned by affected property owners within the SPMD service area proposed in the final plan must object.

SECTION FOURTEEN

BY-LAWS OF THE SOUTH PHILLY MARKET DISTRICT – Copies of the bylaws of the South Philly Market District, Inc. are posted online at _____ or available upon request at _____.

Exhibit 1 - A

Map of the South Philly Market District (SPMD) Service Area



In the case of a discrepancy, the affected properties list attached as Exhibit 1-B shall hold precedence over this map.

Exhibit 1 - B

South Philly Market District (SPMD) Service Area Affected Properties

805 Carpenter St	741 Christian St	909 Christian St
811 Carpenter St	742 Christian St	910 Christian St
816 Carpenter St	744-46 Christian St	911 Christian St
818 Carpenter St	801 Christian St	912 Christian St
820-22 Carpenter St	804 Christian St	913 Christian St
821-23 Carpenter St	806 Christian St	921 Christian St
824 Carpenter St	807-11 Christian St	928-30 Christian St
826 Carpenter St	808 Christian St	937 Christian St
828 Carpenter St	810 Christian St	939 Christian St
829-31 Carpenter St	812-A Christian St	1001 Christian St
833-35 Carpenter St	812-B Christian St	1003 Christian St
900-4 Carpenter St	812-C Christian St	1004 Christian St
906-8 Carpenter St	812-D Christian St	1005 Christian St
909-11 Carpenter St	812-E Christian St	1006 Christian St
910-14 Carpenter St	813 Christian St	1007 Christian St
917 Carpenter St	815 Christian St	1009 Christian St
919 Carpenter St	817 Christian St	1017 Christian St
925-29 Carpenter St	820-22 Christian St	1019 Christian St
931-33 Carpenter St	824 Christian St	1023 Christian St
937 Carpenter St	825 Christian St	1025 Christian St
939-41 Carpenter St	826 Christian St	1029-A Christian St
942-44 Carpenter St	828 Christian St	1029-B Christian St
824-30 Catherine St	829 Christian St	1029-C Christian St
638 Christian St	830 Christian St	1031 Christian St
700 Christian St	832 Christian St	1100-18 E Passyunk Ave
701 Christian St	834 Christian St	1101 E Passyunk Ave
702 Christian St	836 Christian St	1103 E Passyunk Ave
703 Christian St	838 Christian St	1105 E Passyunk Ave
706 Christian St	840 Christian St	1107 E Passyunk Ave
710 Christian St	842 Christian St	1109 E Passyunk Ave
712 Christian St	844 Christian St	1111 E Passyunk Ave
714 Christian St	846 Christian St	1113 E Passyunk Ave
716 Christian St	848 Christian St	1115 E Passyunk Ave
718 Christian St	900 Christian St	1117 E Passyunk Ave
722 Christian St	901 Christian St	1119 E Passyunk Ave
724 Christian St	903 Christian St	1121 E Passyunk Ave
726 Christian St	904 Christian St	1122 E Passyunk Ave
737 Christian St	905 Christian St	1123 E Passyunk Ave
738 Christian St	906 Christian St	1124 E Passyunk Ave
739 Christian St	907 Christian St	1125-27 E Passyunk Ave
740 Christian St	908 Christian St	1126 E Passyunk Ave

Exhibit 1 - B

South Philly Market District (SPMD) Service Area Affected Properties

1128-30 E Passyunk Ave	829 Federal St	939 S 10th St
1129 E Passyunk Ave	837-39 Federal St	940 S 10th St
1132-40 E Passyunk Ave	801 Montrose St	1001 S 10th St
1133 E Passyunk Ave	803 Montrose St	1007 S 10th St
1135 E Passyunk Ave	805 Montrose St	1011 S 10th St
1137-43 E Passyunk Ave	807 Montrose St	1013 S 10th St
1142-46 E Passyunk Ave	810 Montrose St	1019 S 10th St
1145 E Passyunk Ave	812 Montrose St	1023 S 10th St
1150 E Passyunk Ave	813 Montrose St	1025 S 10th St
1152 E Passyunk Ave	815 Montrose St	1027 S 10th St
1153 E Passyunk Ave	817 Montrose St	1029 S 10th St
1154 E Passyunk Ave	819 Montrose St	1111 S 10th St
1155 E Passyunk Ave	821 Montrose St	1115 S 10th St
1156 E Passyunk Ave	826 Montrose St	1121-27 S 10th St
1158 E Passyunk Ave	828 Montrose St	1124 S 10th St
1160 E Passyunk Ave	831-33 Montrose St	1126 S 10th St
1163 E Passyunk Ave	838-40 Montrose St	1129 S 10th St
1164 E Passyunk Ave	841 Montrose St	1131 S 10th St
1166 E Passyunk Ave	843 Montrose St	1132 S 10th St
1167 E Passyunk Ave	903 Montrose St	1133 S 10th St
1168 E Passyunk Ave	905 Montrose St	1137 S 10th St
1169-71 E Passyunk Ave	907-11 Montrose St	1139 S 10th St
817 Ellsworth St	908 Montrose St	1141 S 10th St
819 Ellsworth St	920 Montrose St	1143 S 10th St
822-24 Ellsworth St	928 Montrose St	1101-9 S 11th St
826 Ellsworth St	935 Montrose St	805 S 8th St
829 Ellsworth St	900 S 10th St	807 S 8th St
830 Ellsworth St	901 S 10th St	809 S 8th St
831-33 Ellsworth St	907 S 10th St	811 S 8th St
835 Ellsworth St	908 S 10th St	815 S 8th St
904 Ellsworth St	910 S 10th St	817 S 8th St
906 Ellsworth St	914 S 10th St	819 S 8th St
908 Ellsworth St	923 S 10th St	824-26 S 8th St
909 Ellsworth St	924 S 10th St	828 S 8th St
911 Ellsworth St	927 S 10th St	900 S 8th St
914-16 Ellsworth St	929 S 10th St	904 S 8th St
917 Ellsworth St	930 S 10th St	906 S 8th St
918 Ellsworth St	931 S 10th St	907 S 8th St
921-31 Ellsworth St	932 S 10th St	908 S 8th St
922 Ellsworth St	933 S 10th St	909 S 8th St
935 Ellsworth St	935 S 10th St	910 S 8th St

Exhibit 1 - B

South Philly Market District (SPMD) Service Area Affected Properties

913 S 8th St	758 S 9th St	922 S 9th St
914 S 8th St	759 S 9th St	924-26 S 9th St
915 S 8th St	760 S 9th St	925-27 S 9th St
916 S 8th St	761 S 9th St	928 S 9th St
919 S 8th St	764 S 9th St	929 S 9th St
923 S 8th St	765 S 9th St	930 S 9th St
925 S 8th St	766-68 S 9th St	931-33 S 9th St
926 S 8th St	767 S 9th St	932 S 9th St
927 S 8th St	800 S 9th St	934-36 S 9th St
929 S 8th St	802 S 9th St	935-39 S 9th St
941 S 8th St	804 S 9th St	938 S 9th St
944-46 S 8th St	806 S 9th St	940 S 9th St
1000 S 8th St	808 S 9th St	941-43 S 9th St
1002 S 8th St	810 S 9th St	942 S 9th St
1006 S 8th St	812 S 9th St	944 S 9th St
1008 S 8th St	814 S 9th St	945 S 9th St
1010 S 8th St	816 S 9th St	947 S 9th St
1012 S 8th St	818 S 9th St	949 S 9th St
1014 S 8th St	819 S 9th St	951 S 9th St
1026 S 8th St	820 S 9th St	1001-5 S 9th St
1030 S 8th St	821 S 9th St	1004-8 S 9th St
1108 S 8th St	823 S 9th St	1007 S 9th St
1110 S 8th St	825 S 9th St	1009 S 9th St
1116 S 8th St	827 S 9th St	1010 S 9th St
1119-23 S 8th St	902 S 9th St	1011 S 9th St
1120 S 8th St	903 S 9th St	1012 S 9th St
1122-24 S 8th St	904 S 9th St	1014 S 9th St
1125 S 8th St	905 S 9th St	1015 S 9th St
734 S 9th St	907 S 9th St	1016 S 9th St
735 S 9th St	909 S 9th St	1017 S 9th St
736 S 9th St	9095-11 S 9th St	1018-20 S 9th St
737 S 9th St	910 S 9th St	1019 S 9th St
738 S 9th St	912 S 9th St	1021-25 S 9th St
740 S 9th St	913 S 9th St	1022 S 9th St
744 S 9th St	914 S 9th St	1024 S 9th St
745 S 9th St	915 S 9th St	1026 S 9th St
748 S 9th St	916-18 S 9th St	1027 S 9th St
752 S 9th St	917 S 9th St	1028 S 9th St
753 S 9th St	919 S 9th St	1029 S 9th St
756 S 9th St	920 S 9th St	1030 S 9th St
757 S 9th St	921-23 S 9th St	1031 S 9th St

Exhibit 1 - B

South Philly Market District (SPMD) Service Area Affected Properties

1032 S 9th St	1152 S 9th St	908-18 Washington Ave
1033 S 9th St	1153 S 9th St	913 Washington Ave
1034 S 9th St	1154 1/2 S 9th St	915 Washington Ave
1035 S 9th St	1154 S 9th St	917 Washington Ave
1036 S 9th St	1155-57 S 9th St	920 Washington Ave
1037 S 9th St	1156 S 9th St	932 Washington Ave
1038 S 9th St	1158 S 9th St	933 Washington Ave
1039 S 9th St	1159 S 9th St	935 Washington Ave
1041 S 9th St	1160 S 9th St	937 Washington Ave
1101-7 S 9th St	1161 S 9th St	939-41 Washington Ave
1102 S 9th St	1162 S 9th St	943-49 Washington Ave
1104 S 9th St	1163 S 9th St	1000 Washington Ave
1106 S 9th St	1164 S 9th St	1001-49 Washington Ave
1108 S 9th St	1165 S 9th St	1022-26 Washington Ave
1109-33 S 9th St	1166 S 9th St	1028 Washington Ave
1112 S 9th St	1167 S 9th St	1030-32 Washington Ave
1118 S 9th St	1168 S 9th St	1051-99 Washington Ave
1120 S 9th St	1169 S 9th St	816-R Washington Ave
1122 S 9th St	1170-72 S 9th St	
1124 S 9th St	1171 S 9th St	
1126 S 9th St	1173 S 9th St	
1128 S 9th St	1122R S 9th St	
1130-32 S 9th St	801-21 Washington Ave	
1134 S 9th St	812-14 Washington Ave	
1135 S 9th St	816-18 Washington Ave	
1136 S 9th St	820 Washington Ave	
1137 S 9th St	822 Washington Ave	
1138 S 9th St	823 Washington Ave	
1139 S 9th St	824 Washington Ave	
1140 S 9th St	825 Washington Ave	
1141 S 9th St	826 Washington Ave	
1142 S 9th St	827 Washington Ave	
1143 S 9th St	828 Washington Ave	
1144 S 9th St	829 Washington Ave	
1145 S 9th St	830 Washington Ave	
1146 S 9th St	831 Washington Ave	
1147 S 9th St	833 Washington Ave	
1148 S 9th St	835 Washington Ave	
1149 S 9th St	837-39 Washington Ave	
1150 S 9th St	900 Washington Ave	
1151 S 9th St	902-6 Washington Ave	

Exhibit 1-C

South Philly Market District (SPMD) Five Year Budget Plan

	Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Year 4 (2023)	Year 5 (2024)
REVENUE SOURCES					
1 Property Billing Amount	\$401,802	\$401,802	\$413,856	\$426,271	\$439,058
2 Property Assessments Current Year	\$321,442	\$331,487	\$351,778	\$372,987	\$384,176
3 Property Assessments Prior Year(s)	\$0	\$20,090	\$17,579	\$15,520	\$13,321
4 Anticipated Revenue on Back Collections	\$0	\$20,090	\$17,579	\$15,520	\$13,321
5 Curb Stand Grant	\$25,410	\$25,410	\$25,410	\$25,410	\$25,410
6 Anticipated Operating Revenue	\$346,852	\$376,987	\$394,766	\$413,917	\$422,907
7 Total Scheduled Revenue	\$427,212	\$447,302	\$456,845	\$467,201	\$477,789

PLANNED EXPENDITURES

Programs and Services					
8 Cleaning Services	\$80,000	\$85,000	\$90,000	\$95,000	\$100,000
9 Parking Management Services	\$10,000	\$15,000	\$20,000	\$20,000	\$20,000
10 Promotional Services	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
11 Communication Services	\$5,001	\$5,501	\$6,001	\$6,501	\$7,001
12 Blight Removal, Lighting & Improvements	\$106,551	\$131,307	\$136,152	\$147,310	\$148,250
13 Programs and Services Total	\$231,552	\$266,808	\$282,153	\$298,811	\$305,251
Personnel and Administration					
14 Executive Director	\$60,000	\$61,200	\$62,424	\$63,672	\$64,946
15 Outreach and Accounts Support	\$18,000	\$18,360	\$18,727	\$19,102	\$19,484
16 Office Operations	\$15,550	\$16,017	\$16,497	\$16,992	\$17,502
17 Legal & Professional Support	\$11,750	\$12,103	\$12,466	\$12,840	\$13,225
18 Billing Cost	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
19 Personnel and Administration Total	\$107,800	\$110,179	\$112,614	\$115,106	\$117,656
Personnel and Administration (First Year Only)					
20 First-Year Start Up Cost	\$7,500	\$0	\$0	\$0	\$0

Exhibit 1-C

South Philly Market District (SPMD) Five Year Budget Plan

	Year 1 (2020)	Year 2 (2021)	Year 3 (2022)	Year 4 (2023)	Year 5 (2024)
21 <u>Planned Operating Expenses</u>	\$346,852	\$376,987	\$394,767	\$413,917	\$422,907
22 <u>Net Operating Income (Anticipated Rev. - Planned Exp.)</u>	\$0	\$0	\$0	\$0	\$0
23 Anticipated Non-Collection Allowance	\$80,360	\$70,315	\$62,078	\$53,284	\$54,882
24 Total Scheduled Expenses	\$427,212	\$447,302	\$456,845	\$467,201	\$477,789
25 Net Scheduled Income (Scheduled Rev. - Scheduled Exp.)	\$0	\$0	\$0	\$0	\$0

Line Item Descriptions

- 1 **Property Billing Amount:** Reflects the aggregate of special assessment fees imposed annually on affected property owners within the service area of the SPMD. Beginning in the third fiscal year of SPMD operation, SPMD, Inc. Board of Trustees may increase the total property billing amount by up to 3% annually.
- 2 **Property Assessments Current Year:** Assumes first year collections equal to 80% of the Property Billing Amount, thereafter a 2.5% increment increase is assumed leveling out at 87.5% in year four. Actual collections will be based on actual billings and collection ratios in any given year.
- 3 **Property Assessments Prior Year(s):** For years two through five, an assumed collection ratio equal to 25% of total outstanding special assessment fees on affected property owners from the last fiscal year is applied. Actual collections will be based on actual billings and collection ratios in any given plan year.
- 4 **Anticipated Revenue on Back Collections:** This is the amount of revenue the SPMD expects to collect on outstanding assessments for fiscal years two through five.
- 5 **Curb Stand Grant:** Anticipated grant revenue. Upon enactment of the ordinance establishing the SPMD, SPMD, Inc. will negotiate with the City of Philadelphia on awarding the SPMD a grant that would be the equivalent to the funds from the licensure of curb market stands within the SPMD to provide for cleanliness services covering the curb market.
- 6 **Anticipated Operating Revenue:** The amount of revenue the SPMD expects to receive over any given fiscal year.
- 7 **Total Scheduled Revenue:** The total revenue derived from the aggregate of assessments billed on affected properties.
- 8 **Cleaning Services:** Basic pan and broom cleaning throughout the SPMD service area provided by SPMD employees or through a services contract.
- 9 **Parking Management Services:** To include signage directing traffic to public and private parking lots.
- 10 **Promotional Services:** A fund to support district-wide marketing campaigns and promotional events for the service area.
- 11 **Communication Services:** Coordinating communication with businesses and property owners. Assumes an annual increase of \$500 to cover the rising cost of supplies, postage, and other related communication instrument fees.

Exhibit 1-C

South Philly Market District (SPMD) Five Year Budget Plan

Line Item Descriptions (continued)

- 12 Blight Removal, Lighting & Improvements:** The creating of a grant funding program to support property improvement services such as cleaning up vacant lots, storefront enhancements, improved awnings, lighting, and other measures deemed appropriate by the SPMD Board of Trustees.
- 13 Programs and Services Total:** This is the total budget for Programs and Services.
- 14 Executive Director:** Assumes a 2% cost-of-living-adjustment increase per year as the SPMD Board of Trustees deems necessary.
- 15 Outreach & Accounts Support Position (P/T):** A part-time position to support outreach and billing efforts. Compensation is budgeted to increase by 2% annually.
- 16 Office Operations:** The budget to cover the cost of office rent, technology, supplies, security alarm, utilities, along with phone and internet service for the SPMD. Budgeted to increase 3% annually to reflect changes in the cost of rent, materials, and services.
- 17 Legal & Professional Support:** The budget to cover the cost of operating insurance, book-keeping, accounting, legal expenses, and professional development resources for the SPMD. Budgeted to increase 3% annually to cover increases in the cost for legal and professional services.
- 18 Billing Costs:** To cover the cost of billing affected property owners to support the activities of the SPMD. Held at a constant rate based on the assumption that future collection efficiencies will be absorbed through higher cost for supplies and postage.
- 19 Personnel and Administration Total:** This is the total budget for Personnel and Administration.
- 20 First-Year Start Up Cost:** To cover additional expenses encountered during the first year of SPMD operations. Such expenses may include (but are not limited to) the cost of minor office renovations, security deposit, etc. This amount is budgeted for the first-year only.
- 21 Planned Operating Expenses:** The total cost of Programs and Services along with Administration and Management for any given fiscal year. This amount does not include the allowance for expected non-payment of SPMD fees.
- 22 Net Operating Income:** The difference between Anticipated Operating Revenue and Planned Operating Expenses. This reflects the ending balance of the SPMD's operating expenses for the implementing of Programs and Services along with Administration and Management for any given fiscal year.
- 23 Anticipated Non-Collection Allowance:** The expected amount of non-payment on SPMD special assessment fees from affected property owners for any given fiscal year. This item is considered as an expense and also includes the anticipated amount to be deducted from the billing of owner-occupied properties based on the portion of residential occupancy by owners of such properties.
- 24 Total Scheduled Expenses:** The total of expenses derived from the aggregate cost of Planned Operating Expenses and the Anticipated Non-collection Allowance for any given fiscal year.
- 25 Net Scheduled Income:** The difference between Total Schedule Revenue and Total Scheduled Expenses.

EXHIBIT 1—D

BYLAWS OF THE SOUTH PHILLY MARKET DISTRICT, INC.

ARTICLE ONE GENERAL

Section 1.01: Name. The name of this entity shall be the South Philly Market District, Inc. (SPMD, Inc.). As permitted under the Community and Economic Improvement Act (53 P.S. §18101 et. seq.), SPMD, Inc. is opting to organize as a nonprofit corporation authorized to serve as the Neighborhood Improvement District Management Association as designated by the City of Philadelphia and the Commonwealth of Pennsylvania.

Section 1.02: Definitions.

- a. **AFFECTED PROPERTY OWNER.** A property owner with respect to whom a special assessment fee is proposed to be or has been levied as authorized by the Community and Economic Improvement Act.
- b. **ASSESSMENT / SPECIAL ASSESSMENT FEE.** The special assessment fee charged to affected property owners located in the SPMD Service Area.
- c. **BOARD.** Refers to the Board of Trustees of the South Philly Market District, Inc.
- d. **BUSINESS IMPROVEMENT DISTRICT (BID).** A limited geographic area within a municipality, in which a special assessment is levied on all designated property used for any for-profit activity involving trade and traffic or commerce in general, other than tax-exempt property, for the purpose of promoting the economic and general welfare of the district and the municipality.
- e. **BUSINESS OWNER.** Any individual or enterprise leasing commercial space within the SPMD for the purpose of any for-profit activity involving trade and traffic or commerce in general.
- f. **CORPORATION.** The nonprofit corporate entity that is the Neighborhood Improvement District Management Association designated by the ordinance establishing the SPMD.
- g. **CURB MARKET STAND.** A stand at which merchandise may be sold and that is located in a roadway abutting a curb at a location designated by a municipality.
- h. **MEMBER.** As used herein a “Member” shall refer to those individuals qualifying as a Member of the SPMD in accordance with the procedures outlined by these bylaws.
- i. **MUNICIPAL CORPORATION.** The body or board authorized by law to enact ordinances or adopt resolutions for a city of the first class.
- j. **NEIGHBORHOOD IMPROVEMENT DISTRICT MANAGEMENT ASSOCIATION (NIDMA).** As delineated in the ordinance establishing the SPMD, the SPMD, Inc. Board of Trustees will be the managing entity for the SPMD.
- k. **OFFICER(S).** As used herein an “Officer” shall refer to any Trustee or Trustees of the Board, either voting or non-voting, elected to serve as an Officer(s) in accordance with the procedures outlined by these bylaws.
- l. **SERVICE AREA.** As used herein the “Service Area” shall refer to boundaries of the SPMD as defined by the ordinance establishing the SPMD and shown within the SPMD Plan.
- m. **TRUSTEE(S).** As used herein a “Trustee” shall refer to any Member or members of the Board of Trustees.

SECTION 1.03: INCORPORATION. The Corporation is formed under and has been chartered by the Secretary of State of the Commonwealth of Pennsylvania, DATE.

SECTION 1.04: SEAL. The seal of SPMD, Inc. shall be circular in form and shall have inscribed thereon the name of the Corporation and the words, “Corporate Seal – Pennsylvania 2020.”

SECTION 1.05: OFFICES; REGISTERED AGENT. The principal and registered office of the SPMD shall be _____ Philadelphia, PA 19147 or at such a location that the Board may by resolution hereafter designate.

EXHIBIT 1—D

SECTION 1.06: DISSOLUTION. The SPMD and SPMD, Inc. may only be dissolved in accordance with the procedures established by the City of Philadelphia and the Commonwealth of Pennsylvania as set forth in the Community and Economic Improvement Act at 53 P.S. §18108.

ARTICLE TWO PURPOSES

SECTION 2.01: PURPOSES. The purposes of SPMD, Inc. shall be to:

- a. Assume and implement all powers granted to it by virtue of its designation by the City of Philadelphia as a NIDMA as defined by the Community and Economic Improvement Act at 53 P.S. §18107 for the Service Area defined in City of Philadelphia ordinance number _____;
- b. Improve property values and business profitability by fostering an attractive, well-managed district;
- c. Take actions that result in the Service Area being a desirable place to invest, shop, live, and visit;
- d. Provide a medium whereby Service Area business owners can work on matters of common interest;
- e. Work with the Bella Vista Neighbors Association and the Passyunk Square Civic Association on matters of common interest and maintain lines of communication with elected officials and government agencies on issues impacting the Service Area;
- f. Educate and create educational opportunity for Members, residents, and others regarding issues affecting the Service Area via discussion groups, forums, panels, newsletters, and other outreach.

SECTION 2.02: TAX CODE. SPMD, Inc. is organized exclusively to qualify as a nonprofit, tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code of 1954, as now or hereafter amended. To effectuate such intent, no part of any net earnings of the SPMD, Inc. shall inure to the benefit of any of its individual Members or any other individual. Notwithstanding any other provision of these articles, this Corporation shall not undertake any activities not permitted of a nonprofit corporation organized under state nonprofit law (P.L. 1444, No. 177, Subpart C) and Section 501(c) (3) of the Internal Revenue Code.

ARTICLE THREE MEMBERSHIP

SECTION 3.01: MEMBERSHIP, DEFINED. Members of the Corporation (“Members”) include the four following classes:

- a. Affected Property Owners – Owners of property within the Service Area subject to the SPMD Special Assessment Fee;
- b. Business Owners - commercial tenants of properties subject to the SPMD Special Assessment Fee and holding a minimum one-year lease, all required licenses, or having held valid tenancy within the Service Area for at least three years;
- c. Curb Stand Licensees – Any person holding a valid license to occupy a curb market space and recognized as a “vendor” under Title 9 § 201(1)(e) of the Philadelphia Code (Eleventh Edition);
- d. Curb Stand Operator – Tenants of curb stands, but not Curb Stand Licensees, and currently holding all required licenses.

Owners of property located within the Service Area, but not subject to the SPMD Special Assessment Fee shall not be considered as Members.

SECTION 3.02: MEMBERSHIP PARTICIPATION. Affected Property Owner Members who have not paid their SPMD Special Assessment Fee for the year prior to the Annual Meeting are not eligible to serve on the Board or vote in an election for Trustees until such time as their assessments have been satisfied in good standing.

EXHIBIT 1—D

SECTION 3.03: MEMBERSHIP VOTING, PROXY VOTING. For election of Trustees, amending the bylaws, and other times when Members have an opportunity to vote on SPMD matters, definitive eligibility to vote will be:

- a. An Affected Property Owner Member's eligibility to vote shall be granted to one owner of said property delineated in official City of Philadelphia records. If there is more than one owner of the affected property listed in the City records, the owners shall decide which individual will cast one vote on behalf of all the owners. For properties owned by corporate entities the corporation must file a statement prior to voting indicating who will be voting on behalf of the corporate owner where any person voting on behalf of the corporation's interest must be someone with a direct interest in the property as owner/co-owner of the property or in the employment of the owner/co-owner;
- b. a Business Owner Member's eligibility to vote shall be granted to one owner of said business as listed on the official license of the business. If there is more than one owner listed on the official license of the business, the business owners shall decide which individual will cast one vote on behalf of all the owners;
- c. a Curb Stand Licensee Member's eligibility to vote shall be granted only to one person that is named as the Curb Stand Licensee as listed on the official license of the curb stand;
- d. a Curb Stand Operator Member's eligibility to vote shall be granted only to one person that is named as the tenant of the curb stand as listed on either the official license of the curb stand or on an official lease agreement between the Curb Stand Operator and the official Curb Stand Licensee of said curb stand;
- e. tax exempt institutional or nonprofit owned properties within the Service Area, but not subject to the Special Assessment Fee, may become Affected Property Owner Members of the SPMD, Inc. if the owner chooses to enter a voluntary multi-year agreement as enabled under the Community and Economic Improvement Act at 53 P.S. § 18107(a)(9) to pay a Special Assessment Fee to the SPMD based on their tax exempt assessed value; and

Proxy representation for voting at any meeting is not allowed at any time.

SECTION 3.04: [THIS SECTION HAS BEEN REMOVED AND ITS SECTION NUMBER TO BE DELETED UPON RECODIFICATION]

SECTION 3.05: NON-ASSESSED PROPERTY OWNER PARTICIPATION. Property owners, businesses, residents and others not meeting the definition of Member as stated in these bylaws shall be eligible to participate in the activities and governance of the SPMD as delineated by these bylaws and the municipal enabling ordinance. Property owners within the Service Area may become Affect Property Owner Members by making annual voluntary contributions to the SPMD through voluntary multi-year agreements in the amount equal to the Special Assessment Fee they would have been charged if their property was included as an affect property as stated within Exhibit 1-B of the SPMD Plan. Non-assessed property owners within the Service Area and others may be invited to access or participate in activities or programs of the Corporation on a fee-for-service basis, or on such other terms as the Board of Trustees shall determine from time to time.

SECTION 3.06: OTHER PARTICIPATION. Others not owning property within the Service Area may also participate as members of Board Committees upon appointment by the Board.

SECTION 3.07: MEMBERSHIP STATUS DEFAULTATION ORDER. In cases where a Member of the SPMD, Inc. may qualify as a Member under more than one class of membership as defined by Section 3.01 of these bylaws, said Member's membership class, as recorded in the membership roll book of the Corporation, shall default to the membership class as represented by the scale outlined within this section. The default ordering of membership classes shall be a) Affected Property Owners, b) Business Owners, c) Curb Stand Licensees, and d) Curb Stand Operators. Members of the SPMD qualifying as a Member under more than one class of membership shall therefore default to the membership class represented by the earliest alphabetical term (a, b, c, or d) as outlined by the default ordering method stated in this section. In no case shall a Member's

EXHIBIT 1—D

class indicate that said Member has more or fewer privileges than a Member qualifying under a different class of membership.

ARTICLE FOUR GOVERNANCE

SECTION 4.01: BOARD OF TRUSTEES, TOTAL. In accordance with the decision to organize SPMD, Inc. as a nonprofit corporation under the Pennsylvania Community and Economic Improvement Act (53 P.S. §18106(d)(3)) the Board shall consist of fifteen persons.

SECTION 4.02: BOARD COMPOSITION. The Board shall consist of thirteen (13) voting members and two (2) non-voting members. In the case of all voting Trustees, except the representative appointed by the Philadelphia City Council, members of the Board shall either own affected property or conduct business within the Service Area.

- a. Non-voting Trustees:
 - i. One person representing the Bella Vista Neighbors Association.
 - ii. One person representing the Passyunk Square Civic Association.
- b. Voting Trustees:
 - i. One person representing the Philadelphia City Council in accordance with the procedures established by the Municipal Corporation.
 - ii. One Affected Property Owner or Business Owner along South 8th Street.
 - iii. One Affected Property Owner or Business Owner along South 10th Street.
 - iv. One Affected Property Owner or Business Owner along East Passyunk Avenue.
 - v. One Affected Property Owner or Business Owner along Washington Avenue.
 - vi. One Affected Property Owner or Business Owner along Christian Street.
 - vii. Two persons from South 9th Street south of Washington Avenue with at least one being an Affected Property Owner.
 - viii. Two persons from South 9th Street north of Washington Avenue with at least one being an Affected Property Owner.
 - ix. One person being either a Curb Stand Licensee or Curb Stand Operator or both.
 - x. Two persons, at large, representing any class of membership recognized in Section 3.01 of these bylaws.

The two Board members filling the seats designated for either Curb Stand Licensees or Curb Stand Operations may also own businesses or be affected property owners within the Service Area of the SPMD. If at any time during a term in office a Board member can no longer meet the membership qualifications of their seat on the Board, the Board seat shall be declared vacant and shall be filled by the procedures established in Section 4.07 of these bylaws.

SECTION 4.03 SELECTION OF BOARD MEMBERS, BUSINESS OWNER AND AFFECTED PROPERTY OWNER MEMBERS, NOMINATING COMMITTEE AND APPLICATION PROCESS. Prior to the Annual Meeting, a Nominations Committee shall be established in accordance with the procedures outlined in Section 8.07 of these bylaws. Nominations for Board seats shall be accepted from Members of the SPMD, Inc. meeting the qualifications as outlined by Section 4.02 of these bylaws for any existing vacancy. The Nominating Committee shall prepare an application form to be used by those who wish to nominate themselves for the Board. All nominations for Board seats must be received by the Nominations Committee at least thirty days prior to the date of the Annual Meeting at which vacant Board seats shall be filled. Within thirty days prior to the Annual Meeting, the Nominations Committee shall review all the applications submitted for vacant Board seats and compile a ballot listing all candidates that are qualified, in the category in which they are qualified, as outlined in Section 4.02. At the Annual Meeting the candidate(s) that receive the highest number of votes in their category shall be elected for that category. Only members in attendance may vote. No proxy voting is

EXHIBIT 1—D

permitted. Votes shall be cast in accordance with the membership voting procedures outlined in Section 3.03 by these bylaws.

SECTION 4.04 [THIS SECTION HAS BEEN REMOVED AND ITS SECTION NUMBER TO BE DELETED UPON RECODIFICATION]

SECTION 4.05: ELECTIONS: TERMS OF OFFICE, GENERAL. Elections shall be held at the Annual Meeting. Terms shall begin immediately after election. Terms shall be for two years, except those selected for terms to begin in January 2020 so that future Trustees will be elected on a staggered basis to promote continuity. Barring resignation or dismissal from the Board, members may continue to serve after the second anniversary of their election until such time as a replacement Trustee has been chosen. No Trustee shall serve more than two consecutive, two-year, terms. A Trustee having completed two consecutive, two-year, terms on the SPMD Board may be nominated for election again after sitting off the Board for one year.

SECTION 4.06: ELECTIONS, TERMS OF OFFICE, FIRST ELECTION. All candidates for the Board at this first election shall run as candidates to serve on the Board. At the conclusion of the first election and the identification of twelve (12) SPMD members for Board service, there shall be a drawing of lots among those candidates with six (6) members drawing numbers to serve Board terms of two years and six (6) members drawing numbers to serve a single year term on the Board.

SECTION 4.07: VACANCY DUE TO FAILURE TO CONTINUE TO MEET ELIGIBILITY REQUIREMENTS.

- a. If during a term of Board service, a Trustee fails to continuously maintain the eligibility to serve on the Board per these bylaws, the Trustee will be automatically removed from the Board and the remaining Trustees will convene to appoint a new member to fill his or her position on the Board until the next annual meeting.
- b. If at any time during a term in office a Board member no longer meets the definition of a Member as defined by Section 3.01 of these bylaws the Board seat shall be declared vacant and shall be filled by the procedures established in Section 4.07 of these bylaws.

SECTION 4.08 REMOVAL OF TRUSTEES, VACANCIES. The Board may vote to remove any Trustee from the Board with or without cause by majority vote at a special meeting duly called for this purpose and at which a quorum is present. The Trustee subject to removal by vote must abstain from voting and in the event of a tie decision among roll call of votes, the decision of the Board shall be in favor of retaining the Trustee subject to a vote for removal. The Board shall appoint a successor to serve until the next annual meeting at which time an election shall be held to fill the seat for the balance of the term, if necessary.

SECTION 4.09: RESIGNATION OF A TRUSTEE. Any Trustee may resign at any time. In the event of a resignation, submitted in writing to the Secretary of the Board, a vacancy shall be declared. Should a vacancy be declared, the Board, by majority vote, shall appoint a temporary Trustee who shall serve until the next annual meeting at which time a selection process will be held to designate a member who will serve for the balance of the unexpired term of the resigned Trustee.

SECTION 4.10: MINIMUM EXPECTATIONS OF TRUSTEES. Trustees serving on the SPMD Board are expected to meet the following requirements. Failure to meet any of the following requirements may constitute grounds for removal from the Board.

- a. All Trustees are required to achieve an 80% annual attendance rate for all regular and special meetings of the SPMD Board during any fiscal year.
- b. Trustees missing two consecutive meetings will be automatically considered for a vote of removal from the Board.

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ARTICLE FIVE POWERS OF THE BOARD

SECTION 5.01: POWERS OF THE BOARD. Consistent with state law under the Pennsylvania Community and Economic Improvement Act (53 P.S. §18107), the municipal ordinance establishing the SPMD and these bylaws, responsibility for managing the affairs of the SPMD shall be exercised by and be under the authority of the Board of Trustees. This shall include the power to:

- a. Assume all responsibility to exercise those powers granted to the Board under applicable state law, municipal ordinance and these bylaws.
- b. Fulfill the requirements of applicable state and local law.
- c. Call an Annual Meeting in accordance with these bylaws.
- d. Establish permanent and ad-hoc committees to advise the Board.
- e. Provide Members with occasional reports on SPMD activities and ensure that the programs of the SPMD are being implemented.
- f. Hire, reward and terminate the Executive Director and establish compensation for such employee, and otherwise oversee his or her performance.
- g. Contract for SPMD management services as well as services to advise and/or implement specific program activities.
- h. Take such actions as are necessary and convenient to implement the SPMD Plan identified in the municipal ordinance authorizing SPMD operations.

ARTICLE SIX MEETINGS

SECTION 6.01: ANNUAL MEETING. The Board shall be responsible for convening an Annual Meeting each year. The time and place of this meeting shall be established by the Trustees. The Corporation shall hold its Annual Meeting during October prior to the start of the fiscal year that is to be reviewed on the agenda of the Annual Meeting.

The Secretary of the Board (or the Secretary's designee) shall provide a written notice of the Annual Meeting to Members, stating the place, date, and hour of the meeting. The notice shall be given either personally hand delivered, or by mail to each Member at least three weeks before the date of the meeting or by emailing a copy of the notice to all Members and posting of such notice prominently at the SPMD, Inc. office. If mailed, such notice shall be deemed delivered when deposited in the United States mail with postage thereon prepaid, addressed to the Member at their address as it appears on the Corporation's membership database.

SECTION 6.02: ANNUAL MEETING AGENDA. The Annual Meeting shall include the following required agenda items:

- a. Elections and/or approvals of Trustees to fill forthcoming and/or expired terms.
- b. Election of Board Officers, by those persons who will constitute the Board membership for the new or just commenced fiscal and calendar year. The Board may, at its discretion, briefly adjourn the Annual Meeting and caucus to discuss among themselves and the newly elected Trustees the election of Board Officers.
- c. The Chairperson shall report on activities of the previous year and present a work plan for the SPMD for the coming year, recognizing that the plan for the year is subject to amendment by the Board during the course of the year. At the conclusion of this report, the Board shall solicit comment from the Members in attendance and after appropriate discussion the Board may amend the work plan and shall seek a resolution of support from those Members attending the Annual Meeting for the proposed plan.
- d. The Treasurer shall report on the financial condition of the SPMD, Inc. and present the proposed budget for the coming fiscal year. Members shall have the opportunity to ask questions and express opinions regarding the proposed budget at this time. At the conclusion of the hearing on the proposed budget, the

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Board of Trustees may adopt the proposed budget, with or without amendments, or adopt an interim budget to be used until a permanent budget is adopted. In preparation for this report, Members shall be sent a copy of the proposed budget at least three weeks prior to the Annual Meeting by mail or electronic means.

- e. Time shall be allocated at the Annual Meeting for any Member to address the Board on any topic of relevance to the SPMD.
- f. A schedule of regular meetings for the forthcoming year shall be presented and adopted by the Board. Such schedule is also to be posted on the SPMD website and emailed to all Members.
- g. The Board may conduct additional business at the Annual Meeting at its discretion.

SECTION 6.03: REGULAR MEETINGS. All meetings are open to all Members except when circumstances require confidential discussions. As guidance as to when closed sessions are required, the Board shall use as guidelines the Pennsylvania Sunshine Act (65 Pa.C.S.A. § 708) and applicable Philadelphia ordinances. Minutes of the discussions shall be taken by the Secretary of the Board and shall be made available as soon as practical and posted on the organization’s website along with minutes from other regular meetings.

SECTION 6.04: SPECIAL MEETINGS. Special meetings may be called by the Board Chair or when requested by three or more Board members. The Secretary of the Board shall give or shall cause to give notice of each special Board meeting or rescheduled regular meeting at least twenty-four hours prior to the time thereof, indicating the date, time, location and purpose of said meeting. Notice shall constitute personally hand-delivering to the site of each Member’s Service Area location or emailing a copy of the notice to all Members and posting of such notice prominently at the Office of the SPMD, Inc.

SECTION 6.05: QUORUM. A majority of the voting Trustees of the Board shall constitute a quorum for the transaction of business, except in cases where by statute, ordinance or provision of these bylaws another number is specified. In the absence of a quorum, the voting Trustees present by a majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall attend. The acts of a majority of the voting Trustees present at a meeting at which a quorum is present shall be the acts of the Board.

SECTION 6.06: USE OF CONFERENCE TELEPHONE EQUIPMENT. Trustees may conduct regular or special Board meetings through the use of any means of conference telephone or similar communication equipment by which all Trustees participating in the meeting may simultaneously hear each other during the meeting.

ARTICLE SEVEN OFFICERS AND EMPLOYEES

SECTION 7.01: EXECUTIVE OFFICERS AND EXECUTIVE COMMITTEE. By a majority vote of the voting Trustees at the Annual Meeting, the Board shall elect, from the Trustees, a Chairman of the Board, a Vice-chairman, a Secretary and a Treasurer (the “Officers”). Terms for these offices shall be for one (1) year. Together these Officers shall constitute an Executive Committee. The Executive Committee shall have no power to take any action required by law without the approval of the Board. Consistent with furthering openness and transparency, the Executive Committee may meet to plan meetings, take action to call previously unscheduled meetings and direct ministerial tasks to be undertaken by staff. Minutes shall be taken at every Executive Committee meeting and shared with the Board of Trustees as soon as practical, as a record of the Executive Committee’s actions. All minutes shall be posted on the organization’s web site within fifteen (15) days of approval by the Board.

SECTION 7.02: CHAIRMAN AND VICE-CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at all meetings of the Board at which he/she shall be present. He/she shall have and may exercise such powers as are from time to time assigned by the Board. The Vice-Chairman of the Board, at the request of the

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Chairman or in his/her absence, or during his/her inability to act, shall perform the duties and exercise the functions of the Chairman of the Board, and when so acting shall have the powers of the Chairman of the Board. The Vice-Chairman shall have such other duties as may be assigned by the Chairman. The Chairman shall have general charge and supervision of the activities and affairs of the Corporation. When authorized by the Board of Trustees, he/she may sign and execute in the name of the Corporation on all authorized instruments, except in cases in which the execution thereof expressly requires two signatures or where power to execute an agreement has been delegated by resolution of the Board to some other Officer or agent of the Corporation.

SECTION 7.03: SECRETARY. The Secretary shall keep:

- a. The minutes of the meetings of the Board in books provided for the purpose, including records of all votes.
- b. A roll book of Members derived from City of Philadelphia records.
- c. All other resolutions and acts of the Corporation.

Records shall be placed in Corporation office and under the daily control of designated staff. Ministerial functions of the Secretary may be assigned to designated staff by the Board. The Secretary shall see that all notices are duly given in accordance with the provisions of the bylaws or as required by law. The Secretary shall be custodian of the records of the Corporation; see that the corporate seal is affixed to all documents requiring said seal, upon authorization by the Corporation and when so affixing the Seal the Secretary may attest to the same; and, in general, perform all duties as, from time to time, may be assigned by the Board or the Chairman. The Secretary is responsible for ensuring that notices of all meetings and other materials, as required by these bylaws, local ordinance and state law are provided to Members and public notice providers. The Secretary is responsible for keeping the Board minutes, however the Secretary may designate staff or another to take meeting notes that become the basis for the Board minutes.

SECTION 7.04: TREASURER. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit or cause to be deposited in the name of the Corporation all monies and other valuable effects in such bank, or other depositories as shall, from time to time, be collected by the Board of Trustees. Whenever required, the Treasurer shall provide an account of the financial condition of the Corporation, and, in general, shall perform all duties incident to the Treasurer of the Corporation and such other duties as may be assigned to him/her by the Board or the Chairman. The Treasurer shall make a presentation on the fiscal condition of the Corporation at the Annual Meeting covering the fiscal impact of proposed actions for the ensuing year.

SECTION 7.05: SUBORDINATE OFFICERS, COMMITTEES AND AGENTS. The Board may from time-to-time elect such other Officers and appoint such committees, employees or other agents as the business of the Corporation may require, including one or more Assistant Secretaries, and one or more Assistant Treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board may from time to time determine. The Board may delegate to any Officer or committee the power to elect subordinate Officers and to retain or appoint employees or other agents, or committees and to prescribe the authority and duties of such subordinate Officers, committees, employees or other agents.

SECTION 7.06: DUTIES OF THE OFFICERS MAY BE DELEGATED. In the absence of any Officer, or for any reason that the Board may deem sufficient, the Board may delegate the powers and/or duties of any Officer to any other Officer, or to any other Trustee, with the concurrence of a majority of the Board.

SECTION 7.07: OFFICER RESIGNATION. Any Trustee may resign in writing as an Officer at any time to the Board Secretary. Resignation as an Officer does not trigger resignation as a Trustee. Upon resignation of an

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Officer of the Board, the Board shall meet at its convenience to name a replacement Officer, but in no event should a replacement Officer be named later than the next regularly scheduled board meeting after the meeting where the resignation is received.

SECTION 7.08: REMOVAL OF OFFICERS. Any Officer may be removed from office by majority vote of the voting Trustees as a result of absence or failing to fulfill the duties of the office as defined by the bylaws. Such Officer shall abstain from the removal vote.

SECTION 7.09: COMPENSATION. No Trustee of the Board shall receive financial compensation or other financial benefits from service on the Board. However, the Corporation may reimburse Trustees and Officers for reasonable expenses incurred in connection with their duties as Trustees and Officers as approved by the Board from time to time.

ARTICLE EIGHT COMMITTEES

SECTION 8.01: COMMITTEES, GENERALLY. The Board may provide for standing or special committees with such powers and duties as it deems desirable and the Board may discontinue the same at its pleasure. All Committees shall include at least one Member who is not a Trustee. The remaining members of such committees may, but need not be, Trustees. Vacancies on any committee shall be filled by the Chairman of the Committee.

SECTION 8.02: APPOINTMENT OF COMMITTEE CHAIRS. For all special and standing committees working to support the SPMD in accordance with these bylaws, a chairman of each committee shall be nominated by the Chairman of the Board. All nominees for chairman of SPMD, Inc. special and standing committees must be approved by the SPMD Board of Trustees.

SECTION 8.03: COMMITTEE REPORTS. All recommendations by a committee shall be reported in writing, during a Board meeting, to the Board.

SECTION 8.04: MEETINGS OF COMMITTEES. Each committee shall meet at the call of the Chair of said committee.

SECTION 8.05: PARTICIPATION IN COMMITTEES. In selecting members of committees, the Committee Chair shall encourage widespread participation among Members and others with an interest in the economic well-being of the Service Area including businesses, civic organizations, and persons with special expertise.

SECTION 8.06: STANDING COMMITTEES. The Board shall establish committees covering each of the major activity elements of the final adopted SPMD plan – Cleanliness, Promotion, Blight Removal, Lighting and Improvements, and etc. to help plan these activities and to advise the Board.

SECTION 8.07: NOMINATIONS COMMITTEE. A Nominations Committee will be annually established prior to the Annual Meeting to seek candidates to serve on the Board in anticipation of future vacancies and to manage the ministerial functions of electing Trustees prior to, and at, the Annual Meeting. For the first operating year of the SPMD, the Nominations Committee shall consist of five Members selected by the Steering Committee tasked with creating the SPMD Proposal submitted to the City of Philadelphia. Beginning in the second year of SPMD operations, the Nominations Committee shall be established by the Board in accordance with the procedures outlined by Section 8.01 of these bylaws. Notwithstanding the role of the Nominations Committee, any Member within the Service Area may seek nomination to the Board by notifying the

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Nominations Committee at least thirty days prior to the Annual Meeting at which a Trustee is to be elected and submitting an application form with the required information.

SECTION 8.08: ETHICS COMMITTEE. Upon organization, the Board shall create an Ethics Committee with the charge of recommending additional changes to these bylaws concerning ethical behavior and developing disclosure forms and such other declarations to ensure organizational transparency and avoidance of conflicts of interest. In making its report, the Ethics Committee shall consult with other NIDs and the City Office of the Chief Integrity Officer for recommendations as well as others as the Committee may determine. The Ethics Committee shall report to the Board within six months of its organization. Thereafter, the Board may re-authorize the Ethics Committee as the Board determines to be necessary or useful.

ARTICLE NINE FINANCIAL

SECTION 9.01: FISCAL YEAR. The fiscal year of the Corporation shall begin on January 1. The annual budget, as approved at the Annual Meeting may be reviewed and revised periodically as deemed necessary by the Board, consistent with the Pennsylvania Community and Economic Improvement Act (53 P.S. §18105(c) (2)(v)) or local law and/or these bylaws.

SECTION 9.02: ANNUAL AUDIT. In accordance with the Pennsylvania Community and Economic Improvement Act (53 P.S. §18109(1)) and the enabling ordinance, within 120 days of the close of the fiscal year, the Board shall submit to the PA Department of Community and Economic Development, the City of Philadelphia Commerce Department and the Clerk of City Council, an annual audit which shall be prepared to reflect a full and correct statement of the affairs of the Corporation. Upon submission to the required state and city offices, the fiscal report shall also be posted on the Corporation's website, and made available electronically or in some other convenient manner to all Members of the SPMD, Inc.

SECTION 9.03: ANNUAL REPORT. In accordance with the Pennsylvania Community and Economic Improvement Act (53 P.S. §18109(2)) and the enabling ordinance, the Board shall submit a report, including financial and programmatic information and a summary of audit findings, to the Clerk of City Council and the City of Philadelphia Commerce Department. This report shall be posted on the organization's website so it is available to all SPMD, Inc. Members.

SECTION 9.04: DESIGNATED DEPOSITORIES. Corporation funds shall be deposited in federally insured depositories as the Board may designate by resolution from time to time.

SECTION 9.05: CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the SPMD, Inc. of Five Hundred (\$500.00) or more shall be signed by two (2) Trustees designated by the Board by resolution who shall be identified as signatories, and whose signatures shall be on file with the SPMD, Inc.'s financial institution. All checks, drafts, or other orders for payment of money, and all notes, bonds, or other evidence of indebtedness issued in the name of the Corporation in amounts less than Five Hundred Dollars (\$500.00) may be signed by one Trustee as designated by the Board by resolution.

SECTION 9.06: EXPENDITURE AUTHORIZATION. No Officer, Trustee, Committee Chair, or other Committee member may enter into a contract, lease, purchase order or other obligation on behalf of the SPMD without the prior written authorization of the Board. Contracts, leases, purchase orders or other obligations greater than \$1,000.00 executed in the name of the SPMD, Inc. shall be signed by the Treasurer, or such person as designated by the Board. No obligation greater than \$2,000.00 may be approved unless it is delineated in an

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annual budget approved by the Board or otherwise accompanied by an approved motion or resolution of the Board authorizing the obligation.

ARTICLE TEN EXECUTIVE DIRECTOR

SECTION 10.01: OPERATIONAL ROLE. The Executive Director shall manage the daily operations of the SPMD. The Executive Director shall be responsible for coordinating the implementation of the SPMD's policies, programs and such other duties as the Board may require. Compensation for the Executive Director shall be determined by the Board.

SECTION 10.02: INTERIM LEADERSHIP. During any period in which an Executive Director has not been hired, the Board may appoint an interim Executive Director on a full or part-time basis. The interim Executive Director shall be responsible for coordinating the implementation of the SPMD's policies and projects and such other duties as the Board may require. The interim Executive Director shall receive for his or her services such compensation as may be determined by the Board.

ARTICLE ELEVEN CONFLICT OF INTEREST

SECTION 11.01: STATEMENT OF POLICY. It is essential that the SPMD, Inc.:

- a. Encourage the purchase of goods and services from Service Area providers whenever possible.
- b. Encourage the active participation of Members.
- c. Operate in a manner that is transparent to all Members.
- d. Comply with all applicable local ordinances and state statutes regarding conflict of interest.

SECTION 11.02: PUBLIC DISCLOSURE. Any Trustee having a financial interest or benefit in any contract or transaction being considered at a committee meeting or meeting of the Board shall not vote or use his or her personal influence in the meeting, even where such actions are otherwise permitted by law. The minutes of the meeting shall record compliance with these requirements. This section shall not be construed as to prevent the interested Trustee or committee member from briefly stating his or her position regarding the contract and transaction, nor from answering pertinent questions of other Trustees or committee members, since his or her knowledge may be of great assistance. All new committee members and Trustees shall be immediately advised of the requirements of this section.

SECTION 11.03: PROVIDING GOODS AND SERVICES. Trustees of the Board shall not be debarred from providing goods and services to the SPMD, provided:

- a. That which is being provided is publicly recognized as an item that the provider makes available to others as part of existing, usual, and customary business operations.
- b. That where there are other recognized local providers, SPMD, Inc. shall seek quotes, bids, proposals, etc. as is appropriate under City and State regulation from these other providers so as to perform due diligence regarding the identification of that provider that best meets the needs of the SPMD for such goods or services.
- c. That a Trustee shall disclose to the Board any personal interest or potential interest which he or she may have in any matter pending before the Board.

SECTION 11.04: FAILURE TO DISCLOSE. Failure to disclose an actual or potential conflict of interest is grounds for dismissal from the Board. In addition, the Trustee may be subject to discipline stemming from the violation of State or local law.

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SECTION 11.05: CONFLICT OF INTEREST STATEMENT. Each prospective Trustee of the Board shall sign a conflict of interest statement in the form adopted by the Board within 14 days of election to the Board. Continuing Trustees shall sign the statement each and every year of their service. Trustees may be asked to complete additional disclosures upon the Board's adoption of additional procedures recommended by the Ethics Committee.

ARTICLE TWELVE

LIMITATION OF TRUSTEES' LIABILITY AND INDEMNIFICATION OF TRUSTEES, OFFICERS AND OTHERS

SECTION 12.01: LIMITATION OF TRUSTEE'S LIABILITY. To the extent permitted by law, no Trustee of the Corporation shall be personally liable for monetary damages as such for any action taken or any failure to take any action unless (a) the Trustee has breached or failed to perform the duties of the office of Trustee of the Corporation under Section 8363 of the Pennsylvania Directors' Liability Act (relating to standard of care and justifiable reliance), and, (b) the breach or failures to perform constitutes self-dealing, willful misconduct or recklessness, provided however, that the provisions of this section shall not apply to the responsibility or liability of a Trustee pursuant to any criminal statute, or to the liability of a Trustee for the payment of taxes pursuant to local, state or federal law.

SECTION 12.02: INSURANCE. The Corporation shall purchase and maintain insurance, at its expense, for the benefit of any person on behalf of whom insurance is permitted to be purchased by Pennsylvania law against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person under Pennsylvania or other law. The Corporation may also purchase and maintain insurance to insure its indemnification obligations whether arising hereunder or otherwise.

SECTION 12.03: FUND FOR PAYMENT OF EXPENSES. The Corporation may create a fund of any nature, which may, but need not be, under the control of a Trustee, or otherwise may secure in any manner its indemnification obligations, whether arising hereunder, as a result of the enabling ordinance, by agreement, vote of Trustees, or otherwise.

SECTION 12.04: INDEMNIFICATION AND INSURANCE. To the extent permitted by law:

a. Indemnification of Trustees and Officers.

- I. Each indemnitee (as defined below) shall be indemnified and held harmless by the Corporation for all actions taken by that Trustee or Officer and for all failures to take action (regardless of the date of any such action or failure to take action) to the fullest extent permitted by Pennsylvania law against all expense, liability and loss (including without limitation attorneys' fees, judgments, fines, taxes, penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined below). No indemnification pursuant to this Article shall be made however, in any case where the act or failure to act giving rise to the claim for indemnification is determined by the court to have constituted willful misconduct or recklessness.
- II. The right to indemnification provided in this Article shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Corporation in advance of the final disposition of the Proceeding to the fullest extent permitted by Pennsylvania law, provided that, if Pennsylvania law continues to require, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of the Indemnitee, to repay all

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amounts so advanced without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section or otherwise.

- III. Indemnification pursuant to this Article shall continue as to an Indemnitee who has ceased to be a Trustee or Officer and shall inure to the benefit of his or her heirs, executors and administrators.
- IV. For purposes of this Section: (i) “Indemnitee” shall mean each Trustee or Officer of the Corporation who was or is party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding, by reason of the fact that this individual is or was a Trustee, Officer, Employee, Agent, Partner, or Fiduciary of, or in any other capacity for, another Authority or Corporation, Partnership, Joint Venture, Trust, Employee Benefit Plan, or other enterprise; (ii) “Proceeding” shall mean any threatened, pending, or completed action, suit or proceeding (including without limitation an action, suit, or proceeding by or in the right of the Corporation), whether civil, criminal, administrative, or investigative.

SECTION 12.05: INDEMNIFICATION OF EMPLOYEES AND OTHER PERSONS. The Corporation may by actions of its Board and to the extent provided in such action, indemnify employees and other persons as though they were Indemnitees.

SECTION 12.06: NON-EXCLUSIVITY OF RIGHTS. The right of indemnification and to the advancement of expenses provided in this section shall not be exclusive of any other rights that any person may have or hereafter acquire under any statute, provisions of the Corporation’s enabling ordinance, other City ordinances or regulations, agreement, vote of the Trustees, or otherwise.

SECTION 12.07: AMENDMENT. The provisions of this Article relating to this limitation of Trustees’ liability, to indemnification and to the advancement of expenses shall constitute a contract between the Corporation and each of its Trustees and Officers which may be modified as to any Trustee or Officer only with that person’s consent or as specifically provided in this Article. Notwithstanding any other provision of these bylaws relating to their amendment generally, any repeal or amendment of this Article which is adverse to any Trustee or Officer shall apply to such Trustee or Officer only on a prospective basis, and shall not reduce any limitation on the personal liability of a Trustee of the Corporation, or limit the rights of an Indemnitee to indemnification or to the advancement of expenses with respect to any action or failure to act occurring prior to the time of such repeal or amendment.

SECTION 12.08: CHANGES IN PENNSYLVANIA LAW. References in this Article to Pennsylvania Law or to any provision thereof shall be to such law (including without limitation the Directors’ Liability Act) as it existed on the date these bylaws, including this Article, were adopted or as such law thereafter may be changed; provided that:

- a. In the case of any change that increases the liability of Trustees or limits the indemnification rights to the rights to the advancement of expenses which the Corporation may provide, the rights to limited liability, to indemnification and to the advancement of expenses provided in this Article shall continue as theretofore to the extent permitted by law.
- b. If such change permits the Corporation without the requirement of any additional action by Trustees to additionally limit the liability of Trustees and/or Officers or to provide broader indemnification rights or rights to the advancement of expenses than the Corporation was permitted to provide prior to such changes, then liability thereupon shall be so limited and the rights to indemnification and the advancement of expenses shall be increased to the extent permitted by law.

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ARTICLE THIRTEEN MISCELLANEOUS

SECTION 13.01: PROCEDURE. The most recent edition of "Roberts' Rules of Order" shall govern the daily course of procedure not otherwise provided for in these bylaws.

SECTION 13.02: AMENDMENTS. A proposal to amend, alter, repeal or enact a bylaw may be made by motion by a Trustee of the Board, or by petition of at least twenty (20) Members, with such petition presented to the Board at a regularly scheduled meeting of the Board. Changes to the bylaws may only be made as a result of the vote of the membership.

The proposed amendment to the bylaws shall be adopted only upon receiving the affirmative vote of three-fifths (60%) of the tally of votes cast by the Members present voting, including Trustees. A vote on the amendment may be held at a regular or special meeting of the Board. Notice of the proposed amendment shall be provided to all Members at least ten (10) days prior to such meeting. Such notice shall contain a full written statement of the exact language of the proposed amendment and the time, place and day of the meeting when the amendment will be considered. The notice shall be given either personally hand delivered, or by mail to each Member or by emailing a copy of the notice to all Members and posting of such notice prominently at the office of the SPMD, Inc. If mailed, such notice shall be deemed delivered when deposited in the United States mail with postage thereon prepaid, addressed to the Members at their addresses as they appear on the Corporation's membership database. The procedures and notice requirements in this section shall apply irrespective of any contrary provisions which may be contained in these bylaws.

ARTICLE FOURTEEN RESPONSIBILITIES OF THE INCORPORATORS

SECTION 14.01 INCORPORATORS AND INTERIM BOARD OF TRUSTEES. The incorporators of SPMD, Inc. shall consist of those members of the SPMD Steering Committee who are willing to serve as the interim Board of Trustees.

SECTION 14.02 CALLING AND CONVENING OF THE FIRST MEMBERSHIP MEETING. The incorporators shall serve as the Interim Board of SPMD, Inc. until the first meeting of the membership is called. It shall be the responsibility of SPMD, Inc. incorporators to call this membership meeting. Best efforts shall be made to schedule this meeting prior to November 1, 2019. The Chairperson of the meeting will be decided among the incorporators in a manner of their choosing.

Prior to the meeting, the incorporators will provide all Members with written notice of the meeting at least three weeks prior to the meeting. The notice shall be given either personally hand delivered, or by mail to each Member or by emailing a copy of the notice to all Members and posting of such notice prominently at the office of SPMD, Inc. If mailed, such notice shall be deemed delivered when deposited in the United States mail with postage thereon prepaid, addressed to the Members at their addresses as they appear on the Corporation's membership database.

In addition to the time and place of the meeting, the notice shall provide an agenda of other items expected to be brought before the membership, including:

- a. Election of the permanent Board and the selection of Board Officers as delineated by these bylaws.
- b. Adoption of a budget.
- c. Adoption of a date for the first meeting of the Board at which time the Board will adopt a schedule for the balance of the fiscal year in accordance with these bylaws.
- d. Time for Members to address the Board.

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- e. Such other business as the new Board may find it necessary to act upon.

SECTION 14.03: OTHER RESPONSIBILITIES. During the period when the SPMD, Inc. is being governed by the incorporators, the incorporators shall:

- a. Organize the formation of the first Nominations Committee to gather applications and commence with the ballot of candidates to be elected to serve on the first SPMD, Inc. Board.
- b. Inform the municipal official who is to serve “by right” on the SPMD, Inc. Board of incorporator organizational activities and notice of the first membership meeting.
- c. Prepare and send:
 - I. A “newsletter” to all Members informing them of the adoption of the SPMD ordinance, who the incorporators are and such other information as to inform Members of what is happening with the Corporation and to invite participation.
 - II. A Special Assessment Fee notice and bill. The notice should reiterate how the amount of the bill was determined.
 - III. Notice of the membership meeting.
- d. Manage the finances of the organization as is necessary and convenient including opening bank accounts, obtaining an employer identification number, paying bills, reaching agreement with a lender or other organization for line of credit to pay organization bills prior to the receipt of FY 2020 Special Assessment Fees; contract for interim staff and office space, purchase supplies and equipment; and seek external grants and enter into contracts consistent with the SPMD plan where such opportunities require action before the election of Trustees.

SOUTH PHILLY MARKET DISTRICT, INC. ORGANIZATION ACTION OF THE INCORPORATORS

The undersigned, being Incorporators and the Interim Board of Trustees of the South Philly Market District, Inc., a Pennsylvania nonprofit corporation, hereby consent to the following action:

- a. The Bylaws presented to the undersigned are hereby adopted and ratified as the Bylaws of the South Philly Market District, Inc., and a copy of such Bylaws shall be filed with the Secretary of the Corporation and inserted in the minute book of the Corporation.