

**EXHIBIT “A”**  
**PLAN FOR THE**  
**NORTHERN LIBERTIES BUSINESS IMPROVEMENT DISTRICT**

**INTRODUCTION**

This Plan represents the work of Northern Liberties property and business owners within the proposed District; the Steering Committee of the proposed Neighborhood Improvement District Management Association (Northern Liberties Business Improvement District, Inc.); and representatives of the Northern Liberties Neighbors Association; all of whom have been extensively involved in the development of this Plan, and who now request that the Northern Liberties Business Improvement District (NLBID) as proposed by this Plan, be established by City Council.

As proposed, the Northern Liberties Business Improvement District, Inc., was established as a non-profit to operate as the Neighborhood Improvement District Management Association under the Community and Economic Improvement Act of December 21, 1998, P.L. 1307, No. 174 (53 P.S. §18101 et. seq.) ("Act"), to manage the District. In accordance with the requirements of the Act, the petitioners hereby propose the Plan for the District which includes: the proposed Boundaries and Service Area of the District; a map of the District (Exhibit A-1); a list of properties to be included in the District and subject to District assessment (Exhibit A-2); the proposed improvements, projects and/or programs to be operated by the management association during the life of the District; a proposed budget for all five fiscal years of NLBID operations, expected to commence July 1, 2018 (Exhibit A-3); and a detailed description of revenue sources for financing all proposed improvements, programs and services. In addition, attached to this Plan, but not part of the proposed ordinance are bylaws for the proposed NLBID management association (Exhibit A-4).

**SECTION ONE**

NAME: The name of the neighborhood improvement district is Northern Liberties Business Improvement District.

**SECTION TWO**

**DISTRICT BOUNDARY AND SERVICE AREA:**

- The District Boundary and Service Area of the Northern Liberties Business Improvement District, depicted in the map attached as Exhibit A-1, includes all taxable (for real estate purposes) commercial properties (defined as properties used for any for profit activity involving trade or commerce in general, including residential units that are rented to tenants for profit) on both sides of North 2<sup>nd</sup> Street from the north side of Callowhill Street to the south side of Girard Avenue, beginning with 405 North 2<sup>nd</sup> Street and continuing to 1148 North 2<sup>nd</sup> Street; commercial properties adjacent to North 2<sup>nd</sup> Street, including the addresses of 167 Laurel Street, 1102-16 Germantown Avenue and 1050 N Hancock Street; and both sides of North 3<sup>rd</sup> Street from the north side of Spring Garden Street to the south side of Wildey Street, beginning with the address of 541 N 3<sup>rd</sup> Street and continuing to 956 N 3<sup>rd</sup> Street.

In addition to North 2<sup>nd</sup> and North 3<sup>rd</sup> Streets, the District Boundary and Service Area includes:

- North American Street from the north side of Spring Garden Street to the north side of Poplar Street, beginning with the address of 600 N American Street and continuing to 902 N American Street and 1030-40 N American Street (Liberties Walk);

- Spring Garden Street from the eastern side of 2<sup>nd</sup> Street to the eastern side of 5<sup>th</sup> Street beginning with the address of 200 Spring Garden Street and continuing to 449 Spring Garden Street;
- 539 and 547 N Orianna Street;
- 538 and 540 North 4<sup>th</sup> Street;
- The south side of West Girard Avenue from North Howard Street to Germantown Avenue beginning with the address of 130 W Girard Avenue and continuing to 230 W Girard Avenue;
- The 200 Block of Green, Fairmount, and Poplar Streets from the east side of North 2<sup>nd</sup> Street to the west side of North 3<sup>rd</sup> Street, including the addresses of 204-243 Fairmount Avenue, 211-227 Green Street, and 209-252 Poplar Street;
- The 200 Block of Brown Street and the corner properties at 3<sup>rd</sup> and Brown Streets from the east side of North 2<sup>nd</sup> Street to the east side of Galloway Street, including the addresses of 211-303 Brown Street on the northern side and 204-318 Brown Street on the southern side.

Single unit owner occupied residential and other non-profit or government owned tax-exempt properties or units located within the District boundaries will not be assessed. Similarly, any multi-unit property which contains an owner-occupied unit(s) used as a residence or entity that is exempt for the purposes of property taxes will receive an adjustment to the OPA Market Value which is used to calculate that property's NLBID assessment, based on the portion of the property used as an owner-occupied residence or entity that is exempt for the purposes of property taxes.

### **SECTION THREE**

The addresses on the attached Exhibit A-2 correspond to the boundaries of the District. A list of properties proposed to be assessed was compiled with the assistance of the Philadelphia Office of Property Assessment. This list has been reviewed and accepted by the incorporators of the NLBID management entity acting as an interim Board of the NLBID. This list shall be definitive as to whether a property is within the boundaries of the District.

### **SECTION FOUR**

#### **PROGRAMS AND SERVICES:**

The Northern Liberties Business Improvement District, Inc. will undertake five core sets of activities as delineated below, including Cleaning, Maintenance and Public Safety; Capital Improvements and Parking; Economic Development; Marketing and Promotions; and Personnel and Administration. All areas will be implemented with the oversight and participation of the Board of Directors of the NLBID and any committees established by the Board to provide guidance for the proposed work and input as to how these activities will be implemented.

#### **A. Cleaning, Maintenance and Public Safety:**

1. District Cleaning and Maintenance: NLBID will assume responsibility for cleaning and beautifying the District by implementing programs that may include:

- a) Manual sidewalk sweeping program
- b) Additional trash and recycling receptacles
- c) Mechanical cleaning of streets
- d) Communication with construction site managers and property owners to ensure that sites are kept neat during renovation and the public right of way is left in good condition
- e) Maintenance of greening elements added by NLBID

2. Public Safety: NLBID will work to keep the district safe for residents and visitors with programs including but not limited to:

- a) Assistance connecting businesses with any available grants for public safety improvements
- b) Communication with the Northern Liberties Neighbors Association and District Police to address any public safety needs

**B. Capital Improvements and Parking:**

1. Sidewalk and Façade Improvements: NLBID will address buildings and areas in the public right of way in need of repair and improvement with activities that may include:

- a) Creation of a matching grant reimbursement program to fund improvements to facades and sidewalks
- b) Assistance to new and existing businesses with any additional available resources to improve their facades and sidewalks

2. Streetscape Improvements: NLBID will work to create more cohesion in the district and a better experience for residents and visitors with improvements that may include:

- a) Seasonal banners on light poles
- b) New trees and other greening enhancements
- c) Improved lighting
- d) Wrapping of trash receptacles to minimize graffiti and better brand the district
- e) Partnerships with local businesses, residents, and community groups on public art projects

3. Parking and Connection: NLBID will work to find long-term solutions for additional parking in the area and add enhancements to the district to improve the environment for pedestrians, public transportation users, and cyclists with improvements including but not limited to:

- a) Parking study to evaluate any opportunities to make large and small-scale improvements to parking in the district
- b) Increased parking for bicycles
- c) Creation of long-term plans to better connect the Northern Liberties neighborhood to the greater Philadelphia area and make the district more attractive to non-vehicular traffic
- d) Investigation of additional funding sources for large-scale improvements to public areas

**C. Economic Development:**

NLBID will offer support to existing businesses to increase stability and growth, improve the economic climate of the district to create business and employment opportunities, and work to find new businesses for available properties by implementing programs that may include:

- a) Market study to better understand what opportunities there are for businesses and help NLBID create tools to attract new businesses
- b) Business attraction program to bring new businesses and employment opportunities to the district, including items such as marketing materials for available properties, a maintained list of available properties, and additional professional support to implement the program
- c) Business retention program to help existing businesses remain stable and grow through items such as training, promotional support, communication, connection to other businesses in the district, and assistance with private and public funding opportunities for small businesses
- d) Assistance for property and business owners to upgrade and redevelop properties and enhance the identity of the district through programs identified in the Capital Improvement area of the District Plan
- e) Communication with the real estate community and development of opportunities for potential tenants and investors to visit available properties

**D. Marketing & Promotions:**

NLBID will help promote and market the district with activities including but not limited to:

- a) Branding for the NLBID district

- b) NLBID website that will include relevant information such as NLBID business directory, available properties, transportation options, and special events
- c) Promotion of the district through available mechanisms such as internet-based platforms and other marketing opportunities
- d) Special events that may include the expansion of existing events and new events to build more interest in the district from residents and visitors

**E. Personnel and Administration:**

All of NLBID’s programmatic work will be conducted in a transparent manner with opportunities for input from members of the business and residential communities. NLBID will also ensure that, when possible, local businesses have an opportunity to bid on work in the district.

1. Personnel:

Executive Director: The NLBID will be managed by an Executive Director to ensure all proposed services are delivered in a timely and professional fashion, with the following responsibilities:

- a. Manage all aspects of daily NLBID operation and oversee all programs and services provided in this plan
- b. Supervise part-time staff and vendors
- c. Assist property and business owners with accessing resources and navigating various City and State agencies
- d. Act as an advocate for the district with elected officials and members of the public, private and non-profit sectors
- e. Create and coordinate volunteer committees from the NLBID community
- f. Identify and solicit additional sources of revenue
- g. Implement the enabling ordinance and exercise the powers granted to the NLBID under state law

Part-Time Administrative Staff: An assistant will be necessary to manage the assessment process and other administrative duties, as well as other projects as needed. NLBID will attempt to identify additional funding sources to add additional support staff positions and/or hours to increase the organization’s capacity.

2. Administration:

NLBID will identify an office in the district to be easily accessible to property and business owners, hold committee and Board meetings, and manage all operations. Administrative and operational expenses will include items including but not limited to rent, utilities, office equipment and software, board and general liability insurance, legal and professional fees, professional development, office maintenance and security, and billing and accounting services. It is understood that additional costs will be incurred during the first year to purchase equipment and other fees associated with creating the NLBID infrastructure and that these costs will likely decline in subsequent years.

**SECTION FIVE**

**BUDGET:**

The NLBID expects a first-year budget of \$374,000 in Scheduled Expenses, as set forth in Exhibit A-3 and further explained in Notes to Budget following the budget document, with budget amounts for subsequent fiscal years set forth in that document. Due to first-year expectations of yielding an eighty-

eight (88%) collection rate, an allowance of \$51,000 for non-payment is reflected in the budget shown in Exhibit A-3, with this estimated non-payment amount decreasing slightly in subsequent years.

**A. BUDGET INCREASE:**

Beginning in year two, the Budget document reflects a 3% annual increase in expense amounts to account for inflation, and corresponding increases in necessary revenues, from assessments, to cover such increased costs. The NLBID Board may choose to entertain no budget increase, or to adopt an increase of less than three percent over the adjusted total budget.

**SECTION SIX**

**FUNDING:** It is anticipated that the services proposed in this Plan will be funded by the annual assessment placed on eligible properties within the District of the NLBID. The NLBID will also work to bring additional resources to the district through other fundraising opportunities, including government and private grants, special events, and other partnerships that will allow NLBID to make more positive improvements to the district.

**SECTION SEVEN**

**TIME FOR COMPLETION OF PROPOSED SERVICES:** It is anticipated that the first fiscal year for the NLBID will begin on July 1, 2018. All services and programs included in this Plan will commence during the first year of District activity and continue on an ongoing basis throughout the life of the Ordinance, until June 30, 2023.

**SECTION EIGHT**

**NLBID MANAGEMENT:** Northern Liberties Business Improvement District, Inc., which intends to register as a Pennsylvania registered nonprofit corporation, will be designated as the Neighborhood Improvement District Management Association in accordance with the ordinance incorporating this Plan and the Act. As such Northern Liberties Business Improvement District, Inc. will be authorized to exercise all powers granted by the Act, the ordinance authorizing the establishment of the District, the bylaws of Northern Liberties Business Improvement District, Inc. and those general powers, rights and obligations granted to or placed upon Pennsylvania nonprofit corporations.

**SECTION NINE**

**NLBID, Inc. BOARD OF DIRECTORS:** Northern Liberties Business Improvement District, Inc. will be overseen by a Board of Directors comprised of both the First and Fifth Council Persons, a representative of Northern Liberties Neighbors Association and the 2<sup>nd</sup> Street Festival, and one (1) to eleven (11) elected commercial property or business owners as required by state law, including a minimum of one property owner and a minimum of 80% of the elected board members owning property or owning or operating a business in the district.

Please see the attached NLBID, Inc. by-laws in Exhibit A-4.

## SECTION TEN

### COST-SHARING FORMULA

#### A. PROPERTIES SUBJECT TO THE ASSESSMENT:

All taxable (for real estate purposes) commercial properties within the District as described in Section Two (defined as properties used for any for-profit activity involving trade or commerce in general, including vacant commercial and industrial zoned parcels and residential properties that are rented to tenants for profit) shall be subject to the NLBID assessment. Single unit owner occupied residential and other non-profit or government owned tax-exempt properties or units located within the District boundaries will not be assessed. Similarly, any multi-unit property which contains an owner-occupied unit(s) used as a residence or entity that is exempt for the purposes of property taxes will receive an adjustment to the OPA Market Value which is used to calculate that property's NLBID assessment, based on the portion of the property used as an owner-occupied residence or entity that is exempt for the purposes of property taxes.

Neither vacancy nor non-use of a property qualifies a property for exemption from paying the NLBID assessment under any circumstance. Any property within the District that is not subject to the NLBID assessment, but which at a subsequent date converts to a usage that is subject to NLBID assessment, shall become subject to that assessment in the next NLBID fiscal year. Conversely, any property currently subject to the NLBID assessment which is converted to an exempt purpose may petition the NLBID Board to be designated exempt with such exemption to commence with the next NLBID fiscal year.

#### B. METHOD OF ASSESSMENT:

1. Real property will be assessed utilizing the property value assessment of such property by multiplying that portion of the district's annual budget attributed to assessments (shown as the Billing Amount in the 5-year budget included as Exhibit A-3) by the ratio of the OPA Market Value of that property to the total OPA Market Value of all properties in the district that are subject to the NLBID assessment. In performing this calculation, the OPA Market Value of multi-unit properties which contain an owner-occupied unit(s) used as a residence or entity that is exempt for the purposes of property taxes will receive an adjustment to the OPA Market Value of their property and the amount of the adjustment also will be excluded from the OPA Market Value of all properties in the district that are subject to the NLBID assessment.

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

2. If the Preliminary Assessment for any property exceeds 4% of the Billing Amount, then the Final Assessment for such property shall be equal to 4% of the Billing Amount and shall be the maximum amount due with respect to such property. Such properties shall be referred to as "Capped Properties." The total assessments due from all such properties shall be referred to as "Capped Assessments."

3. If the Preliminary Assessment for any real property or vacant land is less than three-hundred-and-sixty-five dollars (\$365), then the Final Assessment for such property shall be three-hundred-and-sixty-five dollars (\$365). This methodology recognizes that regardless of a property or land's value, the services offered by the NLBID to all such property or land owners 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 assessments due from all such properties shall be referred to as "One Dollar Per Day Assessments"

4. If the Preliminary Assessment for any property is equal to or less than 4% of the Billing Amount or

equal to or more than \$365, the Final Assessment for such property (and the maximum amount due) shall be computed as follows:

- a. Subtract the OPA Market Values of all Capped Properties and all One Dollar Per Day Properties from the OPA Market Value of all properties within the district that are subject to the NLBID assessment.
- b. Divide the OPA Market Value of the property by the result from (a).
- c. Multiply the result from (b) by the Billing Amount less Capped Assessments and One Dollar Per Day Assessments.
- d. The result from (c) is the property's annual assessment.

5. For determining the property value assessment of each property and the total value of all properties subject to assessment based on the assessed value of the property, the most recent certified values available from the City's OPA as of April 1 prior to the commencement of the fiscal year for billing beginning on July 1st will be used. However, for the first fiscal year, which commences on July 1, 2018, the most recent certified assessed values available when the ordinance creating the NLBID is introduced shall be used to calculate NLBID assessments. All assessments on NLBID affected real properties will be based on assessed value without regard to any tax abatements that may be associated with a particular property.

6. In any given year, property owners have the right and ability to appeal the OPA assessment to OPA or the Board of Revision of Taxes (BRT), and to reduce their City real estate assessment. The NLBID's policy will be to re-calculate the annual charge and allow an adjustment to the current year charge, or if the charge has already been paid, to allow a credit against the property's next annual NLBID charge, if the certified assessed value of the property is reduced on appeal to OPA or the BRT. In order to be eligible for the reduction or credit, the NLBID must receive written notification of an appeal from the property owner in the year in which the appeal is filed, in addition to a copy of the initial application and final decision of OPA or the BRT for a reduction of the property value for which the assessed charges apply.

### C. COLLECTIONS AND PROPERTY LIENS

Each assessment authorized pursuant to this ordinance is collectable. On the first of each month, beginning with October 1 of the year in which the assessment is due and continuing thereafter until the assessment is paid, the NLBID has the authority to charge 1.5% per month on any unpaid assessment or unpaid portion of an assessment.

In addition to the assessment and any interest penalties, any fees for actual costs associated with filing the lien shall be added to principal and interest to cover costs associated with the filing of the lien.

## SECTION ELEVEN

The specific duties and responsibilities of the City of Philadelphia and NLBID with respect to the District are as follows:

1. The City will be responsible for maintaining the same level of municipal programs and services within the District after its designation as a neighborhood improvement district as before such designation. The City will also be responsible for applying liens on properties for non-payment of property assessment fees as set forth in the Act at 53 P.S. § 18107(a)(10).
2. The NLBID shall fulfill all duties and responsibilities of a Neighborhood Improvement District Management Association (NIDMA) as set forth in the Act (53 P.S. § 18101 *et. seq.*). In its capacity as the NIDMA, the NLBID shall submit an annual audit of all income and expenditures to the Department of Community and Economic Development and to City Council within 120 days after the end of each fiscal year, and submit a report, including financial and programmatic information and a

summary of audit findings, to City Council and to all assessed property owners located in the District, as required by the Act at 53 P.S. § 18109. In addition, the NLBID shall be responsible for collecting all assessment fees levied within the District.

#### **SECTION TWELVE**

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

1. The respective duties of the City and the NLBID with respect to the District as set forth in paragraph eleven (11) above;
2. The City's agreement to maintain within the District the same level of municipal programs and services that were provided within the District before its establishment;
3. A "sunset provision" under which the agreement will expire on June 30, 2023, and not be renewed unless the District is continued beyond that date pursuant to reenactment of the ordinance establishing the District; and
4. The NLBID's agreement to be responsible for the collection of all property assessment fees levied within the District and the City's agreement to file any necessary liens for nonpayment of property assessment fees as set forth in the Act at 53 P.S. § 18107(a)(10)

#### **SECTION THIRTEEN**

The Northern Liberties Business Improvement District, Inc., will allow for and encourage tax-exempt property owners to provide in-kind or financial contributions to the District if not assessed, in lieu of a property assessment fee.

#### **SECTION FOURTEEN**

The negative vote of at least one-third (1/3) of the affected property owners within the District, or the negative vote of affected property owners within the District whose property valuation, as assessed for taxable purposes, amounts to at least one-third (1/3) of the total property valuation of property owned by affected property owners located within the District proposed in the final plan, shall be required to defeat the continuation of the proposed District by filing objections to the clerk for the governing body of the municipality within forty-five (45) days of presentation of the final plan.



**EXHIBIT "A-1"**  
**MAP OF NORTHERN LIBERTIES BUSINESS IMPROVEMENT DISTRICT AND SERVICE AREA**



**EXHIBIT "A-1"**  
**MAP OF NORTHERN LIBERTIES BUSINESS IMPROVEMENT DISTRICT AND SERVICE AREA**  
**NORTHERN PORTION DETAIL**



**EXHIBIT "A-1"**  
**MAP OF NORTHERN LIBERTIES BUSINESS IMPROVEMENT DISTRICT AND SERVICE AREA**  
**SOUTHERN PORTION DETAIL**



**EXHIBIT "A-2"**

**List of Affected Properties**

Properties which are determined to be single unit residential owner-occupied will not be subject to the NLBID assessment.

405 N 02ND ST	633 N 02ND ST
407 N 02ND ST	635 N 02ND ST
412-26 N 02ND ST	637 N 02ND ST
428-58 N 02ND ST	700 N 02ND ST
460-74 N 02ND ST	701 N 02ND ST
500-08 N 02ND ST	702 N 02ND ST
509 N 02ND ST	703 N 02ND ST
510-18 N 02ND ST	704 N 02ND ST
513 N 02ND ST	705 N 02ND ST
523 N 02ND ST	706 N 02ND ST
563-65 N 02ND ST	707 N 02ND ST
600 N 02ND ST	708 N 02ND ST
601 N 02ND ST	709-15 N 02ND ST
604 N 02ND ST	710 N 02ND ST
604 R N 02ND ST	712-16 N 02ND ST
606-08 N 02ND ST	714 R N 02ND ST
610 N 02ND ST	717 N 02ND ST
611-19 N 02ND ST	718 N 02ND ST
612 N 02ND ST	719 N 02ND ST
614 N 02ND ST	720 N 02ND ST
616 N 02ND ST	721-23 N 02ND ST
618 N 02ND ST	722 N 02ND ST
620 N 02ND ST	725 N 02ND ST
621-23 N 02ND ST	727 N 02ND ST
622-26 N 02ND ST	728-30 N 02ND ST
625-27 N 02ND ST	729 N 02ND ST
628 N 02ND ST	731 N 02ND ST
629 N 02ND ST	732 N 02ND ST
630 N 02ND ST	733 N 02ND ST
631 N 02ND ST	734 N 02ND ST
632-34 N 02ND ST	735-37 N 02ND ST

736 N 02ND ST  
800 N 02ND ST  
801-05 N 02ND ST  
804 N 02ND ST  
806 N 02ND ST  
807 N 02ND ST  
809 N 02ND ST  
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811-15 N 02ND ST  
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812 N 02ND ST  
814 N 02ND ST  
815R N 02ND ST  
816-24 N 02ND ST  
817-19 N 02ND ST  
823 N 02ND ST  
825-27 N 02ND ST  
826 N 02ND ST  
828-40 N 02ND ST  
829 N 02ND ST  
831 N 02ND ST  
833-35 N 02ND ST  
837 N 02ND ST  
900-04 N 02ND ST  
901 N 02ND ST  
903 N 02ND ST  
905-07 N 02ND ST  
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909-15 N 02ND ST  
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914-20 N 02ND ST  
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980-82 N 02ND ST  
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1048-62 N 02ND ST  
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1102-42 N 02ND ST  
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718-20 N 03RD ST  
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726 N 03RD ST  
727 N 03RD ST  
729 N 03RD ST  
731 N 03RD ST  
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735R N 03RD ST  
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737-39 N 03RD ST  
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807-09 N 03RD ST  
808-18 N 03RD ST  
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832-34 N 03RD ST  
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211 BROWN ST  
212 BROWN ST  
222-30 BROWN ST  
225 BROWN ST  
227 BROWN ST  
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237 BROWN ST  
237 R BROWN ST  
238 BROWN ST  
239 BROWN ST  
241 BROWN ST  
301 BROWN ST  
303 BROWN ST  
314-18 BROWN ST  
204 FAIRMOUNT AVE  
205-07 FAIRMOUNT AVE  
206 FAIRMOUNT AVE  
208 FAIRMOUNT AVE  
209-15 FAIRMOUNT AVE  
210 FAIRMOUNT AVE  
212 FAIRMOUNT AVE  
214 FAIRMOUNT AVE  
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221 FAIRMOUNT AVE  
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234 FAIRMOUNT AVE  
235 FAIRMOUNT AVE  
236 FAIRMOUNT AVE



237 FAIRMOUNT AVE	221 POPLAR ST
238 FAIRMOUNT AVE	223 POPLAR ST
239 FAIRMOUNT AVE	225 POPLAR ST
240 FAIRMOUNT AVE	227 POPLAR ST
241 FAIRMOUNT AVE	230 POPLAR ST
242 FAIRMOUNT AVE	232 POPLAR ST
243 FAIRMOUNT AVE	233 POPLAR ST
1102-16 GERMANTOWN AVE	234 POPLAR ST
130 W GIRARD AVE	236 POPLAR ST
148-50 W GIRARD AVE	238 POPLAR ST
152 W GIRARD AVE	239-41 POPLAR ST
154-58 W GIRARD AVE	240 POPLAR ST
160 W GIRARD AVE	242 POPLAR ST
180 W GIRARD AVE	243 POPLAR ST
208 W GIRARD AVE	244 POPLAR ST
210-30 W GIRARD AVE	246 POPLAR ST
201 GREEN ST	248 POPLAR ST
211 GREEN ST	250 POPLAR ST
213 GREEN ST	252 POPLAR ST
215 GREEN ST	200-24 SPRING GARDEN ST
217 GREEN ST	201-17 SPRING GARDEN ST
219 GREEN ST	219-27 SPRING GARDEN ST
221 GREEN ST	236-48 SPRING GARDEN ST
225 GREEN ST	300-30 SPRING GARDEN ST
227 GREEN ST	301-23 SPRING GARDEN ST
1050 N HANCOCK ST	325-47 SPRING GARDEN ST
167 LAUREL ST	400-14 SPRING GARDEN ST
539 N ORIANNA ST	401 SPRING GARDEN ST
541-47 N ORIANNA ST	416-38 SPRING GARDEN ST
209 POPLAR ST	425-49 SPRING GARDEN ST
213-19 POPLAR ST	

**EXHIBIT “A-3”**

**5-YEAR BUDGET OF NLBID**

	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
<b>TOTAL BILLING AMOUNT<sup>1</sup></b>	<b>\$425,000</b>	<b>\$437,750</b>	<b>\$450,883</b>	<b>\$464,409</b>	<b>\$478,341</b>
Anticipated Non-Payment <sup>2</sup>	\$51,000	\$48,153	\$45,088	\$41,797	\$38,267
Anticipated Prior Year Payment <sup>3</sup>	\$0	\$12,750	\$18,271	\$16,515	\$15,396
<b>TOTAL ANTICIPATED REVENUE<sup>4</sup></b>	<b>\$374,000</b>	<b>\$402,348</b>	<b>\$424,065</b>	<b>\$439,127</b>	<b>\$455,470</b>
<b>EXPENSES</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
Cleaning, Maintenance & Public Safety <sup>5</sup>	\$87,000	\$116,260	\$121,633	\$127,092	\$132,640
Capital Improvements & Parking <sup>6</sup>	\$49,500	\$67,000	\$69,500	\$65,000	\$63,500
Economic Development <sup>7</sup>	\$45,000	\$42,360	\$43,631	\$47,940	\$46,288
Marketing & Promotions <sup>8</sup>	\$64,500	\$50,200	\$56,663	\$61,451	\$68,284
Personnel & Administration <sup>9</sup>	\$128,000	\$126,528	\$132,638	\$137,644	\$144,758
<b>TOTAL OPERATING EXPENSES</b>	<b>\$374,000</b>	<b>\$402,348</b>	<b>\$424,065</b>	<b>\$439,126</b>	<b>\$455,470</b>
<b>Operating Income (Loss)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Notes to 5-Year Budget:

1. Total assessments from all properties in the NLBID boundaries that are identified as income-generating and therefore subject to the NLBID assessment, including an anticipated 3% cost of living increase.
2. The percentage of assessments that the NLBID does not expect to collect during the billing year. For budget purposes, the NLBID will expect an 88% collection rate in year one, increasing by 1% each year to a 92% collection rate in year 5.
3. The amount of prior year assessment revenue the NLBID anticipates collecting in subsequent years.
4. The total anticipated current and prior year assessment revenue for each year.
5. Maintenance items such as professional sidewalk cleaning, street cleaning, greening maintenance, and public safety.
6. Streetscape improvements that may include sidewalk repair, façade improvements, banners, trees and planters, and other physical improvements.
7. Programs to support business recruitment and retention.
8. Promotion and marketing of the district such as special events, on-line advertising, and other activities to promote the district.
9. General office and administrative expenses associated with the management of the NLBID, including but not limited to staff, office leasing and operation, legal and accounting services.

**EXHIBIT "A-4"**

**BYLAWS  
OF  
NORTHERN LIBERTIES BUSINESS IMPROVEMENT DISTRICT, INC.**

**ARTICLE 1 - NAME**

**1.01 Name.**

The name of this entity shall be the Northern Liberties Business Improvement District, Inc. (NLBID). As permitted under state statute the NLBID, Inc. is opting to organize itself as a nonprofit corporation authorized to serve as the Neighborhood Improvement District Management Association as designated by the City of Philadelphia.

**ARTICLE II – PURPOSES**

**2.01 Purposes.**

The Northern Liberties Business Improvement District, Inc. shall:

- Assume and implement all powers granted to it by virtue of its designation by the City of Philadelphia as a Neighborhood Improvement District Management Association (NIDMA) as defined by the Community and Economic Improvement Act 53 P.S. §18107 for the Service Area defined in Philadelphia City Ordinance number \_\_\_\_\_;
- Provide supplements to the municipal services of the City of Philadelphia;
- Maintain a safe, clean and vibrant commercial district for the benefit of the residents, users, and owners within the district, and to citizens of Philadelphia and the region;
- Create opportunities for the business and residential communities to come together to make improvements to the district;
- Develop and implement programs and services that ensure that Northern Liberties continues to be a desirable place to live, work, shop, invest and visit.

**ARTICLE III - TAX CODE**

**3.01 Tax Code.**

Said Corporation is organized exclusively for charitable, educational, religious or scientific purposes, within the meaning of section 501(c)(3) of the Internal Revenue Code (or corresponding section of any future Federal Tax Code). Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

## **ARTICLE IV - DEFINITIONS**

### **4.01 Definitions.**

The following terms used in these Bylaws shall have the meanings set forth below.

- A. “Act” means the Pennsylvania Nonprofit Corporation Law of 1988, as amended.
- B. “Board” means the Board of Directors of the Corporation.
- C. “Board Representative” means an individual appointed by the Board pursuant to Section 9.02 hereof.
- D. “Corporation” means the Northern Liberties Business Improvement District, Inc.
- E. “Director” means an individual serving on the Board as a voting member and shall not include non-voting Board Representatives.
- F. “District” means the area within the boundaries of the Corporation.
- G. “Members” means owners of those tax paying commercial properties and owners of businesses located in the District.
- H. The Boundaries of the District are North 2<sup>nd</sup> Street from Callowhill Street to Girard Avenue, North 3<sup>rd</sup> Street from Spring Garden Street to West Wildey Street, West Girard Avenue from North Howard Street to Germantown Avenue, Spring Garden Street from 2<sup>nd</sup> to 5<sup>th</sup> Streets; Green, Fairmount, Brown and Poplar Streets from the east side of 2<sup>nd</sup> Street to the west side of 3<sup>rd</sup> Street; and any commercial properties immediately adjacent to or congruent to the district.
- I. Unless otherwise specified, the terms “in writing” and “written notice” shall include printed, mailed, emailed, or otherwise electronically transmitted documents.

## **ARTICLE V – OFFICES**

### **5.01 Offices.**

The registered office of the Corporation shall be 700 North 3<sup>rd</sup> Street, 1<sup>st</sup> Floor, Philadelphia, PA 19123 or any location within the District hereafter designated by the Board of Directors.

## **ARTICLE VI – SEAL**

### **6.01 Seal.**

The Corporation may use a corporate seal. The corporate seal shall have inscribed thereon the name of the Corporation the year of its organization and the words “Corporate Seal, Pennsylvania.”

## ARTICLE VII – MEMBERS

### 7.01 Classes of Members.

The Corporation shall have one class of members, which is defined as assessment payers and business owners within the District or their agents, with financial stake in a property or business with a letter from the assessment payer or business owner authorizing them to vote on their behalf.

### 7.02 Termination of Membership.

The Board may terminate the membership of any Member who becomes ineligible for membership, as determined by the Board.

### 7.03 Voting Rights.

Each Member in good standing, who is current with the assessments on their property, shall be entitled to one (1) vote per property or business on each matter submitted to a vote of the Members, with a maximum of 5 votes for any individual property or business owner.

### 7.04 Reserved Power of Members.

Except as provided in §5310(a) of the Act, the Board shall not have the Corporation to adopt or change a bylaw on any subject that is committed expressly to the Members by any of the provisions of the Act.

## ARTICLE VIII – MEETINGS OF THE MEMBERS

### 8.01 Annual Meeting.

The annual meeting of the Members shall be held at a time and place established by the Executive Committee of the Board.

### 8.02 Special Meetings of the Members.

Special meetings of the members may be called at any time by the Board or by Members entitled to cast at least ten percent (10%) of the vote. Upon written request of the person calling the special meeting, the Secretary shall (a) fix the date and time of the meeting, which shall be held not more than forty-five (45) days after receipt of the request, and (b) give notice to the Members. If the Secretary neglects or refuses to fix the meeting date or give notice of a special meeting, the person or persons calling the meeting may do so.

### 8.03 Notice of Meetings of the Members.

Written notice of every meeting of the Members shall be given to the Members by, or at the direction of, the Secretary at least ten (10) days prior to the date of the meeting, pursuant to Section 8.01 hereof. In the case of special meetings of the Members, the notice shall specify the general nature of the business to be transacted.

### 8.04 Quorum.

At any meeting of the Members, the presence of 10% of all Members entitled to vote shall constitute a quorum. Except in cases in which it is by statute, by the Certificate of Incorporation or by the Bylaws otherwise prohibited, the vote of the majority of such quorum at a duly constituted meeting shall be sufficient to transact business or pass any measure. In the absence of a quorum, the Members 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.

### 8.05 Conduct of the Meetings of the Members.

The Chair of the Board shall preside at all Members' meetings, or, in his or her absence, the Vice-Chair, if one is elected, or any other officer of the Board. The officer presiding over the Members' meetings may establish such rules and regulations for the conduct of the meetings as such officer may deem to be reasonably necessary or desirable for the orderly and expeditious conduct of the meeting.

**8.06 Consent of Members in Lieu of Meeting**

Any action which may be taken at a meeting of the Members may be taken without a meeting, if a consent or consents in writing, setting forth the action so taken, shall be signed by all of the Members who would be entitled to vote at a meeting for such purpose and shall be filed with the Secretary of the Corporation.

**ARTICLE IX – BOARD OF DIRECTORS**

**9.01 Board of Directors.**

The business, property and affairs of the Corporation shall be managed under the direction of the Board. The powers of the Corporation shall be exercised by, or under the authority of the Board except as otherwise provided by statute, the Articles of Incorporation, these Bylaws, or a resolution adopted by the Board. In addition to the powers and duties conferred on the Board under the laws of the Commonwealth of Pennsylvania, the Board shall have the power to borrow money or purchase, sell, lease or otherwise dispose of any real estate or other property of the Corporation. The Board shall also have the authority to interpret the provisions of the Bylaws and its interpretation shall be binding upon the Corporation.

**9.02 Number of Directors and Composition of the Board.**

The Board shall be comprised of an odd number of members, with a maximum of fifteen (15) voting members as required by state law, with at least one member representing the municipal corporation within the NID. Two members of the Board shall be the Councilperson of the First and Fifth Councilmanic Districts of the City of Philadelphia. Any elected official elected to the Board may designate a representative to serve in his or her place and such designee shall hold the same duties and powers conferred upon all other members of the Board. The Board shall include a representative from the Northern Liberties Neighbors Association and a representative of the 2<sup>nd</sup> Street Festival for as long as either entity exists as an independent entity, a minimum of one property owner, and a minimum of 80% of the elected board members owning property or owning or operating a business in the district.

**9.03 Election and Term of Office.**

Directors shall be elected annually. The inaugural Board shall be appointed by the Steering Committee divided into two classes, with one half of the Directors in the first class with a term of one year and one half in the second class with a term of two years. Subsequent Board members shall be elected by the Members at the annual meeting by secret ballot. In the case of a vacancy in any class, the vacancy shall be filled for the balance of the term of the class. Any subsequent elections will be for staggered two-year terms for open seats and vacancies.

The Board may increase or decrease the number of Directors at any time within the range of five (5) to fifteen (15) as required by state law, and shall allocate the new or eliminated Director positions among the classes so that the number of Directors of one class shall at no time vary from the number of Directors in the other class by more than two (2) without the necessity of an Amendment to the Bylaws. Except as otherwise provided by resolution of the Board, each Director's term begins at the time of his or her election. Each Director shall hold office until (a) the expiration of the term for which he or she was elected and until his or her successor has been elected and qualified, or (b) his or her earlier death, resignation, or removal.

**9.04 Vacancies.**

Vacancies on the Board, including vacancies resulting from an increase in the number of Directors, may be filled by a majority vote of the remaining members of the Board (even if less than a quorum). Each Director elected to fill a vacancy created by the resignation or inability to serve as a Director shall serve for the balance of the unexpired term of such Director or until his successor is duly elected and qualified.

**9.05 Removal of Directors.**

Any Director may be removed from office by the Board at any time with written cause. A new Director shall be elected to fill the unexpired term of any removed Director as provided in Section 9.04.

**9.06 Resignations.**

Any Director may resign at any time. Such resignation shall be in writing unless waived by vote of the remaining Board, but the acceptance thereof shall not be necessary to make it effective.

**9.07 Attendance.**

Each Director shall attend all meetings of the Board. Notwithstanding any other provision of Article 9, if a Director (i) fails to attend at least eighty percent (80%) of the meetings of the Board in any consecutive twelve (12) month period, or (ii) fails to attend three (3) consecutive meetings of the Board, such Director shall be eligible for removal from the Board at its discretion.

**9.08 Compensation of Directors.**

Directors shall not be entitled to any compensation for their services as Directors.

**9.09 Voting Rights.**

Each Director shall be entitled to one vote.

**ARTICLE X – MEETINGS OF DIRECTORS**

**10.01 Annual Meeting.**

The annual meeting of the Board shall be held in each calendar year on such date and at such time and place as the Board shall by resolution determine or as may be designated in the notice of the meeting.

**10.02 Regular Meetings.**

Regular meetings of the Board shall be held on such regularly scheduled dates and at such times and places as the Board shall by resolution determine or as may be designated in the notice of the meeting.

**10.03 Special Meetings of the Board.**

On the written request of the Chair of the Board or of at least one-third (1/3) of the members of the Board, the Secretary shall call a special meeting of the Board. Such request shall state the general nature of the business to be transacted at such meeting. The time and place of such special meeting shall be fixed by the Secretary and the meeting shall be called within ten (10) days of receipt of such request. The special meeting shall be held not more than thirty (30) days after receipt of request therefore. Business transacted at all special meetings shall be confined to the objects stated in the call and matters germane thereto.

**10.04 Notice.**

The Secretary or his or her designee shall give to each member of the Board not less than five (5) days prior written notice of each meeting of the Board (annual, regular or special). The notice, which shall be made pursuant to Section 15.1, shall state the time and the place of the meeting, and in the case of special meetings, the general nature of the business to be transacted thereat.

**10.05 Quorum.**

At any meeting of the Board, the presence of a majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business. The acts of the majority of Directors present at a meeting at which a quorum is present shall be the acts of the Board. The Directors present at a duly organized meeting can continue to conduct business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

**10.06 Consent of Directors in Lieu of Meeting.**

Any action which may be taken at a regular meeting of the Board may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by a simple majority of the Directors in office and shall be filed with the Secretary of the Corporation. Any votes taken in writing shall be added to the minutes of the following Board Meeting.

**ARTICLE XI - COMMITTEES**

**11.01 Establishment and Powers.**

The Board may, by resolution adopted by a majority of the Directors, establish one or more committees to consist of one or more Members of the Corporation. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all of the powers and authority granted by the Board, except that no committee, shall have any power or authority as to the following:

- a. The submission to the Members of any action requiring approval of the Members under the Act;
- b. The filling of vacancies in the Board;
- c. The adoption, amendment or repeal of the Bylaws;
- d. The amendment or repeal of any resolution of the Board; or,
- e. Action on matters committed by the Bylaws or by resolution of the Board to another committee of the Board.

**11.02 Term.**

Each committee of the Board shall serve at the pleasure of the Board.

**11.03 Committee Organization.**

Except as otherwise provided in these Bylaws or by the Board, each committee shall establish its own operating procedures. Each committee shall keep minutes of its proceedings and report the same to the Board at each regular meeting. Each committee shall determine its times and places of meetings.

**11.04 Standing Committees.**

The Standing Committees of the Board shall be the Executive Committee and other Standing Committees as the Board may by resolution authorize.



Each Standing Committee shall include as Members the number and particular individuals required by these Bylaws, and additional Members as the Chair may appoint, subject to approval by the Board. Each Standing Committee shall have the powers and duties provided in these Bylaws and such other powers and duties as the Board may assign. Members of Standing Committees shall be appointed annually and shall be subject to approval by the Board at the annual meeting of the Board or at such other meeting of the Board as the Board may by resolution designate. Vacancies may be filled by appointment by the Chair, subject to approval by the Board at any meeting of the Board.

**11.05 Executive Committee.**

The Corporation shall have an Executive Committee, which shall perform the duties and exercise the authority assigned to them by the Board, subject to the limitations set forth in these Bylaws. The Chair of the Board shall act as Chairperson of the Executive Committee. Members of the Executive Committee shall be the Officers, or in the event of a vacancy of office, someone appointed by the Board Chair.

**ARTICLE XII – OFFICERS**

**12.01 Number.**

The Corporation shall have a Chair, Secretary, and Treasurer. In addition, the Corporation may have one or more Vice-Chairs, one or more Assistant Secretaries and one or more Assistant Treasurers, as the Board shall from time to time determine.

**12.02 Election and Term of Office.**

Each officer shall be elected at the annual meeting of the Board and shall serve for a term of one (1) year and until a successor is duly elected and qualified. All other officers shall be elected by the Board at the time, in the manner, and for such term as the Board from time to time determines. Each officer shall serve until a successor is duly elected and qualified, or until such officer resigns or is removed from office.

**12.03 Removal of Officers.**

Any officer or agent may be removed by the Board whenever in its judgment the best interests of the Corporation will be served. The Board shall immediately elect a new officer to fill the unexpired term of any officer's position which becomes vacant by either removal or resignation. The Board may declare vacant the office of a Director who is declared of unsound mind by an order of the court or is convicted of a crime.

**12.04 Resignations.**

Any officer may resign at any time by giving written notice to the Corporation. The resignation shall be effective upon receipt by the Corporation or at such subsequent time as may be specified in the notice of resignation.

**12.05 The Chair.**

The Chair of the Board shall preside at all meetings of the Board. He or she shall have such other powers as shall be designated by the Board. As authorized by the Board, the Chair shall execute all instruments requiring such execution, except to the extent that signing and execution thereof is expressly

delegated by the Board to some other officer or agent of the Corporation. Upon request of the Board, the Chair shall report to it all matters which the interests of the Corporation may require to be brought to the attention of the Board.

**12.06 The Secretary.**

The Secretary shall keep the minutes of the Corporation and shall give such notices of meetings as required by these Bylaws. The Secretary shall have such other duties and have such other powers as shall be designated by the Board.

**12.07 The Treasurer.**

The Treasurer shall have care and custody of the books and records of account of the Corporation and, subject to the direction of the Board, shall have charge of and be responsible for all funds and securities of the Corporation. He or she shall render financial statements to the Board from time to time upon request. The funds of the Corporation shall be deposited to its credit in such a manner and in such depositories as the Board of Directories may from time to time designate and shall be subject to withdrawal by check, draft or other order by such officer or officers of the Corporation as may from time to time be designated by the Board. The Treasurer shall have such other powers and duties as may be designated by the Board.

**ARTICLE XIII – EXECUTIVE DIRECTOR**

**13.01 The Executive Director.**

At its discretion, the Board may create the position of Executive Director and other staff members as needed

The Executive Director shall be the chief operating officer of the Corporation and shall be responsible for the day-to-day management and operations of the Corporation, subject to the control of the Board. The Executive Director’s duties include, but are not limited to: (i) managing the day-to-day business and operations of the Corporation, (ii) promotions and marketing for the Corporation, (iii) supporting economic development in the District, (iv) developing initiatives to improve public spaces in the District, (v) attending all meetings, and (vi) providing support for the activities and meetings of the Board.

The Executive Director shall have such other duties and powers as shall be designated by the Board. At the Board’s discretion, the Executive Director may serve as a non-voting, *ex-officio* member of the Board.

**ARTICLE XIV– BOARD OF ADVISORS**

**14.01 Board of Advisors.**

The Board may establish a non-voting District Advisory Committee (the “Board of Advisors”) to advise the Corporation and the Board with respect to how the purposes of the Corporation may be furthered.

**14.02 Number of Advisors and Composition of the Board of Advisors.**

The Board of Advisors shall consist of an odd number of members, between five (5) and nine (9), who shall be representative of the neighborhood's character, including, but not limited to, age, gender and cultural diversity.

The Board may appoint one or more persons who may but need not be Members of the Corporation to serve as the chairperson of the Board of Advisors. The Chair of the Board shall also be an *ex-officio* member of the Board of Advisors. Members of the Board of Advisors shall serve at the pleasure of the Board and may be removed by the Board with or without cause.

**14.03 Qualification.**

Each member of the Board of Advisors shall be an individual at least 18 years of age.

**14.04 Selection.**

An individual qualified to serve on the Board of Advisors pursuant to Section 14.03 hereof shall submit a written request to the Board indicating his or her interest in serving on the Board of Advisors. The Board, at its complete discretion, shall select certain individuals to serve on the Board of Advisors from such pool of requests.

**14.05 Recommendations.**

The Board of Advisors' reports and recommendations to the Board shall not be binding on the Board. The Board of Advisors shall not have any power or authority on behalf of the Corporation.

**ARTICLE XV – NOTICE**

**15.01 Written Notice.**

Whenever written notice is required to be given to any person, it may be given to the person, either personally or by sending a copy by first class or express mail, postage prepaid, by email or by telegram (with messenger service specified), telex or TWX (with answer back received) or courier service, charges prepaid, or by facsimile transmission, to his or her address (or to his or her telex, TWX or facsimile number) appearing on the books of the Corporation or, in the case of Directors, supplied by him or her to the Corporation for the purpose of notice. If the notice is sent by mail, email, telegraph or courier service, it shall be deemed to have been given when deposited in the United States mail, sent by a dated email, or with a telegraph office or courier service for delivery to that person or, in the case of telex or TWX, when dispatched or in the case of facsimile, when receipt has been confirmed. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by the Act. Except as otherwise provided by the Act or these Bylaws, when a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting, or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

**15.02 Waiver by Writing.**

Whenever any written notice is required to be given, a waiver in writing, signed by the person or persons entitled to the notice, whether before or after the time stated, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

**15.03 Waiver by Attendance.**

Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

**ARTICLE XVI – FIDUCIARY DUTIES**

**16.01 Board of Directors.**

A Director of the Corporation shall stand in a fiduciary relation to the Corporation and shall perform the duties as a Director, including the duties as a member of any committee of the Board upon which they may serve, in good faith, in a manner they reasonably believe to be in the best interests of the Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

In performing the duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared by any of the following:

- a. One or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matter presented.
- b. Counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person.

**16.02 Duties.**

In discharging the duties of their respective positions, the Board, committees of the Board and individual Directors may, in considering the best interests of the Corporation, consider the effects of any action upon employees, upon suppliers and customers of the Corporation and upon communities in which offices or other establishments of the Corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of this Section.

**16.03 Intent.**

Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director or any failure to take any action shall be presumed to be in the best interests of the Corporation.

**ARTICLE XVII – LIMITATION OF LIABILITY; INSURANCE**

**17.01 Limitation of Liability of Directors.**

A Director shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action as stipulated in Act 15 Pa. C.S.A. §5101, et seq., unless: (i) the director has breached or failed to perform the duties of his or her office under the Act, as amended from time to time; and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

**17.02 Insurance.**

The Corporation shall purchase and maintain insurance on behalf of any person who is or was a Director or Officer of the Corporation.

## **ARTICLE XVIII – INDEMNIFICATION**

### **18.01 Mandatory Indemnification.**

The Corporation shall, to the fullest extent permitted by applicable law, indemnify its Directors and Officers who were or are a party or are threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such Director or Officer is or was a Director or Officer of the Corporation or is or was serving at the request of the Corporation as a trustee, Director, Officer, employee, general partner, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise (including tiding service with respect to employee benefit plans), against expenses (including but not limited to, attorney fees and costs), judgments, fines (including excise taxes assessed on a person with respect to any employee benefit plan) and amounts paid in settlement actually and reasonably incurred by such Director or officer in connection with such action, suit or proceeding, by reason of the fact that such Director or officer is or was a Director or officer of the Corporation.

### **18.02 Expenses.**

Expenses incurred by a person covered by Section 18.01 hereof in defending a threatened, pending or completed civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceedings upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation, except as otherwise provided, in Section 18.03.

### **18.03 Exceptions.**

No indemnification under Section 18.01 or advancement or reimbursement of expenses under Section 18.02 shall be provided to a person covered by Section 18.01 hereof:

- a. if a final unappeasable judgment or award establishes that such Director or officer engaged in self-dealing, willful misconduct or recklessness;
- b. for expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, and amounts paid in settlement) which have been paid directly to such person by an insurance carrier under a policy of officers' and director's liability insurance maintained by the Corporation or other enterprise;
- c. for amounts paid in settlement of any threatened, pending or completed action, suits or proceeding without the written consent of the Corporation, which written consent shall not be unreasonably withheld; or

The Board is hereby authorized, at any time by resolution, to add to the above list of exceptions from the right of indemnification under Section 18.01 or advancement or reimbursement of expenses under Section 15.2, but any such additional exception shall not apply with, respect to any event, act or omission which has occurred prior to the date that the Board in fact adopts such resolution. Any such additional exception may, at any time after its adoption, be amended, supplemented, waived or terminated by further resolution of the Board.

### **18.04 Continuation of Rights.**

The indemnification and advancement or reimbursement of expenses provided by, or granted pursuant to, this Article 15 shall continue as to a person who has ceased to be a Director or officer of the Corporation, and shall inure to the benefit of the heirs, executors and administrators of such person.

### **18.05 General Provisions.**

1. The term "to the fullest extent permitted by applicable law," as used in this Article 18, shall mean the maximum extent permitted by public policy, common law or statute. Any person covered by Section 18.01 hereof may, to the fullest extent permitted by applicable law, elect to have the right to indemnification or to advancement or reimbursement of expenses, interpreted, at such person's option (i) on the basis of the applicable law on the date this Article 18 was adopted, or (ii) on the basis of the applicable law in effect at the time of the occurrence of the event or events giving rise to the action, suit or proceeding, or (iii) on the basis of the applicable law in effect the time indemnification is sought
2. Nothing contained in this Article 18 shall be construed to limit the rights and powers the Corporation possessed under the Pennsylvania Nonprofit Corporation Law of 1988 (as amended from time to time), the Director's Liability Act, or otherwise, including, but not limited to, the powers to purchase and maintain insurance, create funds to secure its indemnification obligations, and any other rights or powers the Corporation may otherwise have under applicable law.
3. The provisions of this Article 18 may, at any time (and whether before or after there is any basis for a claim for indemnification or for the advancement of reimbursement of expenses pursuant hereto), be amended, supplemented, waived, or terminated, in whole or in part, with respect to any person covered by Section 18.01 hereof by a written agreement signed by the Corporation and such person.

### **18.06 Optional Indemnification.**

The Corporation may, to the fullest extent permitted by applicable law, indemnify and advance or reimburse expenses for persons in all situations other than that covered by this Article 18.

## **ARTICLE XIX – CONFLICT OF INTEREST**

### **19.01 Purpose.**

The purpose of the conflict of interest policy is to protect the Corporation's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Corporation or might result in a possible excess benefit transaction. "Excess benefit transaction" is defined as a transaction in which an economic benefit is provided by an applicable tax-exempt organization, directly or indirectly, to or for the use of a disqualified person, and the value of the economic benefit provided by the organization exceeds the value of the consideration received by the organization). This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **19.02 Definitions.**

1. Interested Person. Any Director, Officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial Interest. A person has a financial interest if the person has, directly or indirectly through business, investment, or family:
  - a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
  - b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

- d. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors or appropriate committee decides that a conflict of interest exists, as set forth below in 19.03.

### **19.03 Procedures.**

1. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with Board delegated powers considering the proposed transaction or arrangement.
2. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and All material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.
3. **Procedures for Addressing the Conflict of Interest.**
  - a. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - b. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - c. After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

### **19.04 Violations of the Conflicts of Interest Policy.**

1. If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
3. **Records of Proceedings.** The minutes of the Board and all committees with Board delegated powers shall contain:
  - a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
  - b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

### **19.05 Compensation.**

1. A voting member of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

### **19.06 Annual Statements.**

Each Director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
5. Periodic Reviews. To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
  - a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
  - b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

### **19.07 Use of Outside Experts.**

When conducting the periodic reviews as provided for in section 19.06, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

## **ARTICLE XX – ANNUAL REPORT**

### **20.01 Annual Report.**

The Board shall present annually to the Members a financial report prepared by an independent auditor (or Certified Public Accountant). The Treasurer shall make a presentation on the fiscal condition of the Corporation at the Annual Meeting.

## **ARTICLE XXI – FISCAL YEAR**

### **21.01 Fiscal Year.**

The fiscal year of the Corporation shall mean the annual accounting year, which is anticipated will begin on July 1 of each year.



## **ARTICLE XXII – CORPORATE RECORDS**

### **22.01 Corporate Records.**

The Corporation shall keep minutes of the proceedings of the Members, Directors and any other body, and a membership register, giving the names and addresses of all Members and the details of the membership of each. The Corporation shall also keep appropriate, complete and accurate books or records of account. The records shall be kept at the registered office of the Corporation, the Corporation's principal place of business or any other actual business office of the Corporation.

## **ARTICLE XXIII – DISSOLUTION**

### **23.01 Dissolution.**

In the event the Corporation ceases to function as envisioned in Section 2.01, the Board of Directors shall vote to dissolve the Corporation and the 501 (c)3 entity. In the event of such dissolution, all of the Corporation's assets, after satisfying any creditors, shall be distributed to the Northern Liberties Neighbors Association, or in its absence, to an organization dedicated to the improvement of Northern Liberties, which is identified as an exempt purpose within the meaning of 501 (c)3 of the Internal Revenue code, i.e., charitable, educational, religious or scientific, or corresponding section of any future Federal Tax code.

## **ARTICLE XXIV - AMENDMENT**

### **24.01 Amendment or Repeal.**

Except as provided in the Act, these Bylaws may be amended or repealed, in whole or in part, and new Bylaws may be adopted, by the vote of 2/3 of the Directors then in office at any meeting of the Board after a minimum of ten (10) days of notice has been given to all Directors stating that purpose. No motion to amend, alter or repeal or enact a new bylaw or bylaws shall be voted on unless prior to the meeting to discuss said action, a full written statement of the exact language of the motion shall be delivered to every member of the Board.