

EXHIBIT A

PRELIMINARY PLAN FOR THE CHESTNUT HILL BUSINESS IMPROVEMENT DISTRICT ("DISTRICT") AND REPORT OF THE CITY OF PHILADELPHIA CONCERNING THE DISTRICT

1. The name of the neighborhood improvement district is the Chestnut Hill Business Improvement District ("District"). A map of the District is attached as Exhibit A-1 and an enlarged copy of the map shall be kept on file with the Chief Clerk to be made available for inspection by the public during regular office hours.
2. The service area of the District 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 Germantown Avenue from 7640 to 8705, and on certain blocks of streets that intersect that portion of Germantown Avenue, plus on Bethlehem Pike between 10 and 105. Included within the service area are the following boundaries not previously included within the district boundaries 200 blocks of West Evergreen Avenue and West Highland Avenue; Benezet Street, E. Springfield Avenue, 7600 block of Winston Road, unit block of E. Willow Grove Avenue, unit block of Moreland Avenue, unit block of E. Mermaid Lane, unit block of E. Moreland Avenue, unit block of E. Chestnut Hill Avenue. The properties to be assessed in the service area are listed in Exhibit A-2. While the service area does contain owner-occupied residential properties, those properties will not be assessed, though residential rental properties will be assessed. If current owner-occupied residential properties within these boundaries are converted to commercial or residential rental use during the term of the District, these properties shall be assessed. Furthermore, tax-exempt properties located within the district will not be assessed and will be encouraged to contribute cash or in-kind services.
3. A list of all properties to be assessed is attached as Exhibit A-2.
4. A list of proposed improvements and services within the District and their estimated cost for the first year of continued operation are as follows:
 - a. Physical Appearance: For the general maintenance and beautification of the Germantown Avenue business corridor, services will include the regular cleaning of Germantown Avenue by the District's full-time maintenance employee, the maintenance of the holiday lights, the continued care of the trees lining Germantown Avenue, the planting and maintenance of flower baskets and barrels, and the continued "greening" of the business district. (Budget allocation for year one= \$85,000.00)

b. Strengthen Local Economy: To encourage a positive experience for visitors and shoppers, the marketing program will be continued to include additional supports for festivals, branding, and media exposure. Continue retail recruitment program. Projects with neighboring communities and outreach with local institutions will be explored in order to promote the historical, cultural and architectural uniqueness of the Germantown Avenue corridor (Budget allocation for year one= \$113,000)

c. Parking, Safety and Security: To ensure the safety and security of the District, funds will be devoted to the improvement of pedestrian crosswalks, the repair of Belgian blocks, the purchase of additional security cameras, and the maintenance of parking lots (if needed). If state and/or federal funds become available, street lights will be replaced. (Budget allocation for year one = \$47,000)

d. Administration: Administrative costs can include the expense of hiring personnel to oversee the day-to-day aspects of many of the projects outlined in the proposed plan including a portion of the salaries of an Administrative Assistant (Budget allocation for Year 1: \$75,000)

5. The proposed budget for the first fiscal year is attached as Exhibit A-3.
6. The proposed revenue source for financing all proposed improvements, programs and services will be assessments on properties plus whatever grant monies are awarded and contributions are solicited.
7. The estimated time for implementation and completion of all proposed improvements, programs and services is ten years, which corresponds to the term of the District.
8. The administrative body that will continue to govern and administer the District is the non-profit corporation Chestnut Hill Business Improvement District, Inc.
9. The by-laws of Chestnut Hill Business Improvement District, Inc. are attached as Exhibit A-4.

10. The method of determining the amount of the assessment fee to be levied on commercial property owners within the District is as follows: The cost of services for the District will continue to be equitably apportioned among all benefiting commercial properties within the service area. The assessment for each property shall be calculated as follows:

- (1) Divide the total assessed value of the property for that tax year by the total assessed value for all commercial properties in the service area in which the property is located;

(2) Multiply the result from (1) by the annual budget amount for the service area in which the property is located;

(3) The result from (2) is the property's annual assessment.

The property values certified by the Office of Property Assessment for the tax year for which the assessment is imposed, without reference to any tax abatement shall be used in calculating each assessment.

The Board may only adjust the budget as follows:

- (1) Following the first year of this plan, the budget shall increase by ~~5%~~ 3% annually in order to account for inflation, provided that the board may reduce or eliminate such increase for any year.
- (2) At any time during the term of this plan, the board may adjust the budget to account for the increased or decreased cost of providing services where any improvement, development, or change in use materially alters the cost of providing those services provided for under paragraph 4 within the District. The Board shall have no authority to adjust the budget under this paragraph (2) except in accordance with a written recommendation adopted by a majority of all those board members who either own or operate a business in the district or own a commercial property in the district.

The following shall apply to conversions between commercial and non-commercial use:

- (1) Any non-commercial property that converts to a commercial use during the term of this plan shall be subject to assessment as provided herein in the year following the conversion.
- (2) Any commercial property that converts to a non-commercial use during the term of this plan shall be exempt from further assessment for as long as its use remains non-commercial. Such exemption shall commence with the year immediately following the year of conversion to non-commercial use.

11. The specific duties and responsibilities of City of Philadelphia and Chestnut Hill Business Improvement District, Inc. with respect to the District are as follows:

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

- b. Chestnut Hill Business Improvement 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. §§18101 *et. seq.*). In its capacity as the NIDMA, Chestnut Hill Business Improvement District, Inc. shall annually submit an audit of all income and expenditures to the Department of Community and Economic Development, the Clerk of City Council and the City Commerce Department within 120 days after the end of each fiscal year, and submit a report, including financial and programmatic information and a summary of audit findings, to the Clerk of City Council, the City Commerce Department and to all assessed property owners located in the District (as required by 53 P.S. §18109). In addition, Chestnut Hill Business Improvement District, Inc. shall be responsible for collecting all assessment fees levied within the District.

12.A written agreement will be signed by the City and the Chestnut Hill Business Improvement District containing the following provisions:

- c. The respective duties of the City and Chestnut Hill Business Improvement District, Inc. with respect to the District as set forth in paragraph 11 above;
- d. 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;
- e. A "sunset provision" under which the agreement will expire in approximately ten years on June 30, 2024 and not be renewed unless the District is continued beyond that date pursuant to reenactment of the ordinance establishing the District; and
- f. Chestnut Hill Business Improvement District Inc.'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).

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

14. The negative vote of at least fifty-one percent (51%) of the property owners within the District, or property owners within the District whose property valuation as assessed for taxable purposes amounts to fifty-one percent (51%) of the total property valuation located within the District proposed in the final plan, shall be required to defeat the establishment of the proposed District by filing objections with the Clerk of City Council within forty-five (45) days of presentation of the final plan.



Chestnut Hill Business Association Map

Exhibit A-1

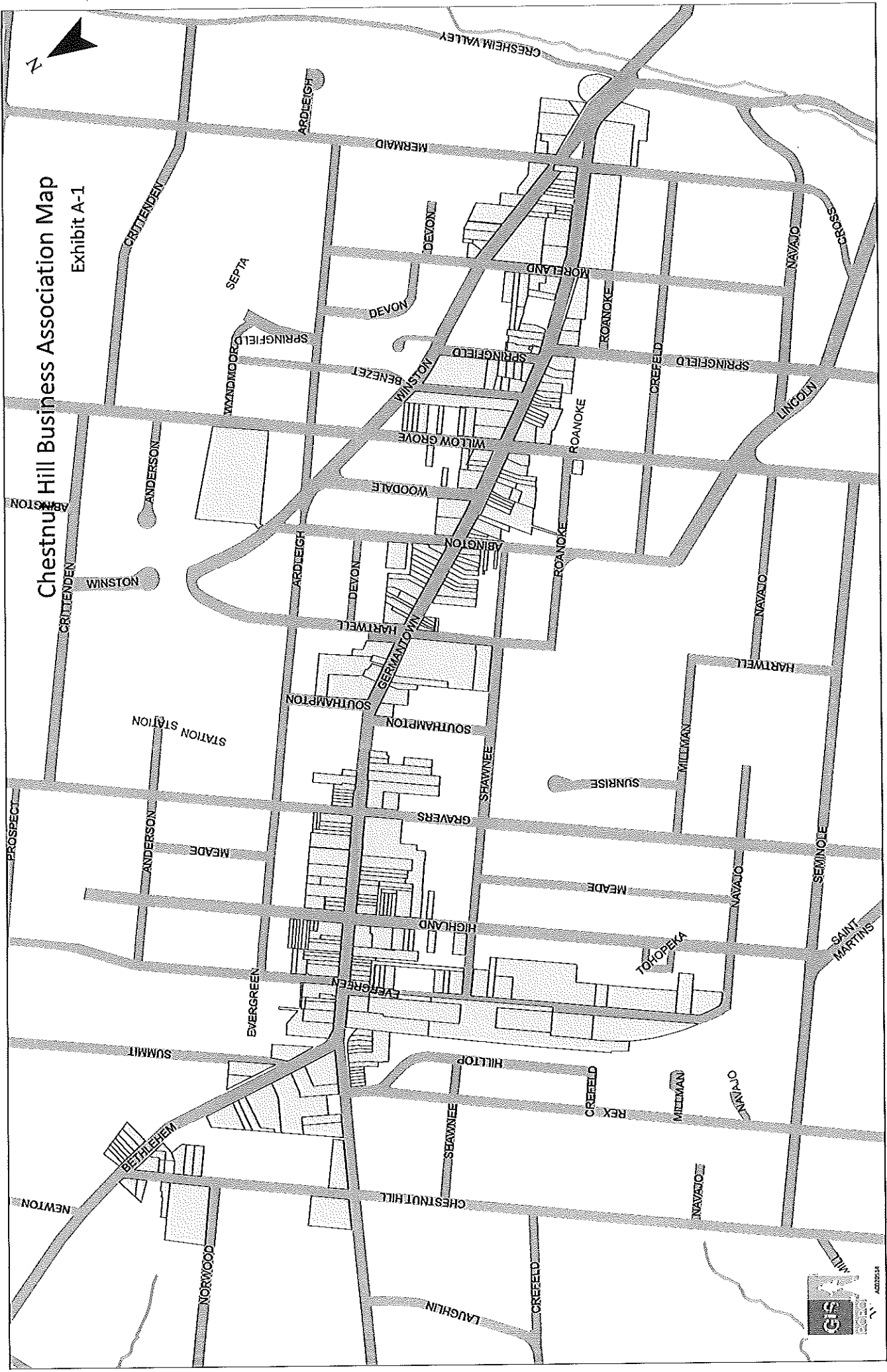


EXHIBIT A-2
List of Properties to be Assessed
Chestnut Hill Improvement District 19118

7640 - 52 Germantown Avenue	7945 Germantown Avenue
7700 Germantown Avenue	8000 Germantown Avenue
7707 Germantown Avenue	8001-07 Germantown Avenue
7709 Germantown Avenue	8002 - 8006 Germantown Avenue
7719 Germantown Avenue	8009 Germantown Avenue
7721 Germantown Avenue	8010 Germantown Avenue
7723 Germantown Avenue	8011 Germantown Ave
7725 Germantown Avenue	8012 Germantown Avenue
7727 Germantown Avenue	8013 Germantown Avenue
7800 Germantown Avenue	8014 Germantown Avenue
7811 Germantown Avenue	8020 Germantown Avenue
7813 Germantown Avenue	8022 Germantown Avenue
7829 Germantown Avenue	8024 Germantown Avenue
7830 Germantown Avenue	8026 Germantown Avenue
7833 Germantown Avenue,	8030 Germantown Avenue
7837 Germantown Avenue	8031 Germantown Avenue
7834 Germantown Avenue (aka 7838 Germantown)	8033 Germantown Avenue
7841 Germantown Avenue	8034 Germantown Avenue
7900 - 7902 Germantown Avenue	8035-39 Germantown Avenue
7904-06 Germantown Ave.	8040 Germantown Avenue
7908-10 Germantown Avenue	8042-44 Germantown Avenue
7916 - 18 Germantown Avenue	8100 Germantown Avenue
7920 Germantown Avenue	8103 Germantown Avenue
7921 Germantown Avenue	8104 Germantown Avenue
7922 Germantown Avenue	8106 Germantown Avenue
7924 Germantown Avenue	8107 Germantown Avenue
7925 Germantown Avenue	8108 Germantown Avenue
7926 Germantown Avenue	8109 Germantown Avenue
7928 Germantown Avenue	8110 Germantown Avenue
7930 Germantown Avenue	8111 Germantown Avenue
7932 Germantown Avenue	
7934 Germantown Avenue	8113 Germantown Avenue
7939 Germantown Avenue	8114 Germantown Avenue
7942 - 7946 Germantown Ave.	8115 Germantown Avenue

8116 Germantown Avenue	8409 Germantown Avenue
8117 Germantown Avenue	8413 Germantown Avenue
8118 Germantown Avenue	8419 Germantown Avenue
8119 Germantown Avenue	8418-24 Germantown Avenue
8121 Germantown Avenue	8425-27 Germantown Avenue
8122 Germantown Avenue	8426 Germantown Avenue
8125-27 Germantown Avenue	8428 Germantown Avenue
8125-27R Germantown Avenue	8429 Germantown Avenue
8126 Germantown Avenue	8430 Germantown Avenue
8129 Germantown Avenue	8432 Germantown Avenue
	8433-35 Germantown Avenue
8131 Germantown Avenue,	8434-36 Germantown Avenue
8133 Germantown Avenue,	8437 Germantown Avenue
8135 Germantown Avenue,	8438 Germantown Avenue
8136 Germantown Avenue,	8439 Germantown Avenue
8137-39 Germantown Avenue	8440 Germantown Avenue
8138 Germantown Avenue	8441 Germantown Avenue
8140 Germantown Avenue	8442 Germantown Avenue
8142-44 Germantown Avenue	8450 Germantown Avenue
8200 Germantown Avenue	8500 - 8510 Germantown Avenue
8201-03 Germantown Avenue	8501 - 8505 Germantown Avenue
8217 -19 Germantown Avenue	8507 Germantown Avenue
8220-22 Germantown Avenue	8511 Germantown Avenue
8224 Germantown Avenue	8512-16 Germantown Avenue
8223-29 Germantown Avenue	8513-15 Germantown Avenue
8226 Germantown Avenue	8517-19 Germantown Avenue
8236 Germantown Ave (aka 8234-38 Germantown Avenue)	8518 Germantown Avenue
8314 Germantown Avenue	8520 Germantown Avenue
8316 Germantown Avenue	8521 Germantown Avenue
8327 Germantown Avenue	8522 Germantown Ave
8328-34 Germantown Avenue	8523 Germantown Avenue
8331 Germantown Avenue	8524-26 Germantown Avenue
8333 Germantown Avenue	8527-29 Germantown Avenue
8335 Germantown Avenue	8528 Germantown Avenue
8337 Germantown Avenue	8530 Germantown Avenue
8339 Germantown Avenue	8532 Germantown Avenue
8341 Germantown Avenue	8600 Germantown Avenue
8400 Germantown Avenue	8601-03 Germantown Avenue
8401-03 Germantown Avenue	8605-07 Germantown Avenue
8405 Germantown Avenue	8608 Germantown Avenue
8407 Germantown Avenue	

8609-11 Germantown Avenue	184-186 E. Evergreen Avenue
8612-14 Germantown Avenue	9 - 23 W. Highland Avenue
8615 Germantown Avenue	14 W. Highland Avenue
8617 Germantown Avenue	14R W. Highland Avenue
8616-18 Germantown Avenue	16 W. Highland Avenue
8620 Germantown Avenue	18 W. Highland Avenue
8622 Germantown Avenue	22R W. Highland Avenue
8623 Germantown Avenue	25 W. Highland Avenue
8623R Germantown Avenue	27 W. Highland Avenue
8624 - 26 Germantown Ave.	30 W. Highland Avenue
8628 Germantown Avenue	35 W. Highland Avenue
8630 Germantown Ave	38 W. Highland Avenue
8632 Germantown Avenue	47-49 W. Highland Avenue
8634 Germantown Avenue	5 E. Highland Avenue
8636 Germantown Avenue	9 East Highland Avenue
8638 Germantown Avenue	13 E. Highland Avenue
8640 Germantown Avenue	12-14 East Highland Avenue
8625-39 Germantown Avenue, (aka 8701 Germantown Ave)	15 E. Highland Avenue
1 Summit Street	17 E. Highland Avenue
10 Bethlehem Pike	2 E. Chestnut Hill Avenue
25 Bethlehem Pike	5 E. Chestnut Hill Avenue
35 Bethlehem Pike	31-37 E. Chestnut Hill Avenue (aka 33 E. Chestnut Hill Avenue)
47-49 Bethlehem Pike	39 E. Chestnut Hill Avenue
57 Bethlehem Pike	43-45 E. Chestnut Hill Avenue
84 Bethlehem Pike	48 E. Chestnut Hill Avenue
86 Bethlehem Pike	116 E. Chestnut Hill Avenue
89 Bethlehem Pike	19 E. Gravers Lane
90 Bethlehem Pike	25 E. Gravers Lane
92 Bethlehem Pike	10 W. Gravers Lane
94-98 Bethlehem Pike	18 W. Southampton Avenue
97 Bethlehem Pike	25 W. Southampton Avenue
101 Bethlehem Pike	2 W. Hartwell Lane
102 Bethlehem Pike	25 W. Hartwell Lane
105 Bethlehem Pike	40 W. Hartwell Lane
9 W. Evergreen Avenue	13 W. Abington Avenue
8-10 W. Evergreen Avenue	19 W. Abington Avenue
14 W. Evergreen Avenue	15 E. Abington Avenue
18 W. Evergreen Avenue	24 Wooddale Avenue
40 W. Evergreen Avenue	25 E. Wooddale Avenue
100 W. Evergreen Avenue	18 W. Willow Grove Avenue
124 W. Evergreen Avenue	31 W. Willow Grove Avenue
125 W. Evergreen (aka 201 W. Evergreen)	219 E. Willow Grove Avenue
200 W. Evergreen Avenue	17 E. Willow Grove Avenue
220 W. Evergreen Avenue	

24 E. Willow Grove Avenue
28 E. Willow Grove Avenue
36 E. Willow Grove Avenue

44 E. Willow Grove Avenue
46 E. Willow Grove Avenue
48 E. Willow Grove Avenue
50 E. Willow Grove Avenue

14 Benezet Street
16 Benezet Street
15 Benezet Street
17 Benezet Street
19 Benezet Street
20 Benezet Street
21 Benezet Street
23 Benezet Street
24 Benezet Street
25 Benezet Street
26 Benezet Street
27 Benezet Street
29 Benezet Street
30 Benezet Street
31 Benezet Street
32 Benezet Street
33 Benezet Street
35 Benezet Street
36 Benezet Street
37 Benezet Street
39 Benezet Street
41 Benezet Street

11 E. Springfield Avenue
13 E. Springfield Avenue
15 E. Springfield Avenue
17 E. Springfield Avenue
25 E. Springfield Avenue

27 E. Springfield Avenue
31 E. Springfield Avenue

33 E. Springfield Avenue
10 E. Moreland Avenue
9 E. Moreland Avenue
17 E. Moreland Avenue
19 E. Moreland Avenue
21 E. Moreland Avenue
7673 Winston Road
7720-22 Winston Road
7724 Winston Road
7727-29 Winston Road
7733 Winston Road
15 E. Mermaid Lane
55 E. Mermaid Lane
57 E. Mermaid Lane

Reauthorization Budget for Chestnut Hill Business Improvement District
Exhibit A-3

	Year 1
Exhibit A-3	
2014 Reauthorization Budget for Chestnut Hill District	
Physical Appearance	
Public Space Cleaner with additional help to be hired as needed	
Maintenance of Holiday Lights	
Continue Street Tree Program	
Maintenance of Flowers	
Further greening of the District	
Strengthen Local Economy	
Encourage positive experience with a strong marketing program	
Develop projects for outreach with local educational and cultural institutions	
Continue Retail Recruitment Program	
Parking, Safety and Security	
Improve pedestrian crosswalks	
repair of Belgian Blocks	
Additional Security Cameras	
Develop program with landlords for sidewalk replacement/repair	
Parking Lot Deferred Maintenance	
Attract state or federal grant money for replacement of street lights	
Administration Personnel	
Percent of Administrative Assistant Salary	
TOTAL ASSESSMENT	\$85,000.00
	\$113,000.00
	\$47,000.00
	\$75,000.00
	\$320,000.00

EXHIBIT A-4
BY-LAWS OF THE CHESTNUT HILL DISTRICT, INC.
Amended July 1, 2009

ARTICLE I - OFFICES; REGISTERED AGENT

The principal office of the Corporation shall be located at such location or locations in Philadelphia, PA as the Board of Directors ("Board") may hereafter designate corresponding section of any future Federal Tax code.

ARTICLE II

SECTION 2.01 - PURPOSES. The Corporation shall:

- (a) Operate a Neighborhood Improvement District (NID) and function as a Neighborhood Improvement District Management Association (NIDMA), as defined by the Neighborhood Improvement District Act, 73 P.S. § 831, *et seq.*
- (b) Formulate, promote and implement the economic revitalization and general welfare of the commercial area of the NID.
- (c) Provide a self-help mechanism by which relevant interests can expand business opportunities and sales, improve property values and enhance the environment for residents, shoppers and visitors;
- (d) Mobilize public and private resources for this purpose.

SECTION 2.02 - TAX CODE. Said Corporation is organized exclusively for charitable, educational, religious or scientific purposes, with 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 (or corresponding section of any future Federal tax code) or (b) by a corporation, contribution to which are deductible under Section 170(c)2 of the Internal Revenue code (or corresponding section of any future Federal tax code).

SECTION 2.03 - 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 Chestnut Hill Garden District Fund, or in its absence, to an organization dedicated to the physical appearance of Chestnut Hill, 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.

SECTION 2.04 - MEMBERSHIP. All owners of assessed properties who are current in their assessment payments and who have paid their City of Philadelphia real estate taxes within the calendar year or who have filed an appeal with the City of Philadelphia shall be members of the corporation. Corporation members may vote for (i) the election of Directors, (ii) the annual budget, and (iii) such other matters as are set forth in these by-laws. Members may also attend Board meetings, serve on the Board and serve on committees. Each member shall be entitled to one (1) vote.

Section 2.05 – MEETINGS OF MEMBERS. The annual meeting of the corporation shall be held each year at a time and place established by the Board. The Secretary shall cause to be mailed, at least thirty days prior to the date thereof, to every member in good standing at his or her last known address a notice stating the time and place of the annual meeting and the matters to be covered at the meeting. Notice of the date, time and place of the annual meeting shall also be published in the *Chestnut Hill Local* at the time of the mailing of such notice. Special meetings of members may be called by the Board at any time and shall be called by the Chairman of the Board upon request of fifty (50) percent of the members. The Secretary shall cause to be mailed, at least thirty days prior to the date thereof, to every member in good standing at his or her last known address a notice stating the time and place of the special meeting and the matters to be covered at the meeting. Notice of the date, time and place of the special meeting shall also be published in the *Chestnut Hill Local* at the time of the mailing of such notice.

A majority of members shall be required for a quorum for any meeting of members. The vote of a majority of members constituting such a quorum at a meeting duly called and constituted shall be sufficient to approve any matter. In the absence of a quorum, the members present by a majority vote and without notice other than by announcement at the meeting may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. Members may attend meetings in person or by duly executed proxy.

ARTICLE III

SECTION 3.01 - BOARD OF DIRECTORS. The Board of Directors shall consist of nine (9) voting members. Two (2) voting members shall be appointed by the Chestnut Hill Business Association, one of whom shall be an assessment-paying property owner and the other shall not own assessed property within the NID boundaries but shall have a lease that extends through the period of his or her proposed two-year term; and one (1) shall be appointed by the Chestnut Hill Parking Foundation, who shall be an assessment-paying property owner. The voting board shall consist of at least two (2) assessment-paying property owners each of whose combined assessed property market values place them among the top

fifteen (15) largest property owners in the BID, and at least two (2) assessment-paying property owners whose combined assessed property market values total less than \$1,000,000, as determined each year by the City of Philadelphia Board of Revision of Taxes. The voting board shall consist of at least two (2) assessment-paying property owners whose properties lie between 7700 and 8200 Germantown Avenue and at least two (2) assessment-paying property owners whose properties lie above 8300 Germantown Avenue.

The board shall also have five (5) non-voting members, including a member of the municipal governing body, the President of the Chestnut Hill Community Association, the President of the Chestnut Hill Garden District Fund, the Executive Director of the Chestnut Hill Business Association, and a representative from the non-profit institutions located within the NID boundaries. The non-voting members do not have to be assessment-paying property owners.

The incorporators shall serve as the Board of Directors until the first organizational meeting of the Board, which organizational meeting shall be held promptly after formation of the NID and approval thereof as required by law. The policies, activities and affairs of the corporation shall be determined by the Board of Directors who shall exercise all of the powers of the Corporation and shall keep full and fair accounts of all its transactions.

SECTION 3.02 - TERM OF OFFICE. The Directors shall be divided into two classes by the Chairman at the organizational meeting, with half of the Directors in the first class and the balance in the second class and not more than one of such members being a person appointed by the Chestnut Hill Business Association. The term of office of the first class shall expire at the next annual meeting of the Corporation after their selection and the term of office of the second shall expire at the second annual meeting. At each annual meeting, Directors, having been nominated by a Nominating Committee of the Board, shall be elected by vote of the membership by secret ballot for terms of two years. In the event of a vacancy, the Executive Committee shall nominate assessment-paying property owners to fill any vacancies, which shall be filled by majority vote of those Board members present and voting.

Each Director may serve a maximum of three (3) consecutive two (2) -year terms. A Director may not serve on the Board again until at least one (1) year has elapsed since the end of his/her last term.

SECTION 3.03 – ELECTION OF DIRECTORS. Directors who are not appointed by an organization as provided in Section 3.01 shall be elected by the membership by secret ballot at an Annual Meeting. Nominees for election as Director shall have been nominated by a Nominating Committee of the Board in accordance with Section 4.03.

SECTION 3.04 -REMOVAL OF DIRECTORS. At any meeting of the Directors, duly called and at which a quorum is present, the Directors may, by a majority vote of the entire Board, remove with or without cause any Director from office and may elect a

successor to serve for the balance of the term of such removed officer. Vacancies occurring in the Board for any reason may be nominated by the Chairman and filled by a vote of a majority of the Directors then in office. A Director elected to fill a vacancy shall be elected to hold office for the unexpired term of his or her predecessor.

SECTION 3.05 – MEETINGS OF THE BOARD. Regular meetings of the Board will be scheduled at the annual meeting by the Board, and no notice of place, day and hour of regularly scheduled meetings need be specially given to any Director. Special meetings of the Board may be called by the Chairman of the Board, or by agreement of any three (3) Directors. Notice of the place, day and time of such special meeting shall be given to each Director at least three (3) days before the meeting, by delivering the same to him/her personally, or by leaving the same at his/her residence or usual place of business, by contacting him/her by telephone, or in the alternative by mailing such notice at least six (6) days before the meeting, postage prepaid, and addressed to him/her at his/her last known address. Any notice of a special meeting shall state the business to be transacted. Meetings of the Board may be conducted by conference call if all “present” can hear and participate.

SECTION 3.06 - QUORUM. Five (5) members of the Board shall constitute a quorum for the transaction of business. Except in cases in which it is by statute, by the Certificate of Incorporation or by the By-Laws otherwise prohibited, the vote of a majority of such quorum at a duly constituted meeting shall be sufficient to pass any measure.

SECTION 3.07 – ANNUAL BUDGET The Board shall have the authority to set the annual assessment rate as part of the budget process. This rate can equal no more than .99% of the assessed value of the property. Upon approval by the Board of a proposed annual budget, a meeting of members shall be called for the purposes of receiving comment on and discussion of the condition of the district, on the need for improved services and the proposed budget. Notice of such meeting shall be given to members as provided in Section 2.05, but there shall be no requirement to satisfy the provisions of Section 2.05 with respect to consideration of the proposed budget so long as such matter is not submitted to a vote of members at such meeting. A budget, including any modification made by the Board following this meeting, shall thereafter be submitted to members for approval at the Annual Meeting. The board will use its best efforts to conduct its operations for the year according to this budget. In the event of the members fail to approve the budget, the Board shall not set an annual assessment rate for such year, but shall instead resubmit a revised budget to members for approval until such time as a budget is approved by members or shall vote to dissolve the Corporation as provided in Section 2.03.

SECTION 3.08 - COMPENSATION. No part of the net earnings of the Corporation shall inure to benefit of, or be distributable to its members, trustees, directors, officers or other private persons, except that of the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of Section 501 (c)3 purposes. No substantial

part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE IV

SECTION 4.01 - COMMITTEES GENERALLY. The Board may provide for standing or special committees with such powers and duties as it deems desirable and may discontinue the same at its pleasure. The members of certain committees shall be assessment-paying property owners, who are members of the Corporation as provided in Section 2.04; shall be appointed by the Board; and the committee chairman named by the Chairman of the Board. From time to time, special committees may be named by the Board to advise it on issues on which additional perspective may be required; public meetings may be held to solicit advice from those concerned about the economic well-being of the District. Except as provided below with respect to the Executive Committee and the Nominating Committee, at least one member of each standing committee or special committee shall be a member of the Board; the remaining members of such committees may, but need not, be members of the Board. Vacancies on any committee shall be filled by the Chairman of the Board.

SECTION 4.02 - EXECUTIVE COMMITTEE. There shall be an Executive Committee consisting of the Chairman, Vice-Chairman, Secretary, Treasurer, Manager, and up to two (2) additional members, if any. The elected members of the Executive Committee shall be elected pursuant to Article V of these by-laws.

SECTION 4.03 – NOMINATING COMMITTEE. There shall be a Nominating Committee, appointed by the Chairman, consisting of at least one voting member of the Board. The purpose of the Nominating Committee shall be to consider and recommend to the Board candidates for election to the Board by members. All persons recommended for election as directors shall meet the qualifications for serving set forth in Section 3.01 and shall have indicated to the Nominating Committee that he or she is willing to serve if elected. The Nominating Committee will make its recommendations to the Board in a timely fashion in order to permit the Board to submit candidates for election to the Board to the members in a timely fashion. No nominations shall be made for Trustees from the floor of the members' meeting.

SECTION 4.04 - COMMITTEE REPORTS. All recommendations by a committee shall be reported to the Board.

SECTION 4.05 - MEETINGS OF COMMITTEES. Each committee shall meet at the call of the chairman of the committee or any two members of the committee.

ARTICLE V

SECTION 5.01 - EXECUTIVE OFFICERS. At the Annual Meeting, the membership shall elect a Chairman of the Board, Vice-Chairman, Secretary and Treasurer from among the Directors to serve for one year terms, and until their successors are elected and qualified. Any vacancy existing in any such office shall be filled by appointment of the Board until the next Annual Meeting.

SECTION 5.02 - CHAIRMAN AND VICE-CHAIRMAN OF THE BOARD. The Chairman (or Vice-Chairman in the absence of the Chairman) of the Board shall preside at all meetings of the Board at which he/she shall be present

The Vice-Chairman of the Board, at the request of the 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 to him/her by the Chairman.

The Chairman shall have general charge and supervision of the activities and affairs of the Corporation. When authorized by the Board, he/she may sign and execute in the name of the Corporation all authorized instruments, except in cases in which the signing and execution thereof shall have been expressly delegated by resolution of the Board to some other officer or agent of the Authority.

SECTION 5.03 - MANAGER. The manager shall be appointed by the Board. He/she shall perform all duties incident to the office of Manager, including supervision of services, maintenance of accounts, notices and such other duties as from time to time may be assigned by the Board. The manager may be removed by the Board with or without cause and, in the event of a vacancy, his or her successor shall be appointed by the Board.

SECTION 5.04 - SECRETARY. The Secretary shall keep the minutes of the meetings of the Board of Trustees in books provided for the purpose. He/she shall see that all notices are duly given in accordance with the provision of the by-laws or as required by law. He/she shall be custodian of the records of the Corporation; see that the corporate seal is affixed to all documents which require said seal and which has been authorized to execute on behalf of the Corporation and when so affixing may attest to same; and, in general, perform all duties as, from time to time, may be assigned by the Board or the Chairman.

SECTION 5.05 - 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. Whenever required, he/she shall provide an account of the financial condition of the Corporation, and, in general, shall perform all duties incident to the office of a treasurer of a Corporation and such other duties as may be assigned to

him/her by the Board or the Chairman. He/she shall make a presentation on the fiscal condition of the Corporation at the Annual Meeting.

SECTION 5.06 - SUBORDINATE OFFICERS. The membership may from time to time elect such subordinate officers as it may deem desirable. Each such officer shall perform such duties as the Board or the Chairman may prescribe.

ARTICLE VI

SECTION 6.01 - 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 Corporation in excess of Five Hundred Dollars (\$500.00) shall be signed by two (2) members of the Executive Committee, who shall be identified as signators, and whose signatures shall be on file with the Corporation's bank. 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 Corporation in amounts less than Five Hundred Dollars (\$500.00) shall be signed by one (1) of the two (2) aforementioned members of the Executive Committee.

SECTION 6.02 - ANNUAL REPORTS. There shall be prepared annually a full and correct statement of the affairs of the Corporation, including a balance sheet and a statement of operations from the preceding year audited and certified by an independent Certified Public Accountant, whose report shall be submitted at a regular meeting of the directors and filed immediately thereafter at the principal office of the Corporation. Such statement shall be prepared by the Chairman or such other executive officer of the Corporation as may be designated by the Board of Directors. This report shall be mailed to all members of the Corporation.

SECTION 6.03 - FISCAL YEAR. The fiscal year of the Corporation shall begin June 1 unless otherwise specified by the Board of Directors by Resolution.

SECTION VII

SECTION 7.01 - SEAL. The Board of Directors shall provide a suitable seal, bearing the name of the Corporation, which shall be in the custody and charge of the Secretary.

SECTION 7.01 - BONDS. The Board of Directors may require any officer, agent or employee of the Corporation to give a bond to the Corporation conditioned upon the faithful discharge of his duties with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

SECTION 7.02 - BONDING. The Corporation shall insure itself for liability of its Officers and Directors and may require bonding where deemed necessary by the Board.

SECTION 7.03 - PERSONAL LIABILITY OF DIRECTORS. A director of this Corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

- (1) the director has breached or failed to perform the duties of his or her office under 15 PA C.S. Section 5101, et seq.; the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

This Section 7.03 shall not limit a director's liability for monetary damages to the extent prohibited by the provisions of the Pennsylvania Nonprofit Corporation Law of 1988.

SECTION 7.04 - AMENDMENTS. A motion to amend, alter, repeal, or enact a new by-law may be introduced, considered and discussed, but not voted on, at any meeting of the Board, provided that at least ten (10) days prior to such meeting a full written statement of the exact language of the motion and the time, place and day of the meeting when the motion will be introduced has been delivered to every member of the Board by any available means such as email, phone call or regular mail. Provided the above said motion is duly seconded, the Chairman of the Board shall fix and announce a subsequent meeting date within a reasonable number of days when the motion shall be brought to a vote. An affirmative vote of a majority of the entire Board shall be required to carry said motion. The procedures and notice of requirements shall apply irrespective of any contrary provisions which may be contained in these by-laws.

SECTION 7.05 - SPECIAL AMENDMENT PROVISIONS. Notwithstanding the provisions of Section 7.04, no amendment or alteration to, or repeal of, Sections 2.04, 2.05, 3.01, 3.02, 3.03, 3.07 and 7.05 of these by-laws shall be effective unless the same is approved as set forth in Section 7.04 and is approved by the members at a duly called and convened meeting.

SECTION VIII

SECTION 8.01 - FINANCIAL REPORTS. The directors of the Corporation shall cause to be prepared an annual financial report which shall be disseminated among all assessment-paying property owners.

Approved:

_____ Secretary

_____ Chair

DATE: _____