

## EXHIBIT A

### PRELIMINARY PLAN FOR THE MAYFAIR BUSINESS IMPROVEMENT DISTRICT (MBID)

#### **INTRODUCTION**

This Preliminary Plan represents the work of Mayfair property owners and businesses within the proposed Service Area; the incorporators of the proposed Neighborhood Improvement District Management Association (Mayfair Business Improvement District, Inc.); members of the Mayfair Business Association; and board members of the Mayfair Community Development Corporation; all of whom have been extensively involved in the development of this Plan, and who now request that the Mayfair Business Improvement District (MBID) as proposed by this Plan, remain established by City Council.

As proposed, the MBID management association has been established as a nonprofit corporation under the Community and Economic Improvement Act, Act of December 21, 1998, P.L. 1307, No. 174 (53 P.S. §18101 *et. seq.*) (“Act”), to manage the District. In accordance with the requirements of the Act, the petitioners hereby propose the Preliminary Plan for the District which includes: the proposed 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 MBID operations, expected to commence January 1, 2021 (Exhibit A-3); and a detailed description of revenue sources for financing all proposed improvements, programs and services. In addition, attached to this Preliminary Plan, but not part of the proposed ordinance are bylaws for the proposed MBID management association (Exhibit A-4).

#### **1. DISTRICT NAME**

The name of the neighborhood improvement district is the Mayfair Business Improvement District.

#### **2. SERVICE AREA**

The Service Area of the Mayfair 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 Frankford Avenue from the north side of Harbison Avenue to south side of Sheffield Street, beginning with 6200 Frankford Avenue and continuing to Sheffield Street. On the west side of Frankford Avenue, the northern terminus property currently carries the address of 7556 Frankford Avenue. On the east side of Frankford Avenue, the Service Area terminates with the property currently carrying the address of 7645 Frankford Avenue).

In addition to Frankford Avenue the Service Area includes:

- The 3500 and 4000 blocks of Cottman Avenue which straddle Frankford Avenue;

- The 3500 block of Ryan Avenue;
- 6316-6326 Sackett Street;
- The 4000 Block of Robbins Street (Frankford Avenue to Charles Street); and
- 3201 Levick Street.

These addresses correspond with the Service Area map, attached as Exhibit A-1. A list of properties proposed to be assessed was compiled with the assistance of the Philadelphia Office of Property Assessment and is attached as Exhibit A-2. This list has been reviewed and accepted by the Incorporators of the MBID management entity acting as an interim Board of the MBID. This list shall be definitive as to whether a property is within the Service Area of the District.

Single unit owner-occupied residential properties, located within the Service Area boundaries, will not be assessed.

### **3. MBID MANAGEMENT**

Mayfair Business Improvement District, Inc., a Pennsylvania registered nonprofit corporation, is designated as the Neighborhood Improvement District Management Association in accordance with the ordinance incorporating this Plan and the Act. As such Mayfair Business Improvement District, Inc. is authorized to exercise all powers granted by the Act, the ordinance authorizing the establishment of the District, the bylaws of Mayfair Business Improvement District, Inc. and those general powers, rights and obligations granted to or placed upon Pennsylvania nonprofit corporations.

### **4. PROGRAM DESCRIPTION**

The Mayfair Business Improvement District, Inc. will undertake four sets of activities as delineated below. Each activity cluster: Programs and Services, Maintenance and Operations, Capital Improvements, and Personnel and Administration will be implemented with the oversight and participation of committees established by the board of the MBID to provide guidance for the proposed work and input as to how these activities will be implemented.

#### **A. Programs and Services**

The MBID will organize and execute services to benefit businesses and commercial property owners within the district. These services may include, but not be limited to:

1. Marketing Assistance for the impacted properties and the businesses operating in those properties.
2. Promoting Mayfair as destination for neighbors and visitors using coordinated messaging about Mayfair and the opportunities for businesses and consumers that are to be found in the District.
3. Identification of data driven marketing opportunities and the implementation of such strategies.
4. Advertising to bring and welcome people to Mayfair businesses.
5. Organizing and promoting special events to brings visitors and neighbors to Mayfair events.

6. Developing and maintaining a website and social media promotions to highlight Mayfair businesses and promote Mayfair
7. Develop business attraction programs to bring new retailers to Mayfair
8. Work with property and businesses owners to upgrade and redevelop property as opportunity arises.

## **B. Maintenance and Operations**

The MBID will organize and execute services to create a clean, safe and inviting business district. These services may include, but not be limited to:

1. District Cleaning: The MBID will manage regularly scheduled sidewalk cleaning program by uniformed cleaning ambassadors to ensure that the District is clean.

In addition, the MBID may undertake the following activities to support the goal of a clean shopping district:

- a) Purchase and manage additional garbage cans for use on streets within the Service Area.
- b) Power-washing of the sidewalks at regular intervals.
- c) Investigate opportunities to improve trash pick-up within the district and coordinate business recycling programs by creating opportunities for businesses to enter into master agreements with waste haulers and centralize the collection of materials where feasible.
- d) Regular referral of issues such as graffiti, improper trash put-out and illegal dumping to the appropriate City agencies to be addressed.

All of the above cleaning activities will be ongoing throughout the life of the proposed BID ordinance. As part of managing this on-going activity the Board with relevant committees and staff will develop metrics to measure the utility of these activities.

2. Public Safety: The MBID will implement programs and services, and work in cooperation with the Philadelphia Police Department to promote public safety within the Districts, activities may include, but will not be limited to:

- a) Installation of security cameras within the district to assist businesses and property owners and provide footage to the Police in the event of a crime.
- b) Meetings and technical assistance sessions with the Police Department to strengthen police/business district relationships and take actions that the MBID and/or property owners and businesses can do to reduce crime and cooperative efforts to reduce chronic problems within the District.

## **C. Capital Expenditures**

The MBID will organize and execute projects to beautify the business district and generally improve the public environment within the district. Projects may include, but not limited to:

1. District banners and wayfinding signage promoting Mayfair
2. Landscaping improvements including planters.
3. Lighting Improvements
4. Matching funds for property owners making building improvements.
5. Public art projects.
6. Design services association with any project.

#### **D. Personnel and Administration**

The MBID shall employ staff to carry out the following MBID responsibilities:

1. Communicate with BID stakeholders, including receiving input on BID stakeholders so as to inform staff and board.
2. Operate BID in a transparent manner.
3. Create opportunities for stakeholders to participate in the governance and operations of the BID.
4. Implement the enabling ordinance and exercise the powers granted the MBID under state statute.
5. Advocacy and coordinative actions with public agencies and elected officials.
6. Fund-raising for BID operations and to bring additional resources to the District.
7. Implement or facilitate the implementation of Programs and Services, Maintenance and Operations and Capital Expenditures portions of this Plan.
8. Represent, coordinate and advocate for the BID with public, private and nonprofit sectors whose actions impact the economic well-being of BID property owners and businesses.
9. Manage all MBID administrative functions including office management, purchasing of needed supplies and equipment.

#### **5. Budget**

The total amount billed by the MBID in Year One will be \$311,718 based on the cost-sharing formula presented below. Revenues are to be equally divided among the four core categories identified in state law with Programs and Services, Maintenance and Operations, Capital Expenditures, and Personnel and Administration each receiving equal allocations, contingent on the precise yield of the assessment formula and actual assessment receipts.

#### **6. SOURCE OF FUNDS**

It is anticipated that all of the activities identified in this Plan will be paid for via the assessment placed on eligible properties within the Service Area of the Mayfair Business

Improvement District. Additionally, the MBID Board is expected to have a strong grant seeking posture to fund activities that enable the BID to achieve its goals more rapidly and more comprehensively. The MBID Board is also authorized to consider contract and entrepreneurial relationships that are of benefit to individual members and the organization as a whole as part of its work in implementing the above programs.

## **7. FISCAL YEAR**

Each fiscal year for the MBID will begin on January 1, starting with January 1, 2021.

## **8. COST-SHARING FORMULA**

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

All taxable commercial properties within the Service Area, as described in Section 2, with the exception of single unit owner-occupied residential properties, shall be subject to the MBID assessment. Properties not assessed are not eligible for membership in the MBID, except as indicated in the MBID bylaws. Neither vacancy nor non-use of a property qualifies a property for assessment exemption under any circumstance.

Any property within the Service Area that is not subject to the MBID assessment and is listed in the District's Property List found in Exhibit A-2, but which at a subsequent date converts to a usage that is subject to MBID assessment shall become subject to that assessment in the next MBID fiscal year. Conversely, any property currently subject to the MBID assessment, which is converted to an exempt purpose, may petition the MBID board to be designated exempt with such exemption to commence with the next MBID fiscal year.

### **B. METHOD OF ASSESSMENT**

1. All assessments will be based on the most up to date assessment data available to the MBID from the City's Office of Property Assessments as of November 1st of the year prior to the commencement of the fiscal year beginning on January 1st. All assessments will be on assessed value without regard to any tax abatements that may be associated with a particular property.

2. Preliminary assessments for each property will be calculated utilizing the property value assessment of such property and multiplying the district's annual budget attributed to assessments (shown as the Total 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 MBID assessment. The result for each property shall be designated the "Preliminary Assessment," which shall be adjusted as provided herein.

3. If the Preliminary Assessment for any real property 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 the services offered by the MBID to all such property owners in this category 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. For any property not covered under paragraph B.2 [properties that are not One Dollar per Day Properties], the Final Assessment for such property shall be computed as follows:

a. Subtract the OPA Market Values of all properties covered under paragraph B.2 from the OPA Market Value of all properties within the district that are subject to the MBID assessment.

b. Divide the OPA Market Value of the property by the result from (a).

c. Multiply the result from (b) by the annual Total Billing Amount for the MBID less the total of all assessments for properties covered under paragraphs B.2 [One Dollar Per Day Assessments]; and

d. The result from (c) is the property’s annual assessment.

### **C. ANNUAL INCREASE**

Following the first year of this plan, the total amount billed by MBID shall increase by 3% annually in order to account for inflation, provided that the board may reduce or eliminate such increase for any year. In no case shall the aggregate amount of all fees levied by the MBID during any year exceed the cost of proposed programs, improvements or services for that year. Funds raised via fund raising, contracts, grants, and other non-assessment sources of income to the MBID shall not be a part of this calculation. The proposed budget for the MBID is included as Exhibit A-3.

### **D. COLLECTIONS/PROPERTY LIENS**

Each assessment authorized pursuant to this ordinance is collectable. In order to encourage timely payment, beginning with the 2021 fiscal year, assesses making full payment of the MBID assessment by January 15, 2021 shall be entitled to a discount of one percent (1%) of the amount due for that fiscal year.

On the first of each month, beginning with April 1 of the year in which the assessment is due and continuing thereafter until the assessment is paid, the MBID 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, a penalty of **\$100 per lien** shall be added to principal and interest to cover costs associated with the filing of the lien. All lien satisfactions must be paid in cash or with certified funds.

## **9. TIME FOR COMPLETION OF ALL PROPOSED IMPROVEMENTS, PROGRAMS AND SERVICES**

All Improvements, programs and services identified in the Plan will commence during the first year of District activity and continue on an ongoing basis throughout the life of the ordinance, until December 31, 2025. Per the MBID bylaws the Board shall prepare and present for member comment an annual activity plan at the MBID Annual Meeting.

## **10. OFFICES OF THE MAYFAIR BUSINESS IMPROVEMENT DISTRICT**

The offices of the MBID are located at 2990 St. Vincent St. 2nd Fl., Philadelphia, PA. 19149. The offices may be relocated at the pleasure of the organization's Board of Directors in accordance with the organization's bylaws and upon notification of the Clerk of the City of Philadelphia.

## **11. SPECIFIC DUTIES AND RESPONSIBILITIES OF THE CITY OF PHILADELPHIA AND THE MAYFAIR BUSINESS IMPROVEMENT DISTRICT, INC. WITH RESPECT TO THE DISTRICT**

- 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. §18108(a)(10).
- B. Mayfair 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, Mayfair 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, Mayfair Business Improvement District, Inc. shall be responsible for collecting all assessment fees levied within the District.

## **12. AGREEMENT WITH THE CITY OF PHILADELPHIA**

A written agreement will be signed by the City and Mayfair Business Improvement District, Inc. containing the following provisions:

- A. The respective duties of the City and Mayfair Business Improvement District, Inc. with respect to the District as set forth in paragraph 11 above;
- B. 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;

- C. A “sunset provision” under which the agreement will expire in approximately five years on December 31, 2025 and not be renewed unless the District is continued beyond that date pursuant to reenactment of the ordinance establishing the District;
- D. Mayfair 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); and
- E. In recognition of the interest of the Philadelphia Land Bank in fostering property redevelopment and re-use of under-utilized properties in the city’s commercial Land Bank is authorized to make available to the MBID, to the extent permitted by law, any interest in real property, acquired by the Land Bank and located within the service area of the MBID.

### **13. OBJECTION PROCESS**

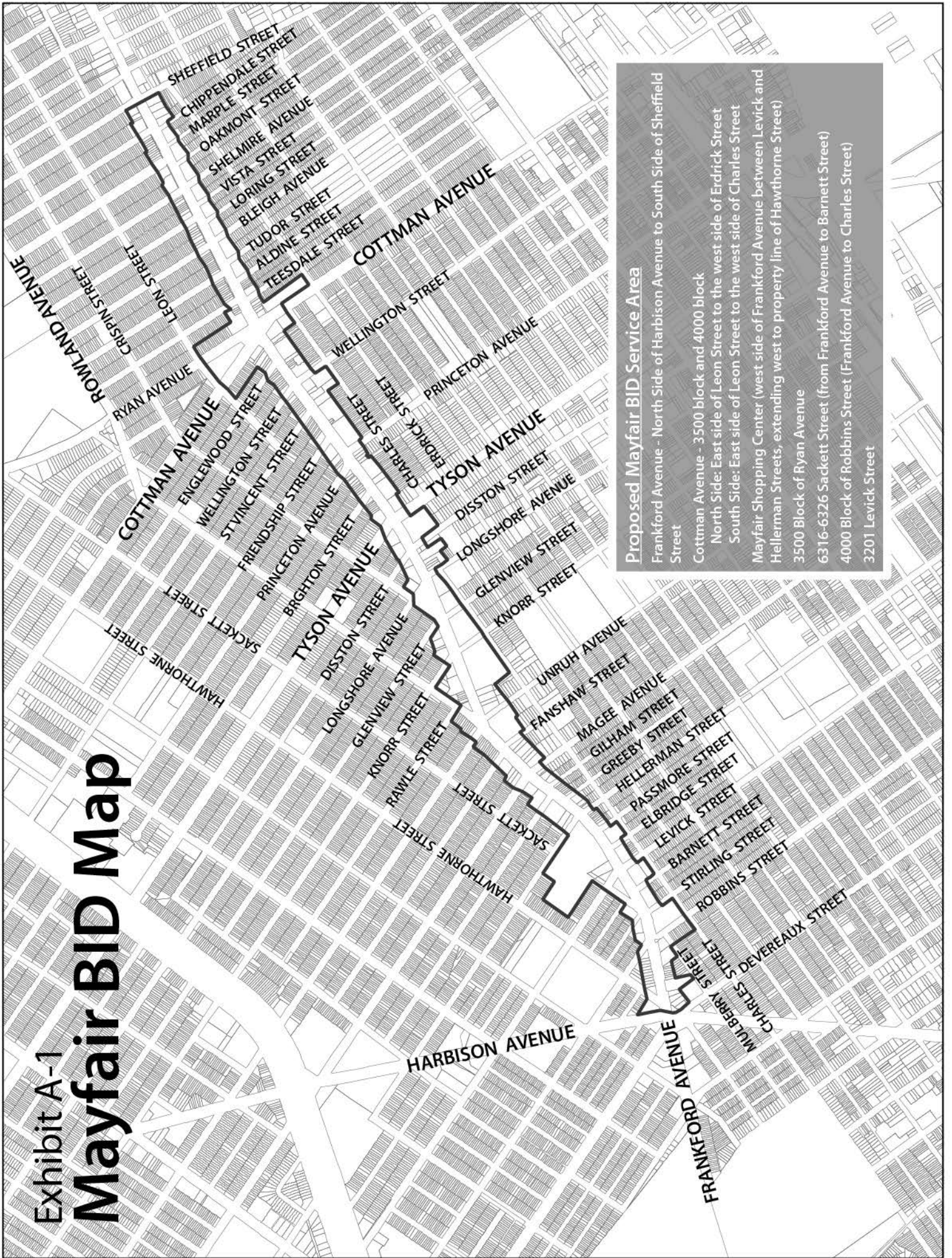
The negative vote of at least one-third (1/3) of the affected property owners within the District, or the negative vote of affected property owners within the District whose property valuation, as assessed for taxable purposes, amounts to at least one-third (1/3) of the total property owned by affected 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.

### **14. BY-LAWS OF THE MAYFAIR BUSINESS IMPROVEMENT DISTRICT**

Copies of the bylaws of the Mayfair Business Improvement District are posted at MBID’s official website or available on request at MBID offices currently located at 2990 St. Vincent St. 2nd Fl., Philadelphia, PA. 19149.



# Exhibit A-1 Mayfair BID Map



## Proposed Mayfair BID Service Area

Frankford Avenue - North Side of Harbison Avenue to South Side of Sheffield Street  
 Cottman Avenue - 3500 block and 4000 block  
 North Side: East side of Leon Street to the west side of Erdrick Street  
 South Side: East side of Leon Street to the west side of Charles Street  
 Mayfair Shopping Center (west side of Frankford Avenue between Levick and Hellerman Streets, extending west to property line of Hawthorne Street)  
 3500 Block of Ryan Avenue  
 6316-6326 Sackett Street (from Frankford Avenue to Barnett Street)  
 4000 Block of Robbins Street (Frankford Avenue to Charles Street)  
 3201 Levick Street

## Exhibit A-2

### Mayfair Business Improvement District Property List

03500	COTTMAN
03502	COTTMAN
03504	COTTMAN
03506	COTTMAN
03508	COTTMAN
03510	COTTMAN
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03518	COTTMAN
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04100	COTTMAN
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04104	COTTMAN
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04108	COTTMAN
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04112	COTTMAN
04130	COTTMAN
06200	FRANKFORD
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06609	FRANKFORD
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06640	FRANKFORD
06642	FRANKFORD
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07625	FRANKFORD
07645	FRANKFORD
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03501	RYAN
03503	RYAN
03505	RYAN
03507	RYAN
03509	RYAN
03511	RYAN
03513	RYAN
03515	RYAN
03517	RYAN
03519	RYAN
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03525	RYAN
03527	RYAN
03529	RYAN
03531	RYAN
03533	RYAN
03535	RYAN
03537	RYAN
03539	RYAN
06316	SACKETT
06318	SACKETT
06320	SACKETT
06322	SACKETT
06324	SACKETT
06326	SACKETT
03201	LEVICK

**Exhibit A-3**  
SEP

**Mayfair Business Improvement District Budget**

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Revenue:</b>					
Total Amount Billed <sup>1</sup>	311,718	321,659	330,534	339,790	349,389
Anticipated Non- Payment <sup>2</sup>	31,143	32,166	33,053	33,979	34,939
Anticipated Prior Year Payments <sup>3</sup>	25,000	25,000	25,000	25,000	25,000
Total Anticipated Collections <sup>4</sup>	305,575	314,493	322,481	330,811	339,450

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Expenses</b>					
Programs and Services	76,394	78,623	80,620	82,703	84,863
Maintenance and Operations	76,394	78,623	80,620	82,703	84,863
Capital Expenditures	76,394	78,623	80,620	82,703	84,863
Personnel and Administration	76,394	78,623	80,620	82,703	84,863
Total Anticipated Expenses <sup>5</sup>	305,575	314,493	322,481	330,811	339,450

Notes to the 5-Year Mayfair Business Improvement District (MBID) Budget:

1. Total assessments from all properties in the MBID boundaries that are subject to the MBID assessment, including an anticipated 3% annual increase in the total amount billed to account for cost increases due to inflation.
2. The percentage of assessments that the MBID does not expect to collect during the billing year. For budget purposes, the MBID will expect an 90% collection rate.
3. The amount of prior year assessment revenue the MBID anticipates collecting in subsequent years.
4. The total anticipated current and prior year assessment revenue for each year.
5. Total anticipated expenditures to manage an efficient Mayfair Business Improvement District. Expense categories are described in Exhibit A-1

## **Exhibit A-4**

### **Bylaws of the Mayfair Business Improvement District**

#### **ARTICLE I GENERAL**

SECTION 1.01: NAME. The name of this entity shall be the Mayfair Business Improvement District (MBID). As permitted under state statute the MBID 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.

#### SECTION 1.02: DEFINITIONS

- a) BOARD. Board means the Board of Directors of the Mayfair Business Improvement District (MBID).
- b) BUSINESS IMPROVEMENT DISTRICT (BID). The designated service area of the MBID.
- c) CORPORATION. The not for profit corporate entity that is the Neighborhood Improvement Management Association.
- d) DISTRICT. As used herein the "District" shall refer to those properties within the service area of the MBID as defined by the ordinance establishing the District.
- e) FEE. Means the assessment charged all member properties to support the work of the MBID.
- f) NEIGHBORHOOD IMPROVEMENT DISTRICT MANAGEMENT ASSOCIATION (NIDMA). As delineated in the municipal ordinance establishing the MBID, the MBID Board of Directors will be the managing entity for the MBID.

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

**(Date)**

SECTION 1.04: SEAL. The MBID seal shall be circular in form and shall have inscribed thereon the name of the MBID and the words, "Corporate Seal---Pennsylvania 2015".

SECTION 1.05: OFFICES; REGISTERED AGENT. The principal and registered office of the MBID shall be 2990 St. Vincent St. 2<sup>nd</sup> Fl., Philadelphia, PA. 19149 or at such a location that the Board of Directors may by resolution hereafter designate.

SECTION 1.06: DISSOLUTION. The MBID may only be dissolved in accordance with the procedures established by the City of Philadelphia and the Commonwealth of Pennsylvania. The MBID may not be dissolved by unilateral action of the Board of the MBID, but the MBID may petition the City of Philadelphia to initiate such action. The Board may also choose to not seek reauthorization of the improvement district when the current ordinance expires. If for any reason the Board comes to believe that it lacks the financial resources to fulfill the Plan approved in ordinance, or believes that the MBID lacks the support among assesseses that is required; consistent with local and state laws,

including the Neighborhood Improvement District Act, the Board shall have the power to make a request to the City government that the MBID be dissolved in an orderly fashion.

## **ARTICLE II PURPOSES**

SECTION 2.01: PURPOSES. The purposes of the Mayfair Business Improvement District (MBID) shall be to:

1. 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 Commonwealth of Pennsylvania Act 174 of 1998 for the service area defined in Philadelphia City ordinance number \_\_\_\_\_.
2. Improve property values and business profitability by fostering an attractive, well-managed business district.
3. Take actions that result in Mayfair being viewed as a desirable place to invest, shop, live and visit.
4. Provide a framework whereby Mayfair businesses and property owners can cooperatively work on matters of common interest.
5. Work with Mayfair civic organizations on matters of common interest and maintain lines of communication with elected officials and government agencies on issues impacting the District.
6. Educate and create educational opportunity for members, businesses, residents and others regarding issues affecting the MBID service area via discussion groups, forums, panels, newsletters and other outreach.

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

## **ARTICLE III Membership**

SECTION 3.01: MEMBERSHIP, DEFINED. Members of the Corporation ("Members") are those property owners whose property is within the District and whose property is being assessed a fee to support the activities of the District. Owners of properties located within the District, but not being assessed a fee ("non-assessed property owners"), shall not be considered as Members.

SECTION 3.02: MEMBERSHIP PARTICIPATION. Members who have not paid their BID assessment fee for the year prior to the Annual Meeting are not eligible to serve on the Board or vote in the election for members of the Board until such time as their assessments have been paid in full.

SECTION 3.03: MEMBERSHIP VOTING. For election of Board members, amending the bylaws and other times when members have an opportunity to vote on District matters, definitive eligibility to vote will be; a) that the person is named as owner of the property as delineated in Philadelphia tax or property ownership records; b) for properties owned by corporate entities the corporation must file a statement prior to voting indicating who will be voting on behalf of the corporate owner. Any person voting the corporation's interest must be someone with a direct interest in the property as owner/co-owner of the property or in the employ of the owner/co-owner. Other proxy representation is not acceptable.

SECTION 3.04: MEMBERSHIP QUORUM. For a duly authorized and properly notified meeting a quorum of members shall be those members in attendance and authorized and designated as eligible voters as defined by these bylaws.

SECTION 3.05: NON-ASSESSED PROPERTY OWNER PARTICIPATION. Property owners, businesses, residents and others not meeting the definition of member shall be eligible to participate in the activities and governance of the MBID as delineated by these bylaws and the municipal enabling ordinance. Non-assessed property owners within the District may become Members by making annual voluntary contributions to the District in the amount equal to the assessment they would have been charged if their property was subject to assessment. Non-assessed property owners within the District and others may be invited to access or participate in activities or programs of the Corporation on a fee-for-service basis, or on such other terms as the Board of Directors shall determine.

SECTION 3.06: BUSINESS AND OTHER PARTICIPATION. Business owners and others not owning property within the District may also participate as Advisory Committee members or members of Board Committees as determined by the Board.

#### **ARTICLE IV GOVERNANCE**

SECTION 4.01: BOARD OF DIRECTORS, TOTAL. In accordance with the decision to organize the MBID under Pennsylvania Act 174 of 1998 the Board of Directors shall consist of nine persons.

SECTION 4.02: BOARD COMPOSITION. The Board will have four classes of membership:

- 1) One Board member selected by the City of Philadelphia in accordance with the procedures established by the City.
- 2) A board member of the Mayfair Community Development Corporation as designated by that board in accordance with its procedures. Such designation shall be made and transmitted to the MBID by resolution of the Mayfair Community Development Corporation.
- 3) A member, representing the ownership of the District property having the greatest assessed value at the beginning of each fiscal year. If the owner or



representative of that property's ownership does not wish to serve, this seat on the Board shall pass to those owning or representing the next most highly assessed property.

- 4) Six persons chosen according to the qualifications and procedures established in these bylaws. Each of these six persons shall meet the definition of member as defined in Section 3.01 of these bylaws at the time of their election and continue to meet this definition throughout their respective terms in office. If at any time during a term in office a Board member can no longer meet this qualification, the Board seat shall be declared vacant and shall be filled by the procedures established in Sections 4.06 and 4.07 of these bylaws.

**SECTION 4.03 SELECTION OF BOARD MEMBERS.** At the Annual Meeting candidates for open board seats shall be elected by the MBID membership via the procedures outlined in these bylaws. Only members in attendance may vote. Votes shall be cast on the basis of one vote per lot (the equivalent of one vote per property tax bill). Each voter shall be entitled to cast one vote per vacancy being filled. Thus if there are four vacant board seats to be filled and six candidates for those seats, a voter may cast a total of up to four votes with not more than one vote being given to any one candidate for a board seat.

**SECTION 4.04: ELECTIONS: TERMS OF OFFICE, GENERAL.** Elections shall be held at the Annual Meeting. Terms shall begin immediately after election. Terms shall be for three years, except those selected for terms to begin in January 2016 so that future boards will be elected on a staggered basis to promote continuity. Barring resignation or dismissal from the Board, members may continue to serve after the third anniversary of their election until such time as a replacement Board member has been chosen.

**SECTION 4.05: ELECTIONS, TERMS OF OFFICE, FIRST ELECTION.** All candidates for the Board at this first election shall run as candidates to serve on Board. At the conclusion of the first election and the identification of six (6) MBID members for Board service, there shall be a drawing of lots among those candidates with two (2) members drawing numbers to serve Board terms of three years; two (2) members drawing numbers to serve two year Board terms; and two (2) members drawing numbers to serve one-year Board terms.

**SECTION 4.06: VACANCY DUE TO FAILURE TO CONTINUE TO MEET ELIGIBILITY REQUIREMENTS.** If during a term of board service a board member fails to continuously maintain the eligibility to serve on the board per Section 3.01 of these bylaws the board member will be automatically removed from the board and the remaining board members will convene to elect a new member to fill his or her position until the next annual meeting.

**SECTION 4.07 REMOVAL OF DIRECTORS, VACANCIES.** At any meeting of the Directors, duly called and at which a quorum is present, the Directors may, by a majority vote of the voting Directors, for cause as indicated in these by-laws vote to suspend any Director from office. The Board may appoint a successor to serve until the next Annual Meeting at which time an election shall be held to fill the seat for the balance of the term, if any.

**SECTION 4.08: RESIGNATION OF A DIRECTOR.** Any Director may resign at any time. In the advent of a resignation, submitted in writing to the Board Secretary, a vacancy

shall be declared. Should a vacancy be declared, the Board, by majority vote, shall appoint a temporary board member who shall serve until the next Annual Meeting at which time an election will be held to elect a member who will serve for the balance of the unexpired term of the resigned board member.

## **ARTICLE V POWERS OF THE BOARD**

SECTION 5.01: POWERS OF THE BOARD. Consistent with state law, municipal ordinance and these bylaws, responsibility for managing the affairs of the MBID shall be exercised by and be under the authority of the Board of Directors. This shall include the power to:

1. Assume all responsibility to exercise those powers granted to the Board under applicable state law, municipal ordinance and these bylaws.
2. Fulfill the requirements of applicable state and local law.
3. Call an Annual Meeting in accordance with these bylaws.
4. Establish permanent and *ad hoc* committees to advise the Board.
5. Provide the Members with other reports on MBID activities from time to time and ensuring that the programs of the MBID are being implemented.
6. Hire and fire senior employees and establish compensation for such employees, and otherwise oversee the performance of employees. The Board may share or delegate the power to hire and fire lesser employees and others with such senior employees as they shall from time-to-time determine.
7. Contract for MBID management services as well as services to advise and/or implement specific program activities.
8. Take such actions as are necessary and convenient to implement the Program identified in the municipal ordinance authorizing current MBID operations.
9. Appoint additional non-voting members of the Board. Non-voting Directors appointed by the Board may serve as committee chairs and participate in all Board discussions. Non-voting members can, but are not required to be members of the MBID. The input of non-voting Directors is in all cases encouraged, and where possible decision-making consensus shall occur between voting and non-voting Directors of the Board. Terms of non-voting directors shall be decided by the Board by policy or at the time of the appointment of the non-voting member.

## **ARTICLE VI MEETINGS**

SECTION 6.01: MEETINGS, ANNUAL. The Board of Directors shall be responsible for convening an Annual Meeting each year. The time and place of this meeting shall be established by the Directors. Best efforts shall be made to call this meeting during the last 45 days of the calendar and fiscal year, or the first 10 days of the new calendar and fiscal year (state law requires that the BID fiscal year commence in January). The Secretary of the Board (or the Secretary's designee) shall cause to be mailed to every Member at the address as it appears on the membership roll book of the Corporation, a notice stating the time and place of the Annual Meeting. Members will be notified of this meeting at least 30 days prior to the meeting.

SECTION 6.02: ANNUAL MEETING AGENDA. The annual meeting shall include the following required agenda items:

1. Election of Board Members to fill forthcoming and/or expired terms.
2. Election of Board Officers, by those persons who will constitute the Board membership for the new or just commenced fiscal and calendar year. The Board may, at its discretion, briefly adjourn the Annual Meeting and caucus to discuss among themselves and the newly elected Board members the election of Board officers.
3. The Chairperson shall report on activities of the previous year and present a work plan for the MBID for the coming year, recognizing that the plan for the year is subject to amendment by the Board during the course of the year. At the conclusion of this report the Board shall solicit comment from the members in attendance and after appropriate discussion the Board may amend the work plan and shall seek a resolution of support from those attending the Annual Meeting for the proposed plan.
4. The Treasurer shall report on the financial condition of the MBID and present a proposed budget for the coming fiscal year. Members shall have the opportunity to ask questions and express opinions regarding the proposed budget at this time. At the conclusion of the hearing the Board of Directors may adopt the proposed budget, with or without amendments, or adopt an interim budget to be used until a permanent budget is adopted.  
In preparation for this report members shall be sent a copy of the proposed budget at least two weeks prior to the Annual Meeting by mail or electronic means.
5. Time for any Member to address the Board on any topic of relevance to the District property owners.
6. A schedule of Regular Meetings for the forthcoming year shall be presented and adopted by the board. Such schedule is also to be posted on the MBID website and emailed to all members
7. The Board of Directors may conduct additional business at the Annual Meeting at its discretion.

SECTION 6.03: MEETINGS, REGULAR. All meetings are open to all Members except when circumstances require confidential discussions. As guidance as to when closed sessions are required the Board shall use as guidelines the PA Open Public Meetings Law and applicable Philadelphia ordinances. The Secretary of the Board shall as soon as practical and appropriate give notice to members the outcomes of closed sessions.

SECTION 6.04: SPECIAL MEETINGS. Special meetings may be called by the Board Chair. The Secretary of the Board shall give notice of each Special board meeting or rescheduled regular meeting at least twenty-four hours prior to the time thereof, indicating the date, time, location and purpose of said meeting. Notice shall constitute mailing, hand-delivering (to the site of the member's District property) or emailing a copy of the notice to all members and posting of such notice prominently at the Office of the MBID.

SECTION 6.05: QUORUM. A majority of the voting Directors of the Board shall constitute a quorum for the transaction of business, except in cases where by statute, ordinance or provision of these bylaws another number is specified. In the absence of a

quorum, the voting Directors 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. No proxies may be accepted. The acts of a majority of the voting Directors present at a meeting at which a quorum is present shall be the acts of the Board.

## **ARTICLE VII OFFICERS AND EMPLOYEES**

SECTION 7.01: EXECUTIVE OFFICERS. By a majority vote of the voting Directors at the Annual Meeting, the Board shall elect, from the Directors, a Chairman of the Board, a Vice-chairman, a Secretary and a Treasurer (the "Officers"). Terms for these offices shall be for one (1) year. Together these officers shall constitute an Executive Committee. The Executive Committee shall have no power to take any action required by law without the approval of the Board. Consistent with furthering openness and transparency, the Executive Committee may meet to plan meetings, take action to call previously unscheduled meetings and direct ministerial tasks to be undertaken by staff.

SECTION 7.02: CHAIRMAN AND VICE-CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at all meetings of the Board at which he/she shall be present. He/she shall have and may exercise such powers as are from time to time assigned by the Board of Directors. The Vice-Chairman of the Board, at the request of the Chairman or in his absence, or during his/her inability to act, shall perform the duties and exercise the functions of the Chairman of the Board, and when so acting shall have the powers of the Chairman of the Board. The Vice-Chairman shall have such other duties as may be assigned by the Chairman. The Chairman shall have general charge and supervision of the activities and affairs of the Authority. When authorized by the Board of Directors, he may sign and execute in the name of the Authority all authorized instruments, except in cases in which the execution thereof expressly requires two signatures or where power to execute an agreement has been delegated by resolution of the Board of Directors to some other officer or agent of the Authority.

SECTION 7.03: SECRETARY. The Secretary shall keep:

- i. The minutes of the meetings of the Board of Directors in books provided for the purpose, including records of all votes.
- ii. A roll book of Members deriving from the tax records of the City of Philadelphia.
- iii. All other resolutions and acts of the Corporation.

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

notes that become the basis for the Board Minutes.

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

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

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

SECTION 7.07: OFFICER RESIGNATION. Any Director may resign as an officer at any time. Resignation as an officer does not trigger resignation as a board member. Upon resignation of an officer the Board, the board shall meet at its convenience to name a replacement officer, but in no event should a replacement officer be named later than the next regularly scheduled board meeting after the meeting where the resignation is received.

SECTION 7.08: REMOVAL OF OFFICERS. Any Officer may be removed from office by majority vote of the voting Directors as a result of absence or other cause as defined by the bylaws. Such Officer shall abstain from the removal vote.

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

## **ARTICLE VIII COMMITTEES**

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

SECTION 8.02: COMMITTEE REPORTS. All recommendations by a committee shall be reported, during a board meeting, to the Board of Directors.

SECTION 8.03: MEETINGS OF COMMITTEES. Each committee shall meet at the call of the chair of that committee, or in the absence of the Chair, the Chair of the full Board.

SECTION 8.04: PARTICIPATION IN COMMITTEES. In selecting members of committees, the Board shall encourage widespread participation among members and others with an interest in the economic well-being of the District including businesses, civic organizations, and persons with special expertise.

SECTION 8.05: STANDING COMMITTEES. The Board shall establish committees around each of the major activity elements of the final adopted BID plan---Capital Improvements, Safety, and Administration, etc. to help plan these activities and advise the Board. The Board will adopt specific charges for each committee and name the members of that committee, who will serve at the discretion of the Board Chair.

SECTION 8.06: NOMINATIONS COMMITTEE. A Nominations Committee will be annually established prior to the Annual Meeting to seek candidates to serve on the Board in anticipation of future vacancies and to manage the ministerial functions of electing board members prior to, and at, the Annual Meeting. In conducting its work the Nominations Committee shall strongly consider non-voting Advisory Directors, who are assessed property owners within the District or representatives thereof, who have performed diligently, for nomination to voting Director.

Notwithstanding the role of the Nominations Committee, any assessed property owner within the District may seek nomination to the Board by notifying the Nominations Committee at least thirty days prior to the Annual Meeting at which a Director is to be elected. Such an unsolicited request shall result in the name being listed on a ballot as a non-endorsed candidate. Write-in candidates shall be permitted and election ballots shall contain ballot area for write-ins.

SECTION 8.07: ETHICS COMMITTEE: Upon organization, the Board shall create an ethics committee with the charge of recommending additional changes to these bylaws concerning ethical behavior and developing disclosure forms and such other declarations to ensure organizational transparency and avoidance of conflicts of interest. In making its report the Committee shall consult with other BIDs and the City Ethics office for recommendations as well as others as the committee may determine. The Committee shall report to the Board within 120 days of its organization. Thereafter, the Board may re-authorize the Ethics Committee when the Board determines that such a Committee would be necessary or useful.

## **ARTICLE IX**

## **FINANCIAL**

SECTION 9.01: FISCAL YEAR. In accordance with state law the fiscal year of the Corporation shall begin on January 1. The annual budget, as approved at the Annual Meeting may be reviewed and revised periodically as deemed necessary by the Board, consistent with state or local law and/or these bylaws.

SECTION 9.02: ANNUAL AUDIT. In accordance with state law within 120 days of the close of the fiscal year the Board shall submit to the PA Department of Community and Economic Development and the Clerk of the City of Philadelphia an annual audit which shall be prepared to reflect a full and correct statement of the affairs of the MBID management corporation. Upon submission to the required state and city offices, the fiscal report shall also be made available electronically or in some other convenient way to all members of the District.

SECTION 9.03: ANNUAL REPORT. In accordance with state law, the Board shall submit a report including financial and programmatic information, a summary of audit findings, to the City Clerk and Clerk of the City Council. This report shall also be transmitted to all members of the BID.

SECTION 9.04: DESIGNATED DEPOSITORIES. Corporate funds shall be deposited in federally insured depositories as the Board of Directors may designate by resolution from time to time. All such shall have a location within the District Service Area.

SECTION 9.05: CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the MBID of One Thousand Dollars (\$1,000.00) or more shall be signed by two (2) Board members or a staff person designated by the Board by resolution and one Board member as designated by the Board by resolution who shall be identified as signatories, and whose signatures shall be on file with the MBID's financial institution. All checks, drafts, or other orders for payment of money, and all notes, bonds, or other evidence of indebtedness issued in the name of the Authority in amounts less than One Thousand Dollars (\$1,000.00) may be signed by staff as designated by the Board by resolution, or one Board Member as designated by the Board by resolution.

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

## **ARTICLE X EXECUTIVE DIRECTOR**

SECTION 10.01: OPERATIONAL ROLE: The Executive Director shall manage the daily operations of the MBID. The Executive Director shall be responsible for coordinating the

implementation of the MBID's policies, programs and such other duties as the Board may require. Compensation for the Executive Director shall be determined by the Board.

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

## **ARTICLE XI CONFLICT OF INTEREST**

SECTION 11.01: STATEMENT OF POLICY. It is essential that the MBID:

1. Encourage the purchase of goods and services from Mayfair providers whenever possible.
2. Encourage the active participation of members.
3. Operate in a manner that is transparent to all members.
4. Comply with all applicable local ordinances and state statutes regarding conflict of interest.

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

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

1. That which is being provided is publicly recognized as an item that the provider makes available to others as part of existing, usual and customary business operations.
2. That where there are other recognized local providers the MBID shall seek quotes, bids, proposals, etc. as is appropriate under city and state regulation from these other providers so as to provide due diligence regarding identification of that provider that best meets the needs of the MBID at that time.
3. That a Member of the Board of Directors shall disclose to the Board any personal interest or potential interest which he or she may have in any matter pending before the Board.



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

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

## **ARTICLE XII LIMITATION OF DIRECTORS' LIABILITY AND INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS**

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

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

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

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

1. Indemnification of Directors and Officers.
  - a) Each indemnitee (as defined below) shall be indemnified and held harmless by the Corporation for all actions taken by that Director or Officer and for all failures to take action (regardless of the date of any such action or failure to take action) to the fullest extent permitted by Pennsylvania law against all expense, liability and loss (including without limitation attorneys' fees, judgments, fines, taxes, penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined below). No indemnification pursuant to this

Article shall be made however, in any case where the act or failure to act giving rise to the claim for indemnification is determined by the court to have constituted willful misconduct or recklessness.

- b) The right to indemnification provided in this Article shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Corporation in advance of the final disposition of the Proceeding to the fullest extent permitted by Pennsylvania law, provided that, if Pennsylvania law continues to require, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advances without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section or otherwise.
- c) Indemnification pursuant to this Article shall continue as to an Indemnitee who has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors and administrators.
- d) For purposes of this Section:
  - i. "Indemnitee" shall mean each Director or Officer of the Corporation who was or is party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding, by reason of the fact that this individual is or was a Director, Officer, Employee, Agent, Partner, or Fiduciary of, or in any other capacity for, another Authority or Corporation, Partnership, Joint Venture, Trust, Employee Benefit Plan, or other enterprise;
  - ii. "Proceeding" shall mean any threatened, pending, or completed action, suit or proceeding (including without limitation an action, suit, or proceeding by or in the right of the Corporation), whether civil, criminal, administrative, or investigative.

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

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

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

the advancement of expenses with respect to any action or failure to act occurring prior to the time of such repeal or amendment.

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

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

### **ARTICLE XIII MISCELLANEOUS**

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

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

The proposed amendment to the bylaws shall be adopted only upon receiving the affirmative vote of three-fifths (60%) of the members present voting, including Directors. A vote may be held at a regular or special meeting of the Board. Notice of the proposed amendment shall be provided to all Members at least ten (10) days prior to such meeting. Such notice shall contain a full written statement of the exact language of the proposed amendment and the time, place and day of the meeting when the amendment will be considered. Notice may be sent electronically or via regular mail to the last known address of the Member.

The procedures and notice requirements in this Section shall apply irrespective of any contrary provisions which may be contained in these bylaws.

### **Article XIV Responsibilities of the Incorporators**

SECTION 14.01 CALLING AND CONVENING OF THE FIRST MEMBERSHIP MEETING. The incorporators shall serve as the board of directors of the MBID until the

first meeting of the membership is called. It shall be the responsibility of the MBID incorporators to call this membership meeting. Best efforts shall be made to schedule this meeting prior to January 31, 2016. The Chairperson of the meeting will be decided among the incorporators in a manner of their choosing.

Prior to the meeting the incorporators will provide all members with written notice of the meeting at least three weeks prior to the meeting. In addition to the time and place of the meeting, the notice shall provide an agenda of other items expected to be brought before the membership, including:

1. Election of the permanent board and the selection of board officers as delineated by these bylaws.
2. Adoption of a budget.
3. Adoption of a date for the next board meeting at which time the board will adopt a schedule for the balance of the fiscal year in accordance with these bylaws.
4. Time for members to address the board.
5. Such other business as the new board may find it necessary to act upon.

SECTION 14.02: OTHER RESPONSIBILITIES. During the period when the MBID is being governed by the incorporators, the incorporators shall:

1. Act as a nominations committee and solicit interest from members in serving on the elected board.
2. Inform the owner, organization and municipal official who are to serve "by right" on the MBID board of incorporator organizational activities and notice of the first membership meeting.
3. Plan for and conduct the elections for board seats.
4. Prepare and send:
  - a) a "newsletter" to all members informing them of the adoption of the BID ordinance, who the incorporators are and such other information as to inform members of what is happening with the organization and to invite participation.
  - b) An assessment notice and assessment bill. The notice should reiterate how the amount of the bill was determined.
  - c) Notice of the membership meeting.
5. Manage the finances of the organization as is necessary and convenient including opening bank accounts, obtaining an employer identification number, paying bills, reaching agreement with a lender or other organization for line of credit to pay organization bills prior to the receipt of FY 2016 BID assessments; contract for interim staff and office space, purchase supplies and equipment; and seek external grants and enter into contracts consistent with the MBID plan where such opportunities require action before the election of board members.

MAYFAIR BUSINESS IMPROVEMENT DISTRICT, Inc.  
ORGANIZATION ACTION OF THE INCORPORATOR

The undersigned, being Incorporators and interim Board of Directors of the MAYFAIR Business Improvement District, Inc., a Pennsylvania non-profit corporation, hereby consent to the following action:

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

Names and Addresses of Incorporators: